An Exploratory Study of Gender, Social Inclusion and Empowerment through Development Groups and Group-Based Organizations in Nepal: Building on the Positive

Report Submitted to the Gender and Social Exclusion Assessment (GSEA) Study
National Planning Commission, The World Bank and DFID Kathmandu

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VERSION 2
November 2004

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The views and findings of this report are those of the authors. Comments and observations on this study are welcome.

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Version 1 of this study was entitled ‘An Exploratory Study of Gender, Social Inclusion and Empowerment in Development Groups: Working from the Positive’ (Draft: August 2004). Version 1 includes discussion of several issues not covered in Version 2, such as why positive outcomes are not well understood, investigated, documented or used in the prevailing mainstream discourse on development in Nepal. Also discussion of the apparent lack of sector wide assessments of the impact of past policies/programmes/projects (including group strategies) on poverty reduction, employment and different forms of social inclusion. Some of our initial findings, though still relevant, are also not repeated in Version 2. These include an understanding of factors that lead to different types of actor behaviour, at all levels. Version 1 is available on request from any of the authors.

In the haste of meeting earlier deadlines we inadvertently left out a section and figure on customary features affecting social inclusion. The figure on this subject is attached here for the interested reader.

March 2005.
### Figure __. Customary Features Affecting Social Inclusion

<table>
<thead>
<tr>
<th>SOCIAL CATEGORY</th>
<th>STATUS</th>
<th>gender</th>
<th>caste &amp; ethnicity</th>
<th>language</th>
<th>religion</th>
<th>age</th>
<th>economic</th>
<th>geo-political</th>
<th>rights-based</th>
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<tbody>
<tr>
<td>POWERFUL, MAINSTREAM, PRIVILEGED, INCLUDED:</td>
<td>Men &amp; boys</td>
<td>Brahmin/Chhetri &amp; some other Indo-Aryan castes + some Janajati ethnic groups</td>
<td>Nepali</td>
<td>Hindu</td>
<td>Adults</td>
<td>Wealth</td>
<td>Parbatiya &amp; Khas (mid-hills people)</td>
<td>Land Owner: Landownership is a prerequisite to citizenship</td>
<td></td>
</tr>
<tr>
<td>VULNERABLE, MARGINALIZED, DISCRIMINATED, UNDERPRIVILEGED, EXCLUDED:</td>
<td>Women &amp; girls</td>
<td>All Dalit occupational castes + some Janajati especially those categorized as Praja</td>
<td>Non-Nepali</td>
<td>Non-Hindu</td>
<td>Children, adolescents, &amp; the elderly</td>
<td>Poverty</td>
<td>Madhesi Terai (southern lowland) people + Bhotiya high mountain, northern border people</td>
<td>Landlessness: ineligible for citizenship &amp; citizen-based rights (traditionally includes Dalits, Praja-Janajati, Sukumbasi, Kamaiya &amp; others)</td>
<td></td>
</tr>
</tbody>
</table>

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**a** The columns are discrete: read down, not across.

**b** Historically, the relative power and privilege of caste and ethnic groups is based on concepts of ritual ‘purity’: high ritual purity is an important precondition for social inclusion. Also note that this entire figure represents a *privileged caste view* of social status, and that many of these distinctions are breaking down among the younger, better educated, more modern generation of Nepalese.

**c** Differences among *Janajatis* include their relative purity as defined in the Muluki Ain (Civil Code) of 1853 (based largely on alcohol consumption combined with whom other castes can take water from and, formerly, with enslavement; see Andras Höfer 2004 [2nd edition of his study of the Muluki Ain (Civil Code) of 1857]).

**d** *Praja* is a special category of disadvantaged (especially landless) Janajati and Dalits to whom late King Birendra gave special attention, but who are still largely regarded as underprivileged and ritually impure, hence remain socially excluded.

**e** *Khas*: of (or closely associated historically with) the privileged royal lineages of Nepal’s western hills.

**f** Landownership is a prerequisite for citizenship, hence the landless are traditionally ineligible for citizen-based rights. Landlessness is based on a combination of (lack of) social privilege and poverty (even women traditionally had no rights of land ownership). *Sukumbasi* ('Squatters') are the landless of any caste or ethnicity, by definition. Poverty, however, can affect persons of *any* person of *any* caste or ethnic group (i.e., poverty is not exclusive). In the past the *Praja-Janajatis*, virtually all *Dalits*, women and *Kamaiyas* (former bonded servants of any caste or ethnic group) were landless, hence without social privilege or power, and lacking citizen-based rights. Some poor people of otherwise privileged (ritually pure) castes may also be landless, but they retain their customary social privilege.
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ACRONYMS

AAN ActionAid Nepal
ABD Asian Development Bank
ACCU Asian Confederation of Credit Unions
ACHR Asian Coalition for Housing Rights
ADB/N Agricultural Development Bank of Nepal
ADC Agricultural Development Council
AI Appreciative Inquiry
AJM M Adivasi Janajati Mahila Manch (Indigenous Ethnic Women’s Forum)
AMIS Agency Managed Irrigation System
ANSAB Asia Network for Sustainable Agriculture and Bioresources
APPSP Agriculture Perspective Plan Support Programme
APROSC Agricultural Projects Service Centre
AREP Agriculture Research and Extension Project
ASEA Agro-Ecosystem Analysis
CBO Community-Based Organization
CCODER Community Development Research Centre
CD Community Development
CDG Community Development Group
CDO Chief District Office/Officer
CEAPRED Centre for Environment and Agricultural Policy Research, Extension and Development
CECI Canadian Centre for International Studies and Cooperation
CERID Research Centre for Educational Innovation and Development (Tribhuvan University)
CF Community Forestry
CFUG Community Forest User Group
CGISP Community Groundwater Irrigation Support Project
CIDA Canadian International Development Agency
CLC Community Learning Centre
CLP Community Literacy Programme
CMC Chairman/Manager Committee
CO Community Organization
CSD Centre for Self-Help
CSRC Community Self-Reliance Centre
CWIN Concerned Centre for Child Workers in Nepal
DACAW Decentralized Action for Children and Women programme (UNICEF)
DADO District Agricultural Development Office/Officer
DANIDA Danish aid agency
DCB District Cooperative Board
DDC District Development Committee
DEF District Extension Fund (APPSP)
DEPROSC Development Project Service Centre
DFO District Forest Office/Officer
DLSO District Livestock Service Office/Officer
DOE Department of Education
DOF Department of Forests
DOFD Directorate of Fisheries Development
<table>
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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>DOLIDAR</td>
<td>Department of local Infrastructure Development and Agricultural Roads</td>
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<tr>
<td>DRSP</td>
<td>District Road Support Programme</td>
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<tr>
<td>ECARDS</td>
<td>Environment, Culture, Agriculture, Research and Development Society</td>
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<tr>
<td>EOC</td>
<td>Emergency Obstetric Care</td>
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<tr>
<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
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<td>FECOFUN</td>
<td>Federation of Community Forest Users, Nepal</td>
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<td>FEDO</td>
<td>Feminist Dalit Organization</td>
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<td>FFS</td>
<td>Farmer Field School</td>
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<td>FFW</td>
<td>Food for Work programme</td>
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<tr>
<td>FINNIDA</td>
<td>Finnish aid agency</td>
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<td>FMIS</td>
<td>Farmer Managed Irrigation Systems</td>
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<td>FMISPT</td>
<td>Farmer Managed Irrigation Systems Promotion Trust</td>
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<td>FUG</td>
<td>Forest User Groups</td>
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<td>GSEA</td>
<td>Gender and Social Exclusion Assessment</td>
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<td>GTZ</td>
<td>German aid agency</td>
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<td>GWE-PRA</td>
<td>Girl and Women's Education Policy Research Activity</td>
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<td>HDI</td>
<td>Human Rights Index</td>
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<tr>
<td>HIL</td>
<td>Health is Life</td>
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<td>HIMAWAN</td>
<td>Himalayan Grassroots Women’s Natural Resource Management Association</td>
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<td>TI</td>
<td>Oslo/Thai Development Institute for Women’s Studies</td>
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<td>HMGN</td>
<td>His Majesty’s Government of Nepal</td>
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<td>IDS</td>
<td>Institute for Development Studies</td>
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<td>ILC</td>
<td>Irrigation Line of Credit</td>
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<tr>
<td>IMP</td>
<td>Irrigation Management Project</td>
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<tr>
<td>INGO</td>
<td>International Non-Governmental Organization</td>
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<td>INSEC</td>
<td>Informal Sector Centre</td>
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<td>IPM</td>
<td>Integrated Pest Management</td>
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<td>ISP</td>
<td>Irrigation Sector Project</td>
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<tr>
<td>KDFGA</td>
<td>Kaski District Fish Growers Association</td>
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<td>KWA</td>
<td>Key Word Approach</td>
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<td>LDO</td>
<td>Local Development Office/Officer</td>
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<td>LFUG</td>
<td>Leasehold Forest User Group</td>
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<td>LGP</td>
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<td>Lif</td>
<td>Local Initiatives Fund (APSP)</td>
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<td>LNGO</td>
<td>Local Non-Governmental Organization</td>
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<td>LSGA</td>
<td>Local Self Governance Act (1998)</td>
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<td>LUMANTI</td>
<td>A Nepalese NGO</td>
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<td>MAN</td>
<td>Microfinance Association of Nepal</td>
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<tr>
<td>MCH</td>
<td>Maternal and Child Health</td>
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<td>MFSC</td>
<td>Ministry of Forest and Soil Conservation</td>
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<td>MLD</td>
<td>Ministry of Local Development</td>
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<td>MMR</td>
<td>Maternal Mortality Ratio</td>
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<td>Ministry of Education and Sports</td>
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<td>Ministry of Health</td>
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<td>Ministry of Housing and Physical Planning</td>
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Through Development Groups and Group-Based Organizations in Nepal

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</tr>
<tr>
<td>MOWR</td>
<td>Ministry of Water Resources</td>
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<td>MP</td>
<td>Member of Parliament</td>
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<td>MS-Nepal</td>
<td>A Nepalese NGO</td>
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<td>NARC</td>
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<td>NEA</td>
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<td>NEFIN</td>
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<td>NEFSCUN</td>
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<td>NESAC</td>
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<td>NFDIN</td>
<td>National Foundation for Development of Indigenous Nationalities</td>
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<td>NMES</td>
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<td>NORAD</td>
<td>Norwegian Aid Agency</td>
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<td>NPC</td>
<td>National Planning Commission</td>
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<td>NRB</td>
<td>Nepal Raatriya Bank (Nepal National Bank)</td>
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<td>NSMP</td>
<td>Nepal Safer Motherhood Project</td>
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<td>NTFP</td>
<td>Non-Timber Forest Products (also known as Alternative Forest Resources, or AFR)</td>
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<td>PACT</td>
<td>(An international NGO)</td>
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<td>PCRW</td>
<td>Production Credit for Rural Women</td>
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<td>PDDP</td>
<td>Participatory District Development Project</td>
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<td>PLA</td>
<td>Participatory Learning and Action</td>
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<td>PRA</td>
<td>Participatory Rural Appraisal</td>
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<td>PRB</td>
<td>Population Reference Bureau</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Programme (i.e., Nepal’s 10th Development Plan, 2002-2007)</td>
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<td>RAP</td>
<td>Rural Access Project</td>
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<td>RASO</td>
<td>Regional Office for South Asia (UNICEF)</td>
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<td>Rural Energy Development Programme</td>
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<td>REFLCET</td>
<td>Regenerated Freirean Literacy through Empowering Community Techniques</td>
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<td>RMO</td>
<td>Risk Management Office (GTZ and DFID)</td>
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<td>RSDC</td>
<td>Rural Sustainable Development Centre</td>
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<td>S&amp;C</td>
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<td>SACCOS</td>
<td>Savings and Credit Cooperative Society</td>
</tr>
<tr>
<td>SAPPROS</td>
<td>A Nepalese NGO</td>
</tr>
<tr>
<td>SCDS</td>
<td>Saraswati Community Development Forum</td>
</tr>
</tbody>
</table>
SC/US  Save the Children, U.S.
SDI  Shack/Slum Dwellers International
SEEPORT  (A Nepalese NGO)
SFCL  Small Farmers Cooperative Ltd.
SFDP  Small Farmer Development Programme
SISP  Second Irrigation Sector Project
SISP  Second Irrigation Sector Project
SLF  Sustainable Livelihood Forum
SM  Safer Motherhood
SNV  Netherlands Aid Agency
SPACE  Society for Participatory and Cultural Education
SPOSH  Nepal Basobas Basti Samrakchan Samaj, Society for Preservation of Shelters and Habitations, Nepal
SSMP  Sustainable Soil Management Project
SSP  Seed Sector Support Project
STC  Save the Children
SWC  Social Welfare Council
SWI  Social Work Institute
TBSSP  Trail Bridge Sub-Sector Project
T&V  Training and Visit
TEWA  (A Nepalese NGO)
TITAN  Association of IPM Trainers
TOT  Training of Trainers
UMN  United Mission to Nepal
UN  United Nations
UNDP  United Nations Development Agency
UNESCO  United Nations Education and Scientific Organization
UNICEF  United Nations Childrens Fund
USAID  U.S. Agency for International Development
VDC  Village Development Committee
WATCH  Women Acting Together for Change
WCS  Women’s Cooperative Society
WDO  Women’s Development Office/Officer
WEEL  Women’s Economic Empowerment and Literacy
WEP  Women’s Empowerment Programme
WHO  World Health Organization
WOCCU  World Council of Credit Unions
WUA  Water User Association (irrigation)
WUC  Water User Committee (irrigation)
Executive Summary

The principle implementation strategy of most development agencies, programmes and projects in Nepal is development groups. This study of groups is part of the broader Gender and Social Exclusion Study (GSEA), sponsored by Nepal’s National Planning Commission, with DFID and the World Bank.

In this report, we examine development groups (‘community organizations’), which have many overlapping functions. The study also examines the formation and functions of higher-level group-based organizations and social movements (e.g., federations, cooperatives, networks, NGOs, and various alliances and coalitions), which provide members of groups with a greater measure of voice and empowerment than micro-level groups alone can provide.

Groups and group-based organizations and movements occur interactively at three levels: micro (VDC, Ward, local community, neighbourhood), meso (districts and development regions) and macro (national and international arenas). The study focuses most closely on issues of gender, social exclusion/inclusion, empowerment and voice, as achieved or affected by development groups and related group-based phenomena at all levels.

The study is at once: exploratory, focuses on positive deviance, and is based on actor and innovations systems analysis.

The data which inform the study come from several sources: (a) an extensive literature review, (b) a set of specially commissioned studies on selected topics, (c) statistical data sets from various agencies and organizations, (d) the authors’ own prior experience, (e) focused field visits, (f) and other interactions including workshops and interviews for the study.

We developed several typologies to help in our analysis: one for Customary and Sponsored Groups, one for the Functions of Groups (e.g., service delivery, common property management, savings and credit, non-formal education, etc.), and another for Higher-Level Group-Based Organizations (federations and coalitions).

The analysis and findings are presented in several forms, beginning with an Introduction and Historical Background (Part I, §1 and §2), followed by a quantitative Analysis of the data sets (Part II, §3), a Descriptive Narrative of group phenomena (Part II, §4), a discussion of Group-Based Organizations and Social Movements (Part III, §5 and §6, respectively), and a compilation of Key Findings and Ways Forward (Part IV, §7). The discussion is supported by a series of 12 Case Studies (Part V), and an extensive list of References Cited and Documents Accessed, including a short list of Key Literature on Selected Topics related to groups. There are 2 annexes: (A) Customary and Sponsored Groups, by Type, and (B) Statistical Data on Selected Group Development Projects and Programmes.

The discussion of Key Findings fall under the following subject headings (Part IV, §7):

1. The necessity for Pro-Active Commitment to Social Inclusion at all levels and in all arenas;
2. Framework of Positive Analysis: Finding, Learning From and Supporting ‘Local Heroes’, at all levels;
3. The Significance of Group-Based Federations and other Higher Level Organizations, and of Group-Based Social Movements;
4. Responsive Donor, Government and NGO Actors;
5. Expansion and Use of Current Databases;
6. Supporting Federation Processes;
7. On Manuals and Guidelines;
8. Reading Materials for Aid Agency Staff;
9. Coordination and Collaboration at the Macro Level;
10. Access to Economic Opportunities, Productive Resources and Viable Markets;
11. Importance of Personal Commitment and Accountability; and
PART I

INTRODUCTION TO DEVELOPMENT GROUPS IN NEPAL

1. INTRODUCTION

'Never doubt that a small group of thoughtful committed citizens can change the world. Indeed, it is the only thing that ever has.' (Margaret Mead)

1.1 THE NEED FOR THIS STUDY

For over two decades, and especially since the establishment of Democracy in 1990, the principle implementation strategy of most development agencies, programmes and projects in Nepal has been group development and group-oriented activities. Groups are a good vehicle for reaching people with services, strengthening resource user groups, mobilizing multi-purpose community development, and encouraging savings and credit for local investment, all of which can, in many instances, contribute to the goals of social inclusion and empowerment of group members. To date, however, there have been few country-wide studies analysing the specific outcomes of group-based development in terms of social inclusion and empowerment of women and other disadvantaged peoples (Dalits, Janajatis, Kamaiyas, Madhesi and the poor of any social category), nor of group-based success or failure in addressing poverty, social inclusion and empowerment.1,2 Comparisons between group-oriented projects and programmes in different sectors do not exist, national data have not been collected nor published determining total numbers of groups by sector, nor of complementarity between groups in different sectors.

In addition to development groups established with social, economic and resource management objectives at the local (micro, village or ‘community’) level, in recent years there have been important developments at higher levels on the growth of group-based organizations such as federations, cooperatives, NGOs, networks and the like. These exist principally to enhance the social and economic positions of group members and to give group members (at all levels) a stronger ‘voice’ in policy and political arenas. Some of these collectivities and coalitions often have international affiliations. The process of higher level institution creating – i.e., ‘federating’ (generic) – and its outcomes in Nepal have received only limited attention by researchers.3 It is an

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1 The study entitled Delivery of Rural Development Services (NPC/SAPPROS/World Bank 2000) is one of the few exceptions to this generalization. It compares agency models of development with various other models involving local groups in combination with agencies and other actors (private sector, NGOs, etc.). Its authors advocate strongly for more group-based development action. The study, however, is limited regarding gender, caste/ethnic and other marginalized people issues, and there is scant reference to processes that might lead to sustained social inclusion and empowerment. In some ways, the NPC study reflects an earlier analysis of farmers groups (Need and Assessment of Farmer’s Groups for Dissemination of Agricultural Technology, by Yadav 1997), where a policy case is presented for switching from government extension staff organizing groups towards moving this function to NGOs. Likewise, the Yadav report does not mention social inclusion or empowerment of disadvantaged peoples. In both studies, poverty is analysed exclusively in relation to economic criteria.

2 Definitions of some key terms and concepts used in this report (others are defined within the text): Social Inclusion – the removal of institutional barriers and the enhancement of incentives to increase the access of diverse individuals and groups to development opportunities; Empowerment – the enhancement of assets and capabilities of diverse individuals and groups to function and to engage, influence and hold accountable the institutions that affect them; Dalit – Artisan castes (formerly called ‘Untouchables’); Janajati (also Adivasi) – Indigenous Peoples (see Part III: §6 for the important distinction between ‘Indigenous Peoples’ and ‘Indigenous Groups’ as used in this report); Kamaiya – former (recently freed) bonded labourers, of many castes and ethnic groups and generally among the very poor; and Madhesi – caste residents of Nepal’s terai lowlands adjacent to India, Hindus and Muslims, generally poor and discriminated in many development initiatives.

3 We use the ‘higher-level organizations’ to mean the wide variety of group-based coalitions and collectivities that have emerged out of the group development phenomenon: e.g., federations, cooperatives, NGOs, networks, and social movements (see Part III: §5). We could have chosen the term ‘federations’-generic(all types), but it is too easily confused with ‘federation’-specific (e.g., FECOFUN, NFIWUAN, etc.).
imported and largely understudied aspect of development processes now taking place in Nepal.\(^4\)

The current study looks at the development group and federation phenomena (in its widest meaning), as an exploratory step towards the documentation of their existence, their numbers and impacts, and factors related to their success (or failure). It is not, however, a comparison of development group strategies \textit{versus} any other strategies for policy implementation and development. We stress the ‘exploratory’ nature of this report because, in fact, the data are neither readily accessible, nor neatly packaged for analysis, nor has it been possible to cover the entire universe of group experience in Nepal in so short a time. A more comprehensive analysis awaits further and much more in-depth research. We see this preliminary exploration of development group phenomena in Nepal as a first step towards much fuller analysis by others in future.\(^5\)

\section*{1.2 THE APPROACH AND LIMITATIONS OF THIS STUDY, AND ANALYTICAL FRAMEWORK}

This is an exploratory study, partly because both the time and resources available were short. The first rule of good research suggests pursuing ‘exploratory work’ before undertaking more expensive, more lengthy and more specialised work, especially when dealing with socially and statistically complex subjects. The more we have worked on this analysis of groups, the more we have realised that in almost all areas of our exploration great care is needed before embarking on further in-depth study or hastily constructed policies and development projects. The danger of forging ahead too quickly beyond an exploration, is to risk (for example) misusing purposive sampling by selecting ‘representative’ villages, districts or regions. Regarding our use of aggregate statistics in the study, given the limitations of the statistical data sets available to us, we agreed with the observation of recent researchers, one of whom has written that in Nepal ‘the quality of information is generally poor. Often information is lacking and where it is available government figures are often questioned’.\(^6\) Another observer writes, frustrated, that in general ‘most local NGOs [have] little written documentation of their programme[s]’.\(^7\) Nor, in the technology-oriented project sectors is there ‘hardly any monitoring of the implementation measures recommended by the IEE or EIA’ (Initial Environmental Assessment, and Environmental Impact Assessment, respectively).\(^8\) These factors (i.e., lack of good data analysis, monitoring or substantive reporting) make studies of the nature of this one difficult at best, and reinforces the ‘exploratory’ nature of our endeavours here.

This is also, largely, a study of positive deviance, where against many odds the goals of inclusion and empowerment are being achieved by some groups and higher-level group-based organizations in Nepal (see the positive examples in Part V: Case Studies). In defence of this approach to the study of groups (and in good anthropological fashion using comparative analysis) a number of previous studies of the positive, from Nepal and elsewhere, come to mind. They include, for example, Messerschmidt’s study of the ‘success’ of a group-based approach to small farmer development in rural Nepal promoting livelihoods enhancements based on a traditional rural handmade paper industry;\(^9\) a study by Yunus examining the success work of local

\(^{4}\) Among the few studies available, see UNICEF 1999 and 2003b, Smith 2004, KC 2001, Britt 2002, and Biggs and Messerschmidt 2004 (these are illustrative, not exhaustive, examples from the literature).

\(^{5}\) This study does not attempt to deal organizational forms in Nepal as alternatives to the prevalent development group strategy (see Ashford and Biggs 1992 for a discussion). Nonetheless, some alternatives to groups have been discussed in the water and energy sector, especially in the long-running debate over choice of technology and strategies for micro-hydropower development (by small community groups) \textit{vs}. the large-scale Arun 3 hydropower development scheme. For discussion, see B.Pandey 1999a,b, and D.R.Pandey 1999 and 2001; see also Wood and Palmer-Jones 1990.

\(^{6}\) Keeling 2001:89.

\(^{7}\) Robinson-Pant 2000:18.

\(^{8}\) Upadhyay 2002:33.

\(^{9}\) Messerschmidt 1988 (a restudy is forthcoming: Biggs and Messerschmidt 2003).
associations of landless people and women in Bangladesh;¹⁰ research by Jain investigating a range of successful large-scale NGOs and government programmes across Asia for the Asian Development Bank;¹¹ and Tendler’s classic study of good governance in Brazil elucidating why and how a range of government programmes in one region led to positive outcomes while in much of the rest of the country there was only widespread corruption, nepotism and project failure.¹² The extensive writings of Krishna et al and Uphoff et al discuss positive ‘success’ situations in development and draw out a number of important lessons.¹³

These examples highlight the steadily growing interest in the study of positive deviance in development. A number of the studies cited describe situations where developers have been creating new ways to address development goals, often against the ‘collective wisdom’ of current generalizations of mainstream development advocacy. (The danger is that collective generalizations often lead to a formulaic ‘one size fits all’ approach to development policy and planning.) All are premised on the idea that local development policy and planning can learn from local processes that have led to positive local development outcomes. Not to do so means that development opportunities are lost. (Of course, we are not saying that development ideas from outside are not possibly useful. The term ‘local’ is used here generically, in the sense of local decision making in any arena, not local in the limited specific sense of ‘village’.)

For a very current example from Nepal, see the hallmark work of CECI (the Canadian Centre for International Studies and Cooperation). In 2001, when a number of positive planned outcomes from projects were noted, along with unexpected but important spill-overs, CECI commissioned a study to investigate the processes that gave rise to them.¹⁴ Many of the finding and lessons learned from that process have subsequently led to the new designs for extending the group based work (for example in the HMGN/ADB/CECI shallow tubewell project), and to the design of a new project (which, among other things, is concerned with promoting cooperatives and other rural linkages between groups).¹⁵

Comparatively, in a 1996 study by Goetz, at IDS, about the ‘local heroes’ encountered while implementing gender-oriented policies in Bangladesh, we learn how leaders of change who arise in many locations are often ignored or often go unnoticed.¹⁶ In the present exploratory study of positive group behaviour we, too, have sought out positive situations to see how ‘local heroes’ at various levels in Nepal are working to effect social inclusion and empowerment.¹⁷

This study also follows partially in the tradition of actor analysis as described and advocated by Norman Long in Battlefields of Knowledge.¹⁸ In the various arenas and at the multiple levels of decision-making in development, all actors are defined and analysis undertaken on social relationships between them. Analysis is not confined to ‘those people out there’, but to specific

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¹⁰ Yunus 1978; also Yunus and Islam 1975 and Yunus and Latifee 1975.
¹¹ Jain 1996.
¹² Tendler 1997.
¹⁶ Goetz 1996.
¹⁷ We have selected a number of illustrative case studies (in Part V of the report). An important issue, however, is whether researchers can find research environments where searching out the positive is encouraged and rewarded. There are many more examples in Nepal, that we have not pursued, considering that our examples are sufficient to make the case. Finding more such positive illustrations of change is not a difficult task. They include, for example, women’s work in the small scale fair trade industry epitomizing corporate social responsibilities in such organizations as Lotus Holdings and fair trade in the carpet and handmade paper industries (for further discussion, see the forthcoming paper by Biggs and Messerschmidt 2003).
analysis of actor relationships, interactions, incentive structures and decision making behaviour, among bureaucrats, donors, NGOs, etc. A considerable new literature is now opening up the ‘black box’ of organisational culture and behaviour and looking inside key institutions. In our study, for example, we have taken note of Long and van der Ploeg’s clear separation of: (1) frameworks for understanding past social relationships, and (2) normative planning frameworks. Here we concentrate on the former type of analysis, one that is used by many researchers.

On the use of models of the second type (an approach often led by economic planners and model builders), we take special note of the very contemporary work on gender and social inclusion by Eyben. After examining in depth the actual processes and ways that the Poverty Reduction Strategy Programme (PRSP) was formulated in Bolivia, Eyben takes a ‘utopian’ approach to desired change, and then, in a speculative way, she describes a path that the government and donors could have taken to implement the Beijing Platform for Action on Gender and Development policy agenda. Another application of a framework for planning purposes is the creation of the country Bennett calls ‘Inequistan’, where she speculates about how policies at the macro level and actions at the micro level can bring about a flattening of the inequity triangle.

The final framework that underpins this study focuses on innovations systems analysis. Innovation systems analysis arises out of the 1988 work of Freeman (and others) on national innovations systems in Japan, where the authors were interested in understanding what led to rapid economic growth in Japan. In recent years this framework has been extended (notably by identifying specific actors in an ethnographic sense) to the analysis of institutional innovation processes in natural resources and rural development. We have taken and extended the innovation systems framework and have directed it towards understanding social processes that are already demonstrating sustained improvements in poverty alleviation, gender relationships, social inclusion and empowerment. Our ‘thick case’ studies in Part V illustrate the decision-making of actors of innovative processes in this context.

1.3 THE NATURE OF THE DATA

The data upon which the current study is based has come from several sources, including: an extensive (but not exhaustive) literature review, a set of specially commissioned studies on selected topics, statistical data sets, the authors’ own prior experience, focused field visits, and specific interactions that took place during the study. Much of the data were collected on a sectoral basis, and by specific projects and programmes, looking especially at the social mobilization aspects and livelihoods impacts of group-oriented development. In preparing the report, we have briefly examined such issues as group effects on employment, incomes and savings, social well being, social services variables, innovation and leadership. Formal data sets have been examined, and other data have been extrapolated from indirect sources, on group-based

20 For some of the earlier literature see Clay and Schaffer, Griffin, Crew and Harrison. There has been a growth of studies on the ethnography of aid. Perhaps the most recent bringing together of this work was a similar at the School of Oriental and Asian Studies in September 2003 (Rossi, 2004)
22 Corner 1999a,b.
23 Bennett 2003.
25 See Hall et al 2001, Biggs and Matsaert 1999 and 2004; see also Bromley 1989 who uses the term ‘institutional transactions’ to examine activities that give rise to ‘changing the rules’ in society.
26 A workshop was held during the study (in July 2004) that gave rise to important new directions for the Nepal Federation of Indigenous Nationalities’s objectives of providing information to members on group-based development projects supposed to be for their benefit, on how to access government and donor programmes and projects, and other factors associated with various Indigenous Peoples’ social movements (see Manandhar 2004; also more in Part III: §6 of this report).
health services delivery,\textsuperscript{27} forest areas management,\textsuperscript{28} functional (non-formal) education,\textsuperscript{29} irrigation systems management,\textsuperscript{30} agricultural enterprise by groups,\textsuperscript{31} and in other sectors, and on group-based organizations at all levels (see Annex B).

Rarely, however, do the available data sets deal with factors of gender-, caste-, or ethnicity-specific social inclusion and empowerment. To this end, we commissioned several studies (unpublished) covering a variety of topics, looking explicitly at inclusion and empowerment issues,\textsuperscript{32} supplemented by our own recent work and experience with group development in selected sectors.\textsuperscript{33}

Increasingly, rights-based initiatives and social movements designed to enhance access to services, inclusion and empowerment, to redress social inequalities and to understand and address poverty, are being pursued through micro level group and meso and macro level group-based organization action. They include the rights of Dalits, Indigenous Peoples, Women, Children, Kamaïya (ex-bonded servants), in relation to (for example) indigenous legal rights, land rights, water rights, women’s rights to health services, rights to education, and resource use rights.\textsuperscript{34} An important finding of the study is the rise of social movements, often rooted in group development experience, through federations representing Dalit, Women, Indigenous Peoples (Janajati) and others.

And, recently, several national, regional and global initiatives have stimulated concern for using group-oriented development to address poverty and social disadvantage. These initiatives include Nepal’s national Poverty Reduction Strategy Paper, the regional SAARC Social Charter, and the global Millennium Development Goals, and the Nepal government’s Poverty Alleviation Fund programme.\textsuperscript{35} These various agreements, programmes and goals highlight various approaches to


\textsuperscript{31} For agriculture, see for example: ANZDEC 2001; APPSP 2004; Bartlett 2002; JRBCON 2001; Neupane 2003; Okali 2001; PPD 2002; Yadav 1997.

\textsuperscript{32} The studies commissioned for this report cover agriculture (Rana 2004), irrigation (Pyakural 2004a), functional (non-formal) education (Maharjan 2004), health (Devkota 2004), the federation process (KC 2004, based on KC 2001 and UNICEF 2003b), sectoral distinctions in group formation (Pyakural 2004b), quantitative analysis (Mahutbang and Subba 2004), legal aspects of local group and higher level organizations (Tamrakar 2004), and Indigenous People (Manandhar 2004). Liesl KC assisted in editing several of the studies.

\textsuperscript{33} The three authors of this report represent a wide range of expertise in many sectors and on many development topics in Nepal, spanning over four decades, including: agriculture; community and family health; conflict and social change; education; gender and marginalized populations (including Indigenous Peoples); local governance; natural resource and watershed management; poverty alleviation; rural development; savings, credit and microfinance; service delivery in rural areas; social mobilization; social movements, urban landless and human settlements; and water and sanitation. The authors have all worked on group-based development initiatives, have been involved in writing manuals for group-based interventions, and have evaluated the outcomes of group-based work.


social inclusion and empowerment and show that economic and social development concerns are increasingly being brought to the forefront by national and international interests in Asia and Nepal. The promotion of these noble goals through development groups seems a self-evident approach, but it is our informed conclusion that at the national level in Nepal the sectoral agencies, project and programmes still tend to look inward at specific activities and outcomes, with little concern in cross-sectoral comparison, analysis and learning, and effective collaboration.

One natural result of the plethora of group-based development activities being pursued nationally is multiple memberships in groups by individuals and the resultant double-counting when any analyses have been conducted. Taking one of the largest group-oriented development schemes in the country, the PDDP/LGP, as an example, many if not most of the thousands of groups in that programme’s data base have multiple cross-linked functions – e.g., community development, savings and credit, health education, literacy, income-generation, resource management, and the like, often combined in individual groups. The same observation holds up when examining the plethora of groups developed for savings and credit and for functional (non-formal) education. Sorting them out is problematic and (as far as we can determine) has not been systematically attempted. (We detect, but cannot rigidly document, what appears to be almost an aversion by some actors to recognize, acknowledge or constructively confront and deal with many of the complexities involved.)

In the present study we attempt to understand group-oriented development and to accomplish something that has not been done yet, as this is an exploratory study. Our focus is on documenting how far we have gotten in understanding several things at once:

(a) numbers of groups nation-wide, by geographic location, sector and function;
(b) the nature of inclusion of disadvantaged people in groups, and how they function;
(c) how empowerment has increased as a result of group-oriented development, by looking particularly at positive case studies of group formation and activities disaggregated by gender, caste and ethnicity;
(d) how, why groups are formed (their functions, or purposes);
(e) to what effect group-based organizations (federations, cooperatives, etc.) and social movements (by marginalized peoples) have impacted on economic standing (livelihoods), empowerment and inclusion (social status); and
(f) briefly documenting how this research project (by interacting with an organization dedicated to further the human rights, livelihoods and social inclusion) has already had an effect on policy processes and development practice.

We seek to determine how these various factors play out against the issues of inclusion and empowerment both generally (i.e., nationally) and specifically for women and other disadvantaged and marginalized peoples.

1.4 THE AUDIENCE FOR THIS REPORT
This study is primarily oriented towards those in Nepal who influence policy processes and development practice in government agencies, the donor community, NGOs and others in the civil society, and socially responsible people in the private sector. The academic sector and

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36 Multiple membership by individuals and family members in groups is not necessarily a good or a bad thing; what we are pointing to here is the ways actors involved in policy and development processes collect and use the data about it.
institutions where social and development studies are taught will also benefit from the study findings. In particular, the staff of organizations like DFID and the World Bank will be interested because they have commissioned the study and wish to use and act upon the findings and suggestions of ways forward. NGOs may be the first audience to benefit from the new understandings, given the time it takes for other, more bureaucratically inclined audiences, to act. The analysis we present here is designed, for example, to support strategic aid development planning where the practical day to day issues of sustainable development and poverty reduction and social inclusion are central concerns.

1.5 A NOTE ON THE STATUS OF THIS REPORT

This report is part of an overall study on gender and social exclusion in Nepal under the overall research programme on GSEA. This part of the study is funded by DFID. It is written as a stand-alone report for those involved in policy and development processes at the current time, and also designed as a contribution to the overall Gender and Social Exclusion study. The original research design was for the work to take place over a 9-month period starting in the autumn of 2003. However, the study was delayed for many months and was only able to start in late spring 2004. At that stage, the design had to be very substantially changed to fit the overall programme as the rest of the GSEA study which was trying to keeping to a tight dead line. Some additional funds were allocated to the project in order to try and buy some of the missing time. There were additional delays in this funding and we again had to replan in order to meet the deadlines of the overall study. It meant that we had about a couple of months working time to conduct the study. This was one of the main reasons why a longer-term research study, with a high degree of interaction with development and policy personnel in different sectors was redesigned as an exploratory study. In the event, ‘buying time’ by getting some others to take on specific commissioned studies only helped in part, and we had to work under extreme pressure and with frequent major disturbances to meet the August deadline (disturbances due mostly to the national conflict). Since then, we have taken the opportunity of more time to revise the report, taking into account certain recommendations from the GSEA project leader, so it better fits as a chapter in the overall GSEA study.

As it turns out now, we realise that the task we undertook was far more ambitious and challenging than anyone envisaged. While all three senior researchers have each worked on development issues in Nepal and South Asia for over 30 years, we did not fully anticipate the full dimensions of the uncharted waters we were entering! Our use of the term ’exploratory’ study, has become even more relevant as we realise that in many areas we have touched upon so little is known about local situations and, in some instances, what is known does not appear to be used.

These were some of the conditions and risks we took on when embarking on this important, challenging and interesting research. We hope this report is useful to people involved in practical, day-to-day work on development, who interested in being effective in influencing policy, planning and implementation processes in Nepal towards reducing poverty, and increasing social inclusion and empowerment.37

37 Note that footnotes have been used extensively in the report to refer to the literature and offer empirical evidence and academic rigor to the our analysis. We were asked specifically to include them. For readers in current policy and development situations, we hope this does not detract from the main text, which is for their use.
2. HISTORICAL ORIGINS OF GROUPS IN NEPAL

'Languages are the basis of geographical names, and languages have their origin in history; and thus it is that geography and language and history are all parts of the whole.'

(S.G. Burrard and H.H. Hayden, 1907)

2.1 INTRODUCTION

The history of local groups in Nepal significantly pre-dates the advent of ‘modern’ Nepal and development group sponsorship by government, donor-funded projects and NGOs (mid-20th Century). Groups of many types and names have been part of both Nepal’s history of self-help and development for decades. In recent years most development strategies in Nepal have focused on the formation of community groups of many types. The development group phenomenon (and the history, language and geography it reflects) is, therefore, an essential part of understanding group-based development policy and implementation in Nepal.

Customary (Indigenous and Traditional) groups are old and well-established phenomena. They began with a variety of community service-oriented, voluntary, informal organizations typically based on neighbourhood or temple membership, frequently reflecting shared ethnic or caste identities and kinship. Many of them had a religious basis, sanctioned by Hindu or Buddhist prescriptions of social service to others. Inclusion was not an overt criteria; these early historical groups were largely exclusive – formed, that is, exclusively along specific caste, ethnic, clan or religious membership lines, and ignoring social equity concerns of Women, Dalits, or Ethnic Groups (Janajatis).

Throughout rural and urban Nepal, there are myriad examples of Traditional civic associations for mutual assistance. Virtually all of them fit the definition of ‘civic service’ as an organized and substantial engagement and contribution to the community, recognized and valued by society, with n (or minimal) monetary compensation to the participants. Some are quite old (Traditional), as permanent organizations lasting many generations. Some are Ephemeral, constituted during crises or seasonal activities; a few may be Occasional (celebrating a one-off event) or Temporary (see Figure 2-1). Some have become, over time, broadly national in scope, but the vast majority remain highly localized, focused at the local neighbourhood/community level. It is our observation that following the rapid increase of more recent group formation sponsored by development agencies, NGOs and projects, that the number of Indigenous groups is perceptibly declining, while the number of other Sponsored and Traditional groups (old and new) is rising.

We classify groups into two basic categories (Annex A): (1) Customary Groups are pre-existing groups including both ‘Indigenous’ and ‘Traditional’ types and (2) Sponsored Groups are contemporary development groups promoted or supported by state agencies, NGOs and others (see Annex A, and Figure 2-1).

2.2 CUSTOMARY GROUPS

A well established definition of ‘Indigenous’ Groups (not to be confused with ‘Indigenous Peoples’; see Part III: §6) is of small, local organizations based around an activity or socio-cultural system initiated from within a local community (by insiders), identified as locally-originated and locally ‘owned’. By comparison, ‘Traditional’ Groups imply well established and locally accepted, usually with some degree of antiquity, hence ‘old’ and locally ‘owned’ in the eyes of the beholder, but whose origins are obscure or irrelevant to the group members.

38 Shrestha 1999.
39 See §6 for clarification of the fundamental difference between ‘Indigenous Groups’ (as used here) and ‘Indigenous Peoples’.
40 Adapted from Sherraden 2001: 2, Sherraden, Moore and Cho 2002; see also Yadama and Messerschmidt 2004.
41 After Fisher 1991.
2.3 SPONSORED GROUPS

A ‘Sponsored’ Group is one mobilized or organized and supported (at least at its inception) by a government agency (with or without donor assistance), a project or programme, or by an NGO. Contemporary ‘Sponsored’ Groups are sometimes innovatively based on historical Customary Groups. Others have been developed in a more intrusive fashion, ignoring tradition and custom. Over time, some Sponsored Groups have become well-ingrained in a community, and thus become thought of as ‘Traditional’ – i.e., ‘locally owned’ (Figure 2-2).

In Annex A, we have arbitrarily categorized Customary and Sponsored Groups as follows, each category is sub-divided into sub-categories (some of which are only relevant to one or the other type):

1. Natural Resource Management Groups
2. Agricultural, Horticulture, Livestock and Fisheries Management Groups
3. Savings and Credit, Micro-Credit, MicroFinance Management Groups
4. Education Management and Human Resource Development Groups
5. Community Multi-Purpose and Support Groups
6. Health, People at Risk and Emergency Management Groups
7. Dispute, Conflict Management and Human Rights Advocacy Groups
8. Children and Youth Affairs Groups
9. Infrastructure Development and Management Groups
10. Enterprise and Income Generation Groups
11. Other/Miscellaneous Groups.

Figure 2.1 Typology of Groups

<table>
<thead>
<tr>
<th>CUSTOMARY</th>
<th>SPONSORED</th>
</tr>
</thead>
<tbody>
<tr>
<td>CULTURALLY-EMBEDDED</td>
<td>OUTSIDER-INITIATED</td>
</tr>
<tr>
<td>1. INDIGENOUS</td>
<td>3. INNOVATIVE</td>
</tr>
<tr>
<td>INITIATED FROM WITHIN – EITHER: ‘OLD’ (ESTABLISHED IN THE PAST), OR ‘NEW’ (IN RESPONSE TO CONTEMPORARY EXCLUSION OR THREAT).</td>
<td>CREATIVELY BASED UPON PRE-EXISTING CUSTOM, CULTURAL PATTERN OR PRACTICE.</td>
</tr>
<tr>
<td>2. TRADITIONAL</td>
<td>4. Intrusive</td>
</tr>
<tr>
<td>LOCALLY-OWNED AND ‘OLD’ BUT WITH NO EXISTING MEMORY OF ORIGIN.</td>
<td>Interventionist, of outside origin.</td>
</tr>
</tbody>
</table>

NOTES:
1. Each type (Customary or Sponsored) can be Ephemeral or Temporary, and Sustained or Sustainable. Some reflect activities that are Periodic (seasonal) or Occasional (one-off events).
2. There is a tenuous linkage between Customary and Sponsored groups (indicated by the dotted line). That is:
   (a) a Customary group may serve as the basis for a Sponsored Innovation or Intervention (e.g. forest or irrigation groups that incorporate pre-existing customary practices), and
   (b) a Sponsored activity may be perceived as Traditional as it becomes commonplace and well-ingrained in local life and as the memory of its origins blurs over time.
3. The difference between #3 & 4 is a matter of degree: ‘Innovative’ sponsorship may include some intrusive elements but is basically rooted in Indigenous or Traditional practice, while ‘Intrusive’ sponsorship is something typically imposed from outside with little or no reference to pre-existing custom or practice. (While we place no value judgment on these terms, it is obvious that innovative development is more likely to be solidly founded on familiar and acceptable local custom and practice, and existing social systems, while intrusive development may operate in ignorance of local values and norms; thus their relative success or failure as development initiatives under these two modalities may vary.)
The first modern Sponsored Groups\(^42\) were mobilized during the Panchayat Development Era (1963-90) under the auspices of state agencies, donor-assisted projects and a few early NGOs. Sponsored group development became especially prominent following the opening up of Nepal’s vibrant Civil Society following the restoration of Democracy in 1990. Over the course of these four decades (1960s onwards) several trends appear to have emerged. See Figure 2-2 (following page), and note the following:

- Sponsored groups becoming increasingly popular (steeply ascending line to point B).
- Simultaneously, some Customary groups are considered well entrenched and relatively ‘old’ (i.e., ‘Traditional’) and some Sponsored Groups are ‘becoming traditional’ through a process of acceptance and local ownership (with loss of memory of their origins) (the ascending line to point C).
- At the same time, there is a perceptible decline in the importance of Indigenous groups (descending line to point D), as Sponsored groups become dominant in development.\(^43\)
- And, finally, at the top of the figure, higher-level group-based organizations (federations, cooperatives, networks, social movements, etc.) are steadily increasing (the ascending line to point A), primarily as group members develop mechanisms to increase effective voice in the policy arena.

\(^42\) For an early analysis of groups in Nepal, see Shrestha 1999.

\(^43\) Their decline is not measurable in any strict sense, but is coming about due to the current popularity of Sponsored Groups and apparent less involvement of locally and exclusively Indigenous Group activity. It must be noted, however, that there is a growing number of national Indigenous Group/Social Movements among Janajatis. This has led to the sustainability of many ‘old’ Indigenous Groups and the creation of new ones established to counter exclusion or perceived threat, which derives from exclusions perceived in some development interventions (see Part III: §6). See Part V: Case Study No. 5, where amongst poorer and marginalized groups the ‘development’ project is seen to be perpetuating social exclusion.
An Exploratory Study of Gender, Social Inclusion and Empowerment
Through Development Groups and Group-Based Organizations in Nepal

Figure 2-2. Rise (and Decline) of Groups and Group-Based Organizations Over Time, by Type (Impressions Based Upon Group Data Analysis)

Timeline:
- Pre-1963: Traditional Nepal
- 1963-1990: Panchayat Era
- Since 1990: Democracy (& Conflict) Era
- Now

Key:
- A. Indigenous Groups: Initiated within a local community by insiders; locally 'owned', 'customary'. There is a perceptible decline in Indigenous Groups, especially after the Panchayat Era (1963-90) and during the current Democracy Era (1990 onwards), commensurate with the rise in the number of Sponsored Groups.
- B. Traditional Groups: Implying some degree of antiquity, something 'old', although its precise origin in the past may not be remembered. Over time Sponsored Groups may 'become traditional' in the sense that they become well accepted and deeply enough ingrained in the society to be considered 'locally owned' (when their original sponsorship is forgotten or irrelevant). Historically, Traditional Groups remain fairly steady or rising.
- C. Sponsored Groups: Initiated within the host community by development projects or programmes, government agencies, NGOs or other outsiders.
- D. Organizations: With the rise of civil society since 1990, the number of group-based organizations (e.g., federations, cooperatives, local NGOs, informal networks, trusts, social movements, etc.) has also risen and continues to do so.

Note that in addition to these processes, some groups form independently or spontaneously out of Sponsored Groups. Such groups may be 'spin-offs' from previously established Customary groups or are independently inspired. There are many such groups in Nepal.
PART II
DATA AND ANALYSIS OF GROUPS

3. QUANTITATIVE OVERVIEW OF GROUPS IN NEPAL

‘Rule 1. Nothing exists until it is measured.’ (Niels Bohr, 1930)

3.1 INTRODUCTION

To date, no study has tried to enumerate the number of groups functioning or operating in Nepal. In our work, we have taken two approaches. First, we have tried to come up with a very broad, crude estimate of total number of local level groups in the country. We recognize that this is an impossible job to do well; however, we present it so as to give some sense of overall perspective and magnitude of the development group phenomena in Nepal. Second, we have contacted agencies and organizations to try to see if data on the number of groups, gender, ethnicity and social inclusion exist. With the data we have collected, we have been able to carry out some cautious statistical exercises.

3.2 PRELIMINARY ESTIMATES OF MICRO-LEVEL GROUPS

To get an estimate of the total number of groups, we gathered data from many sources, including:

1. empirical (and comparable) digital data sets from different government and donor sponsored agencies,
2. secondary sources (published and unpublished),
3. formal and informal interactions with personnel directly or indirectly linked with various programmes and projects, and
4. the authors’ own observations and analyses made during many field visits in numerous districts as part of past and ongoing professional engagements in Nepal for many years.

Our preliminary estimate of an overall number of groups comes out of data from various programmes and projects in nine major sectors. In many instances, the number of groups varies annually, depending on the programme. In other instances, groups dissolve and disappear after the termination of outside support and assistance. In many cases groups continue to be active, and some go on to continue independently after programmes or projects are terminated.

We have come up with a crude (and probably under) estimate of nearly 400,000 micro-level (village level) groups. The preliminary estimate is shown on Table 3-1, with a detailed breakdown by programmes and projects by sector given in Table 3-2 at the end of this section. In addition, we have been able to collect more reliable data on groups in 17 development sectors/programmes; see Annex B at the end of the study. First, however, we will discuss the crude preliminary overall estimates.

3.2.1 Overall National Number of Groups

In Table 3-1, we provide data on nine major sectors including multi-functional community development activities as one sector; the other eight are: community forestry, agriculture, community and ground water irrigation, water supply and sanitation, infrastructure, non-formal education and savings and credit.

44 Trying to estimate the total number of groups at a given moment in time carries with it all the normal and daunting problems (noted in a massive literature) associated (for example) with estimating the number of many small and medium sized businesses and micro-finance units (for example, see Mead and Liedholm 1998).
Table 3-1. Overall Preliminary Estimate of Micro-Level Groups, Sectoral and Other (2004)\(^{45}\)

<table>
<thead>
<tr>
<th>1.</th>
<th>Savings and Credit</th>
<th>208,054</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Agriculture</td>
<td>76,963</td>
</tr>
<tr>
<td>3.</td>
<td>Non-Formal Education</td>
<td>40,994</td>
</tr>
<tr>
<td>4.</td>
<td>Irrigation</td>
<td>26,487</td>
</tr>
<tr>
<td>5.</td>
<td>Natural Resource Management</td>
<td>15,685</td>
</tr>
<tr>
<td>6.</td>
<td>Multi-functional Groups</td>
<td>12,150</td>
</tr>
<tr>
<td>7.</td>
<td>Other NGOs</td>
<td>5,625</td>
</tr>
<tr>
<td>8.</td>
<td>Infrastructure</td>
<td>5,331</td>
</tr>
<tr>
<td>9.</td>
<td>Health</td>
<td>2,814</td>
</tr>
<tr>
<td>10.</td>
<td>Drinking Water Supply</td>
<td>2,363</td>
</tr>
<tr>
<td><strong>Total National Estimate:</strong></td>
<td><strong>396,466</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.2.2 Brief Discussion of Group Types by Sector

Note that we are discussing both sectoral groups (agriculture, irrigation, etc.) and ‘other’ multi-sectoral groups (multi-functional and other NGO-based groups). NGO-based groups are found in all sectors. We discuss each sector including them, with a residual category of ‘other NGO’ based groups, as well. The nature of the data available for estimating number of groups is problematic; i.e., often scattered, not easily comparable, missing or otherwise unavailable. For some of our estimations, we have also included data gleaned through personal contacts with knowledgeable individuals in the sector programmes and projects, and associated with the Nepal Federation of Indigenous Nationalities (NEFIN) and other sources on Dalits, etc.

Note also that further discussion of many of these group types is found in §4, below.

(1) Savings and Credit sector groups. Obviously, the approach, group size and constellation of male/female members each vary with the nature of the project or programme. Taking the immensely popular Savings and Credit (S&C) programme as an example, we note that they are founded on several different models. The first model applied in Nepal came in the mid-1970s with the Small Farmer Development Programme (SFDP),\(^{46}\) followed by the popular PCRW model in the 1980s.\(^{47}\) There are now over 20 different models of S&C programmes reaching rural communities nationwide with various micro-credit, village banking and savings and loan (S&C) schemes (for details, see Table 3-2 at the end of this section). The smallest S&C groups are associated with the Grameen Bank model (5 members per group); the largest are with the Women’s Cooperative Society (WCS) Bank (2,000 members). There are a few rules about group size (in cooperative societies, and CFUG regulations, for example), but by and large they are not well followed and the number of members tends to vary widely, though 20-25 members seems, on average, to be a typical and perhaps optimal number.

Thus, with virtually all group types listed on Table 3-1, both group size and gender composition vary considerably. Some groups are small (a few dozen members), some are large (a few

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\(^{45}\) The figures on Table 3-1 come from multiple sources. Besides those from projects and programmes in the sectors indicated, the NGO group figures are derived from Social Welfare Council registration records, and the Savings and Credit group figures include groups from the nationwide Participatory District Development Programme on local governance, as well as from the national Production Credit for Rural Women (PCRW) programme, the Women’s Empowerment Programme, the popular Ama Samuha (Mothers’) groups, and others.

\(^{46}\) For an overview of SFDP, see Messerschmidt 1988 (with bibliography).

\(^{47}\) On PCRW see UNICEF 1981.
hundred); some are mixed male/female, others have largely female membership (especially S&C). There is no one rule about either group size or gender involvement.

The formation of groups through mobilization of savings is a key point of entry for a great many projects. The use of S&C as a prerequisite function of group development strategies, along with the sense of discipline involved and the ready benefits available to members (e.g., access to small loans for investment) has made S&C the single most popular type of group in the country. We have not tried to estimate the total savings in rupees, but from a macro-economic perspective this group-based S&C activity is providing at the micro level very significant amounts of credit for production/investment, consumption and risk insurance purposes.

(2) Agriculture sector groups. Sponsored groups of farmers (through DADO), livestock (DLSO), vegetable production (CEAPRED, RRN, and various NGOs), soil management (SSMP), seed production (SSP), and others (e.g., WDO activities), fall under the Agriculture sector. Group sizes are, like elsewhere, not firmly fixed. Our estimate of nearly 77,000 Agriculture sector groups may, however, be a gross under estimation, since we know that there are innumerable traditional parma groups for labour exchange throughout the nation that are not included here.48 A next step in the process of filling out our exploratory framework would be to incorporate these sorts of historically Traditional Groups more formally into the statistics.

(3) Non-Formal Education sector groups. The non-formal education (NFE) sector conducts literacy and functional education programmes largely with women’s groups. It is the third largest set of groups on Table 3-1, with almost 47,000 groups. NFE groups were first introduced in Nepal in the 1950s, in some of the earliest donor-supported development programmes. Thus, for over half a century, many thousands of NFE groups have been formed and regularly dissolved, given their largely ephemeral nature; e.g., nine-month basic literacy programmes.

Over the years, NFE courses have been modified from basic literacy to the ‘keyword’ approach to participatory and empowerment literacy (following a Frierean model) that has engaged many national and international NGOs. There are NFE programmes headed by District Education Offices (DEOs) in (presumably) every district of the country, as well as widely spread programmes supported by the NGOs such as SPACE, World Education, PACT and the Community Literacy Programme (CLP), and in the Child Clubs supported by UNICEF.49

(4) Irrigation sector groups. The irrigation sector is dominated by surface water irrigation groups. The 987 WUAs registered with the DOI is almost certainly an underestimate, as NFIWUAN lists 2,139 WUAs nationwide. Given the number of rivers in Nepal, it has been estimated that there are roughly a further 18,000 WUAs not registered. In addition to the surface WUAs there are user groups for deep tubewells, roughly 1,032 deep tubewell groups under the Community Groundwater Project (CGWP), and another 6,500 shallow tubewell groups under different agencies.50 Most large irrigation projects are assisted by major donors under the DOI.

Non donor- or agency-sponsored Farmer Managed Irrigation Systems (FMIS) provide some of the best examples of good group practice in community property resource management in the country, and have a long history. There is very little analysis, however, of gender, social inclusion and empowerment. External donor-sponsored irrigation programmes have increased the area covered (in the Terai), and have learned valuable lessons from the successful examples of pre-existing Traditional Groups.

(5) Natural Resource Management sector groups. The nearly 16,000 NRM groups are counted, largely, from the forestry sector, with over 13,000 community forest user groups (CFUGs) noted.

48 For an ethnographic description of traditional parma-type labour exchange groups, see Messerschmidt 1981.
49 See further discussion of NFE in §4.2.2.
Our figures in Table 3-1 also include groups of NTFP producers and leasehold forestry programme sponsored groups (LFUGs). The number of household memberships in CFUGs are highly variable; e.g., there is one CFUG in east Nepal with 11 household members (at Khandbari) at one extreme, and one in west Nepal (in Bardiya District) with 1,400 households. The NTFP and LFUG groups are much smaller.

Community forestry comprises one of the most wide-spread, popular and strongest group-based development programmes in the country, found in 74 out of 75 districts. All CFUGs are officially registered with the District Forest Office (DFO), but many are facilitated through the District Soil Conservation Offices (DSCOs, in the same Ministry). DSCO-facilitated CFUGs typically combine multiple functions in agriculture, soil management, forage, livestock rearing, forest environment and community activities.

(6) Multi-Functional Community Development (multi-sectoral) groups. The 12,150 multi-functional CD groups (in our estimate on Table 3-1) are supported, largely, by NGOs. We estimate that approximately 11,000 of these groups represent NGO support with, on average, 15 groups per NGO in all 75 districts. The number of groups overall in this sector is potentially much higher, however. The basis of part of our figures here is the national registry of NGOs kept by the Social Welfare Council.

It is our judgment that the number of groups an active NGO manages is 10. Many more NGOs, however, are registered at the district level in the Chief District Office (CDO), from which we have increased the estimates accordingly. We have also added information from professional experts who estimate another 600 groups targeting Dalits and 300 targeting Indigenous Peoples (approximately 5 groups for each of the 59 registered Indigenous Nationalities nationwide).  

The other sectoral groups. The other sectoral groups noted on Table 3-1 (Infrastructure, Health and Drinking Water Supply) we list, conservatively, to total 10,508 groups, altogether. In addition, there are still another 5,625 other NGO-based groups (not accounted for elsewhere), which we count under ‘Other NGO’ on the table.

Infrastructure group estimates are derived from the national Trail and Bridge Sub-Sector Support Programme (TBSSP) working in 54 hill districts, and the Food For Work (FFW) programme assistance to road building in mid-west and far west districts. In the latter programme, groups formed exclusively of men or women, or of mixed gender, are mobilized for road building, with the food supplied through FAO, technical assistance from GTZ and financial assistance from DFID, all in association with HMGN’s Department of Roads and Department of Agriculture. Additional interventions with similar group development approaches include the SDC-supported District Road Support Programme (DRSP) and DFID’s Rural Access Programme (RAP).

Drinking water supply group estimates are probably low, as most national and international NGO involvement in this sector is under-reported due to lack of adequate or available data sets.

Health group estimates are skewed by the fact that until the implementation of the Nepal Safer Motherhood Programme (NSMP, funded by DFID), and the Women’s Right to Life and Health Programme (WRLHP, funded through UNICEF’s DACAW programme), the Department of Health worked primarily through district health and sub-health posts that did not require group formation. Our figures are based primarily on the most prevalent groups in this sector, established by partner NGOs in several districts under the NSMP.  

Safer Motherhood (SM) groups have been established in the past few years in NSMP to increase women’s level of understanding on health, hygiene, reproductive system and complications in childbirth and their access to Emergency Obstetric Care facilities (EOCs). To complicate the available data and analysis, most SM groups include emergency fund schemes incorporating savings and credit activities,

51 Personal communications with the leadership of the Nepal Federation of Indigenous Peoples (NEFIN).
Conclusions. Given all of the above, and the variable quality and nature of the available data, our overall estimate of 396,466 local level groups nationwide is probably a gross underestimation. For one thing, as previously noted, Indigenous and Traditional Customary groups, and groups formed by Indigenous Peoples outside of regular development programmes (i.e., groups that are known to exist, but for which there is scant data available) are inadequately counted. To more accurately represent these data would require a very large effort, beyond the scope of our study. For another, it is well known that there are many cross-over memberships in multiple groups. For example, newly formed groups (or the planners of upcoming new programmes and projects) often approach older, well-established groups for enrolment (e.g., CFUGs, PDDP and irrigation groups often become ‘master’ groups, under which groups of other functions may be managed). 53

Other points of interest, that affect the overall estimates, include the fact that women’s groups are very popular and often favoured by developers and locals, alike, because they tend to demonstrate integrity, commitment and a sense of discipline. 54 It is noted further that poorer households and deprived and marginalized peoples (especially Dalits and Janajatis) while often encouraged to join development groups, which would give them a measure of empowerment, find the opportunity costs of meetings and activities to be too high, and are often neglected by the self-interests of more wealthy, powerful and influential/dominant caste and ethnic groups; thus, they are often excluded from membership altogether. An example observed by the authors is the Chaur Sakriya Ama Samuha (Mother’s Group) in a village of about 100 households in Kaski District, share functions of the following functional sub-groups: community self-help, agriculture, micro-credit, forestry, drinking water management, beekeeping, fisheries, livestock rearing and permaculture). While most families participate in some or many of these functions, others (the poorest) tend to find the opportunity costs of multiple-membership too high for participation.

The database on which we have created our preliminary estimates is therefore limited, and includes the confusing fact of multiple-membership in groups. To clarify this statistically would require much more in-depth and time-consuming research, well beyond the scope of this exploratory study and, as we discuss later, we do not suggest this as a useful way forward.

3.2.3 Specific Empirical Data from Selected Sponsored Group Programmes

This study of groups was expected to provide a basis for more fully understanding the variety, magnitude and coverage of groups at the local level (in the districts, and below), as well as data on the segregation of groups by caste, gender and ethnicity. The data available, however, provide a very poor basis for disaggregating such data, except (in the main) by gender. The various tables throughout this study, in the text and in Annex B, illustrate the latter (gender), but are only poorly indicative of the former (caste and ethnicity). Very few programmes have disaggregated data by caste and ethnicity, even at the executive committee level. Therefore, the nature of inclusiveness by case, ethnicity and gender in all programmes is simply not available. The issue of social inclusion is a recent theme in Nepal’s development, and has been ignored for the most part until very recently (and then, only sporadically in the available literature).

For example, when questioned about lack of specific, targeted inclusion of the most poor and disadvantaged in one women’s health programme, project staff stated that they supported (loosely) a ‘generally’ inclusive approach. The meaning of the project’s ‘inclusive approach’, however, was not spelled out in any document or plans, but left to field staff, NGO partners and

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53 The phenomenon of using master groups for managing sub-groups of various and sundry functions is discussed further in §4, below.

54 Field observations and discussions with key informants by the authors (some of which is documented in Messerschmidt 2002a).
other project stakeholders to interpret and apply.\textsuperscript{55}

\textbf{(1) Selected sectoral group data.} To help clarify our findings, using the most comparable statistical data sets we have been able to collect,\textsuperscript{56} we have attempted to document the situation in 17 selected programmes (see Annex B) by a variety of indicators including per capita income, percentage of urban population, and percentage of absentee population.\textsuperscript{57,58} This provides us with a sense of geographic concentration and density of sponsored groups under current circumstances (noting that there is considerable flux – an always moving target). The empirical data have been analysed utilizing a variety of census indicators from \textit{Mapping Nepal Census Indicators 2001 and Trends}.\textsuperscript{59} The 17 selected programmes cover only 112,620 of the development groups in Nepal.

\textbf{a) A spatial distribution of groups.} The data show that the hill districts are most favoured (re: number of groups per capita) compared to mountain and terai districts, which are the least favoured for group-based development activities (see Map 1).\textsuperscript{60} The most widespread programmes in order of magnitude from most to least are:

- community forestry user groups (CFUGs) (Annex B-1),
- savings and credit groups under PCRW (Annex B-7),
- water supply and sanitation under RWSS (Annex B-2), and
- governance programme groups (including S&C schemes) under PDDP (Annex B-5).

Note that the trail and bridge programme under TBSSP (Annex B-4) appears across the country, but most prominently in hill districts, while community infrastructure development groups under the RCIW (Annex B-3) are more focussed on the mid and far western regions. Safer motherhood groups under NSMP (Annex B-17) are found in several western terai and mid and far western hill districts, and that the rural energy groups programme under the REDP (Annex B-9) shows no distinct geographical pattern.

Analysing the data further, by gender and per capita population, Map 2 shows that these 17 programmes show 53\% male and 47\% female participation, out of a individual membership of 2.32 million people. The composition of men and women in totality is close to being even. IF we consider the nature of programmes, however, most are related to women’s domains, in forestry, water, agriculture, soil management and micro-credit (savings and credit). Given that Nepal is a largely subsistence agricultural nation, we would expect more women in the groups. As this is not the case, we can deduce that despite all women’s contributions, men still occupy the larger space in the general membership of groups.

\textsuperscript{55} NSMP 2001, and discussed in Thomas et al 2004. Project central staff told us that social inclusion was not a development theme at the time the project was formulated; nor did the project change or more clearly focus on social inclusion during the life of the project (ibid.).

\textsuperscript{56} The statistical data sets from these particular 17 selected programmes are the only data we have been able to use that are (a) available, (b) reliable and (c) comparable.

\textsuperscript{57} Central Bureau of Statistic, 2001.

\textsuperscript{58} \textit{Absentee population} is defined as ‘The proportion of the total population of a district which had been absent abroad (out of the country) for more than six months at the time of enumeration’ (ICIMOD et al 2003:62).

\textsuperscript{59} ICIMOD et al 2003.

\textsuperscript{60} As an indicator of sponsored group activity we have created a density figure, which is the number of group members per 1000 population in a district.
Insert Map 1 here…

Map 1. Number of Groups by District by Major Programmes
Map 2. Number of Members (Male + Female) in Sponsored Groups in Selected 17 Programmes per 1000 Population
For example, taking a selective example from community forestry (Sindhupalchowk District), the ratio is 76% male membership vs. only 24% female. At the level of the executive committee, where the decisions are made, female executive membership is even lower, hardly accounting for even 20%.\textsuperscript{61} Similarly, in the case of the national Trail Bridge Sub-Sector Project (TBSSP), women executive committee members account for only 12% of total membership.\textsuperscript{62}

Compare these figures with the gender composition by per capita group membership by district populations (as distinct from total membership of males and females in districts), which shows a ratio of 59% males and 41% females, as noted above (and on Map 2 and Figure 3-1, below, as well as on Table 3-3 at the end of this section). These figures also show that the majority of districts have very low per capita groups against district population size. Data form the 17 selected programmes (Annex B) show that the majority of districts have a density of 100 groups or less. While it is not surprising to see that all the districts in Karnali (far west Nepal), in the high insurgency districts like Rolpa and Rukum, and in Kathmandu Valley, have low per capita sponsored groups. Note, by comparison, that the entire terai, 20 districts, with an average of 500,000 population each, have fewer than 100 groups per district (i.e., 1 group per 5,000 people). The highest per capita sponsored groups appear, interestingly and unexpectedly, in the mountain district of Manang, as a result of its number of sponsored groups in relation to its very low population. Compare this with Kathmandu Valley, which has the lowest per capita groups listed, followed by the district of Rolpa.

Figure 3-1.

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure3-1.png}
\caption{Number of Members (Male+Female) in Sponsored Groups in Selected 17 Programmes per 1000 Population (estimate 2004)}
\end{figure}

b) Relationships between groups and per capita income in districts. The analysis of the density of groups by per capita income by districts indicates that there is low density of groups in very low income districts. There is an average of 132 group density per district with average per capita incomes of 7,100 rupees. If programmes had targeted very low income districts we would see a high density of groups in very low per capita income districts. In other words, there would have been higher numbers of dots in the upper left corner of Figure 3-2 (below, and Table 3-3 at the end of this section). So, it appears that an index of poverty is not the criteria that was used for

\textsuperscript{61} NACRMLP 2004.
\textsuperscript{62} Field observations.
selecting districts for programmes; at least not for the 17 programmes for which we have data.

Figure 3-2.

![Number of Members in Sponsored Groups in Programmes (per 1000) by Per Capita Income](image)

**c) Relationship between women’s participation and absentee population.** An analysis of women in sponsored groups by absentee population, in Figure 3-3 (and Table 3-3 at the end of this section) shows that most groups/programmes are in low absentee districts. In higher absentee districts, where there are groups, female membership forms only around 45%. This indicates that absentee males have not made a difference in the membership of women. It could also be because (a) programmes are concentrated in low absentee areas, and where there is a higher absentee of male population and (b) that women’s workloads across all domains has increased so much that women cannot spare the time for formal group meetings and activities at all.

Figure 3-3.

![Percentage of Women in Sponsored Groups in Selected 17 Programmes](image)

**d) Accessibility and density of sponsored groups.** If we take the percentage of urban population
as an indicator of ‘accessibility’, another perspective on the sponsored groups by percentage of urban population in Figure 3-4 (and Table 3-3 at the end of the section) shows that most groups are in districts with 25% urban population or less. Population in the municipalities within districts provide the urban population. Twenty-five districts with sponsored groups have no urban population (municipalities). Most sponsored groups are in districts with 20% or less urban population. As almost all of the 17 selected programmes (Annex B) are focused in rural areas (forestry, irrigation, rural water supply, etc.) it is natural to see that the sponsored groups are in low urban population districts. The location of the groups within the districts, however, may be in areas where there is greater ease of access (road access) in proximity of the district headquarters, or not far away, except in selected cases where groups are organized around very rural development sites (e.g., bridges). Due to the insurgency in recent years, the concentration of groups has further intensified around the most accessible areas, as programmes are withdrawn from the insecure interior parts of districts. During a review of community forestry projects in Kavre, for example, a district forest ranger indicated that 70 to 80% of the district is beyond the reach of the government office to supervise or monitor.63

Figure 3-5.

**Memberships of Sponsored Groups in Selected 17 Programmes**
(per 1000) by Percentage of Urban Population
(Crude estimates for 2004)

![Graph showing membership of sponsored groups by percentage of urban population.](image.png)

e) Density of sponsored groups and ethnic exclusion/inclusion. We had wanted to investigate if there was any relationship between the density of groups and variables representing social exclusion/inclusion. The ICIMOD data,64 however, was not suitable for this and we were not able to find suitable information from other sources. It is possible that the new data sets created by M. Acharya for the broader GSEA on the further disaggregation of the 2001 census by ethnic groups might be used in this regard. One would have to be very cautious, however, in doing this because of the variability within districts.

Discussion. For some, it might be tempting to try and take this simple statistical analysis further and attempt different forms of multivariate analysis. However, there is not time in this exploratory study. Issues that might be explored are the relationships between the incidence of group density with such variables as indicators of levels of literacy, geographic location,

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63 Personal communication and observation.
64 ICIMOD et al 2003.
urbanness, political influence, dominant ethnic groups, accessibility, ethic assertiveness, gender variables, etc. To embark on such an exercise, however, would involve great resources to check and expand the data sets, and one would have to be sure the multivariate statistical exercises were valid and worth while regarding the insights the research might provide for policy and practice, over and above the judicial use of data sets with a suitable sense of judgment.

We are particularly aware of the way that such data sets on groups might be used in an undiscerning way. We were asked at an earlier stage in this study whether the quantitative information on groups was available, by a quantitative researcher in a prestigious institution so he could use it as an indicator of ‘social capital’. While our purposive investigation of ‘positive’ case studies shows that groups can lead to positive changes in social relationships, as illustrated by one of our negative case studies, however, the existence of groups per se certainly does not indicate the existence of ‘positive’ social capital.65

As we discuss in the text, many of the empirical studies of the now internationally famous forest user groups (CFUGs) in Nepal show that these groups may well have led to meeting environmental goals (such as better forest cover), but that much of the consensus in Nepal is that CFUGs, on the whole, have not lead to improvements in gender relationships, social inclusion and the empowerment of women and marginalized groups. In fact, the opposite may well be the case (see Part V: Case Study No.2). There are plenty of examples of the way ‘elite capture’ is played out in the groups of Nepal. Hence, to naively use the number of forest user groups, or of any other groups, as a useful quantitative indicator of ‘positive’ social capital would be very misleading, unhelpful and, more importantly, diverts attention away from more thoughtful and useful analysis. We do not use the term ‘social capital’ in this study because of its ambiguity and often misleading usage.

A further reason for caution about using district level data to make generalizations based on apparently rigorous quantitative analysis, is that this might not take into account the phenomenal diversity within districts. From our cursory statistical analysis, we realize that it is only as a result of the in-depth knowledge by some members of the group study team of some of the diversity within districts that we have been able to more carefully interpret and put the data available to us into perspective. Researchers who are less grounded with years of field-based knowledge and appreciation of socio-economic, cultural and political conditions in Nepal might be less hindered by using the data in quantitative ways and making glib generalisations. Upon further review of some of our earlier tables on quantitative institutional mapping, we decided that while looking impressive and rigorous to some extent they provide a false picture of what one can really gain from an analysis of the data.

The exact nature of inclusion or exclusion by gender, caste and ethnicity in all groups, both general membership and executive committee membership, cannot be given with the data available. The experience from the exercise of analysing what is available, however, highlights the following findings:

1) That there is sufficient data on group numbers disaggregated only by gender, while there is insufficient data available on disaggregation by ethnic and other marginalized peoples.

2) Some data are being shared in general, except for necessary details on ethnicity and caste; and also that for administrative or other reasons, some data holders are reluctant to share more data (for political reasons?).

3) The data available may be being used to target group development, but this is not clear.

65 The work of Paul Collier 1998 on Social Capital lends to promote the idea that the more people are members of groups the better things will be, in social capital terms. The whole notion of social capital as a useful concept is well critiqued by Harriss and de Renzio (1997), Harriss (2001) and Biggs et al (2001), the latter using empirical data from the Himalayas. What makes Harriss’ critique of social capital particularly relevant to this study is that he was for a number of years the regional representative of Save the Children, based in Nepal, and was involved first hand in programmatic activities for promoting ‘groups’ with the objective of helping the poor.
Monitoring of the data and relating it with programme planning and implementation to bring about changes seems to be weak, generally.

4) Interactions with various programmes, projects and organizations has revealed that some are in the process of establishing data bases with indicators on ethnicity, caste and gender (e.g., the NGO Federation is establishing a database system with disaggregated data on NGO profiles and clients; similarly TBSSP, SPACE, SSMP, NACRMLP, CEAI and REDP are now disaggregating data according to gender, caste and ethnicity at the group executive committee level). This are positive moves, showing that sensitivity towards social inclusion is beginning to be considered.

5) There is much to learn from existing projects, programmes and organizations about how they are monitoring and using relevant data, and bringing about change, which shows the way for other planners and monitors to follow.

Table 3-2. Total Estimated Number of Local Level Development Groups in Nepal

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Groups</th>
<th>Remarks on Compilation</th>
</tr>
</thead>
<tbody>
<tr>
<td>National 9 + Sectors</td>
<td>396,466</td>
<td>Estimated and Available Data</td>
</tr>
<tr>
<td>1. Micro-Credit</td>
<td>208,054</td>
<td></td>
</tr>
<tr>
<td>Data for Micro-credit groups are compiled from Shalik Ram’s paper and the sources of Non-Bank Regulation Dept. and Microfinance Dept. NRB; Small Farmers Dev. Programme At a Glance, ADB/N; Cooperative Dept. and respective MFIs; NGO Fund Project; and personal interaction with Center for Micro-Finance staff, 2004.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SFDP</td>
<td>6,640</td>
<td>166,000 members @25/group</td>
</tr>
<tr>
<td>GBP*5</td>
<td>30,400</td>
<td>152,000 members @5/group as per Grameen Bank programme</td>
</tr>
<tr>
<td>PCRW</td>
<td>22,346</td>
<td>67 district</td>
</tr>
<tr>
<td>Grameen Replicators</td>
<td>18,000</td>
<td>Cumulative of 11 Grameen replicators</td>
</tr>
<tr>
<td>WEP</td>
<td>6,600</td>
<td>125,000 members in 24 tarai districts</td>
</tr>
<tr>
<td>Cooperative NGO (SWC)</td>
<td>3,360</td>
<td>@15 groups x 224 NGO’s in 53 districts, registered by SWC</td>
</tr>
<tr>
<td>SCO, GTZ, SAPAP, Medep</td>
<td>6,000</td>
<td>In different districts @ 20 member/group from various programmes</td>
</tr>
<tr>
<td>MGEP</td>
<td>36</td>
<td>Total members 1071</td>
</tr>
<tr>
<td>Ama Samuha</td>
<td>12,000</td>
<td>@150 x 75 Ama Samuha prevalent nationwide, but more frequent in western region than eastern districts</td>
</tr>
<tr>
<td>RUPP/UNDP</td>
<td>1,200</td>
<td>Working in 12 towns @2000 members in each town with group size of 20 members</td>
</tr>
<tr>
<td>Lumanti</td>
<td>124</td>
<td>2077 members in urban squatters of Kathmandu, Lalitpur</td>
</tr>
</tbody>
</table>

continued-

66 Pradhan 1999.
67 Pradhan 1999.
68 See Pradhan 1999. Total borrowers: 75,000 @ 5/group. Assuming only 80% are active borrowers, total groups are estimated to be 20% more than shown as borrowers.
69 See Part V of the report, Case Study No. 9.
### 2. Agriculture

<table>
<thead>
<tr>
<th>Organization</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>DADO</td>
<td>5,724</td>
</tr>
<tr>
<td>DLSO</td>
<td>9,000</td>
</tr>
<tr>
<td>Women Development Division</td>
<td>45,000</td>
</tr>
<tr>
<td>NGO’s (CEAPRED, RRN CCS + district NGO’s registered at SWC)</td>
<td>15,000</td>
</tr>
<tr>
<td>LI-BIRD</td>
<td>300</td>
</tr>
<tr>
<td>Jajarkot Parma Culture</td>
<td>50</td>
</tr>
<tr>
<td>Helvetas/SSMP</td>
<td>1689</td>
</tr>
<tr>
<td>SSSP/DFID</td>
<td>200</td>
</tr>
</tbody>
</table>

Extrapolated from available data. For some districts:
- 108 x 53 districts for DADO
- 150 x 75 districts for DLSO
- 600 x 75 districts for Women Development Division
- 200 x 75 districts or 10 mothers group/VDC for NGO’s

NGO’s working in the area of improving agriculture, biodiversity and resource management related to agriculture.

### 3. Non-Formal Education

<table>
<thead>
<tr>
<th>Organization</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEO</td>
<td>22,000</td>
</tr>
<tr>
<td>PACT/SPACE</td>
<td>10,000</td>
</tr>
<tr>
<td>World Education</td>
<td>1,294</td>
</tr>
<tr>
<td>CLP/DFID</td>
<td>4,000</td>
</tr>
<tr>
<td>Child Clubs/UNICEF</td>
<td>3,000</td>
</tr>
<tr>
<td>Education Network</td>
<td>700</td>
</tr>
</tbody>
</table>

Estimated number of ALC in 75 districts @ 5-6/VDC with a total member of about 20/group based on observations made during field visits in various districts by one of the authors.

Across the country through NGOs.

Total of 1140 ALC in 38 districts + 38 Adolescent class (1/district), +50 Mines, porters groups in 5 districts; i.e., Baglung, Bhojpur etc, + 66 Child labour groups in 22 districts. Based on Data sets provided by World Education staff, 2004

Based on observation and interaction in the field during Country Evaluation of DFID’s Programme by one of the authors of this report.

All over Nepal. Estimates from UNICEF and interview with SPACE staff. 2004 Report study

Across Nepal based on personal interaction with member of Education Network by one of the authors.

### 4. Irrigation

<table>
<thead>
<tr>
<th>System</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deep tubewell WUAs</td>
<td>1,000</td>
</tr>
<tr>
<td>Shallow tubewell groups</td>
<td>6,500</td>
</tr>
<tr>
<td>Surface water irrigation WUAs</td>
<td>987</td>
</tr>
<tr>
<td>Community surface water irrigation systems (unregistered)</td>
<td>18,000</td>
</tr>
</tbody>
</table>


### 5. Natural Resource Management

<table>
<thead>
<tr>
<th>Organization</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Forest Groups</td>
<td>13,185</td>
</tr>
<tr>
<td>NTFP</td>
<td>500</td>
</tr>
<tr>
<td>HLFP</td>
<td>2,000</td>
</tr>
</tbody>
</table>

(154,800 LFP NAC) DOF, Community Forest Data Sets, 2004

Estimated @ 10 groups in 50 hill districts derived from interaction with District secretary of Federation of NTFP during field visit in Nepal Australia Community Forestry area by one of the authors in June 2004.

DOF Data Sets, 2004

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continued-
### Multi-functional Groups

<table>
<thead>
<tr>
<th>Group Type</th>
<th>Count</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dalit focused Programme</td>
<td>600</td>
<td>Estimated groups sponsored by Federation of Dalit organisations (FEDO) and Dalit Sewa Samaj in 4 districts as per personal interaction with the staff.</td>
</tr>
<tr>
<td>Indigenous Groups Self-help Groups</td>
<td>300</td>
<td>Estimated @ 5 groups each in 59 Indigenous groups based on the consultation workshop among the representatives of 48 NEFIN council members in June 2004.</td>
</tr>
</tbody>
</table>

### Other NGO

<table>
<thead>
<tr>
<th>NGO Type</th>
<th>Count</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Welfare Council</td>
<td>5,625</td>
<td>291 NGO’s in 53 districts registered in SWC conducting ≈ 15 groups</td>
</tr>
</tbody>
</table>

### Infrastructure

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Count</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBSSP</td>
<td>2,000</td>
<td>Completed bridges in 54 hill districts based on TBSSP Data Sets for 2004 compiled during Mid-Phase Review by one of the authors.</td>
</tr>
<tr>
<td>RCIW</td>
<td>437</td>
<td>In 28 districts based on data sets provided by GTZ.</td>
</tr>
<tr>
<td>REDP</td>
<td>2,894</td>
<td>15 districts working in rural energy. Based on Data Sets of REDP, 2004.</td>
</tr>
</tbody>
</table>

### Health

<table>
<thead>
<tr>
<th>Health</th>
<th>Count</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Cooperatives</td>
<td>720</td>
<td>18 districts @ 40 VDCs/district for health insurance, education etc.</td>
</tr>
<tr>
<td>TBA</td>
<td>500</td>
<td>TBA’s groups. @ 20/ for total of 10,000 TBA’s across Country</td>
</tr>
<tr>
<td>Safer Motherhood</td>
<td>1594</td>
<td>Operating in mid-far west and Tarai districts with support from DFID and UNICEF.</td>
</tr>
</tbody>
</table>

### Drinking Water Supply

<table>
<thead>
<tr>
<th>Water Supply Project</th>
<th>Count</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>RWSSP/FB</td>
<td>967</td>
<td>Ongoing in 48 districts, based on Data Sets of Rural Water Supply and Sanitation Programme/Fund Board, 2004</td>
</tr>
<tr>
<td>NEWAH*</td>
<td>70</td>
<td>Ongoing</td>
</tr>
<tr>
<td>DWS</td>
<td>540</td>
<td>@10 district x 54 hill district funded by HMG through Redbook</td>
</tr>
<tr>
<td>Gurkha Welfare</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>FINNIDA Rural Water Supply and Sanitation Project</td>
<td>588</td>
<td>total Pop of 588,000 served in 3 phases (14 yrs) approx. 1000 pop/Schemes. Based on telephonic conversation with the staff of FINNIDA</td>
</tr>
<tr>
<td>Municipality-Small Town</td>
<td>50</td>
<td>Based on Personal Interaction with NEWAH staff by one of the authors</td>
</tr>
<tr>
<td>Lumanti/Water &amp; Sanitation</td>
<td>50</td>
<td>Based on personal interaction with Lumanti technical staff, 2004.</td>
</tr>
</tbody>
</table>

---

70 Phase 1st = 234,000 pop.; Phase 2nd = 124,000 pop.; Phase 3rd = 230,000 pop.
<table>
<thead>
<tr>
<th>Districts</th>
<th>Group Density</th>
<th>% Women</th>
<th>% Men</th>
<th>Per Capita</th>
<th>% Absentee population</th>
<th>% Urban population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achham</td>
<td>168</td>
<td>42</td>
<td>58</td>
<td>4439</td>
<td>9.39</td>
<td>0</td>
</tr>
<tr>
<td>Arghakhanchi</td>
<td>53</td>
<td>52</td>
<td>48</td>
<td>6311</td>
<td>13.15</td>
<td>0</td>
</tr>
<tr>
<td>Baglung</td>
<td>205</td>
<td>46</td>
<td>54</td>
<td>8661</td>
<td>11.26</td>
<td>8</td>
</tr>
<tr>
<td>Baitadi</td>
<td>171</td>
<td>40</td>
<td>60</td>
<td>5784</td>
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</tr>
<tr>
<td>Bajhang</td>
<td>248</td>
<td>49</td>
<td>51</td>
<td>4632</td>
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<tr>
<td>Bajura</td>
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<td>Banke</td>
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<td>44</td>
<td>56</td>
<td>6529</td>
<td>1.64</td>
<td>15</td>
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<tr>
<td>Bara</td>
<td>40</td>
<td>39</td>
<td>61</td>
<td>7359</td>
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<td>6</td>
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<tr>
<td>Bardiya</td>
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<td>46</td>
<td>54</td>
<td>3767</td>
<td>2.13</td>
<td>12</td>
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<tr>
<td>Bhaktapur</td>
<td>66</td>
<td>33</td>
<td>67</td>
<td>9960</td>
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<td>53</td>
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<tr>
<td>Bhojpur</td>
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<td>50</td>
<td>4473</td>
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<tr>
<td>Chitwan</td>
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<td>50</td>
<td>8211</td>
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<tr>
<td>Dadeldhura</td>
<td>382</td>
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<td>61</td>
<td>12317</td>
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<td>Dailekh</td>
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<td>3342</td>
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<td>9</td>
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<tr>
<td>Dang</td>
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<td>38</td>
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<td>6796</td>
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<td>11</td>
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<td>8241</td>
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<td>Dolpa</td>
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<td>Doti</td>
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<td>57</td>
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<td>6</td>
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<tr>
<td>Jajarkot</td>
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<td>58</td>
<td>4231</td>
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<td>Jhapa</td>
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<td>59</td>
<td>10644</td>
<td>3.29</td>
<td>16</td>
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<tr>
<td>Jumla</td>
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<td>4665</td>
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<tr>
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<td>56</td>
<td>5079</td>
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<td>55</td>
<td>12113</td>
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<td>42</td>
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<tr>
<td>Averages:</td>
<td>132</td>
<td>41</td>
<td>59</td>
<td>7099</td>
<td>3.77</td>
<td>9</td>
</tr>
</tbody>
</table>

Sources: Group density and gender composition (the authors’ estimates in Annex B); Per Capita income (Central Bureau of Statistics); and Percentage of Absentee Population and Urban Population (ICIMOD et al 2003).
4. TYPOLOGY OF GROUP LEVELS AND FUNCTIONS

Typologies are groupings set up to aid demonstration or inquiry by establishing key relationships among phenomena. (adapted from Encyclopædia Britannica)

4.1 INTRODUCTION

Our typology is designed to orient the reader to how and why groups work, at several interactive levels of articulation (see Figure Nos. 4-1 and 4-2). The typology has two parts:

§4.1 answers the question: ‘Where (at what level/s) do groups form, and what is the scope and nature of their interactions?’ It highlights three levels: micro (local ‘community’; i.e., Ward and VDC), meso (district and region), and macro (national and international). We examine group interactions at these levels in relation to group mobilization, functions, and inter-linkages, as well as the special place of individual and group coalitions such as federations, cooperatives, local NGOs, and social movements that arise out of the group phenomena. We conclude that an understanding of sponsored development groups in Nepal at one level must include an appreciation for relationships and innovations among actors at all levels.

§4.2 answers the question: ‘Why (for what purpose/s), do groups form and function at the various levels?’ Here, we describe and discuss eleven principle functions. We note that they are not discrete, but overlap and interrelate to one another. Most groups, we have found, are multi-dimensional, but have one or more primary purposes, and secondary purposes.

4.2 MICRO LEVEL

4.2.1 Introduction

Most development groups in the contemporary Nepalese development scene are mobilized at the micro level, whether by agency or project staff, or locally initiated by enlightened leaders (‘local heroes’). (Higher-level, meso and macro level, group-based organizations (e.g., some cooperatives and coalitions of groups such as federations and NGOs) also exist, either sponsored or self-initiated.) The micro level ranges from the individual through the VDC (see Figure 4-1). Group action at this level generally involves individuals or (more often) households and families as inhabitants of local ‘communities’ in the hamlets or neighbourhoods of Wards, Municipalities and of VDCs. It is highly interactive with considerable movement and activity between levels, in both directions (shown by the double-headed arrows). That is, while a great deal of group activity occurs at the micro level, it articulates upward into the formation of higher level organizations (federations, cooperatives, etc.). These higher level organizations at the meso and macro levels are ‘rooted’ in experience at the micro level – in the goals and objectives, the functions and activities, of micro-level development groups.

It is at the micro level that the most social mobilization from the outside occurs for organizing sponsored development groups. In Nepal, in the past, social mobilization has been the key to most micro level group creation, especially on large donor-assisted, line agency and NGO sponsored projects and programmes.

4.2.2 Social mobilization

Social mobilization, as the term is used here and described in much of the development planning literature, implies organizing people into community level groups, to accomplish specific aims and objectives, according to locally identified needs and desires, and project or programme objectives. It is an attempt to harness and enhance human capacity; i.e., the willingness and the potential of local people to help themselves. One of the key reasons for mobilizing groups is political – in some circumstances, it is considered one of the only ways to assure that local people
work amicably together, and even that is not guaranteed on even the ‘best’ of groups.71 ‘Good’ social mobilization also seeks to understand pre-existing custom, practice and social norms, and to build innovatively upon them. Some social mobilization appears, however, to be intrusive, paying little or no attention to pre-existing socio-cultural patterns (see Table 2-1).

A socially mobilized group may be multi-dimensional, including one or more purpose or function − economic, social, political, religious, cultural or other (described below in §4.2). Typically, sponsoring agencies employ social mobilizers to encourage and assist in group formation, with follow-up advice and support. Often, one of the main social mobilization goals is to mobilize poor, socially-excluded, marginalized and deprived people (women, Dalits, poor Janajatis and the ultra-poor of any caste/ethnicity), to realize their power and to achieve voice and agency through collective action. ‘Good’ social mobilization (as defined by the objectives of various project and agency guidelines of social mobilization) empowers group members through the democratic processes of participatory planning and action, as well as through capacity-building and benefit-sharing.72 The obvious complexity of social mobilization makes it neither easy to train for nor to implement, nor is it always ‘successful’ vis-à-vis social inclusion and empowerment goals.

4.2.3 The Process of Group Mobilization

We have selected three (out of many) active group development programmes for discussion, to highlight the group mobilization process at the micro level, and its impacts all across the spectrum, at all levels (as graphically depicted in Figure 4-1). The three are:

(1) the Participatory District Development Project (PDDP),

(2) the Community Forestry (CF) Programme, and

(3) the plethora of Functional (Non-Formal) Education (NFE) programmes.

Our discussion describes how local groups are developed in each programme, as well as the scope of their activities and the inevitable socio-economic outcomes, ‘spill-overs’ and ‘spin-offs’ (positive or negative externalities) that sometimes affect the development of higher level organizations (coalitions of groups) to achieve voice in the wider development policy and planning arenas. Each of the three models of group mobilization is discussed in turn.73

(1) The PDDP Community Organization (CO) model. The nation-wide Participatory District Development Programme uses a carefully-designed social mobilization process to establish COs (community organizations, groups) within VDCs.74,75 To date, there are nearly 18,000 COs operating in the VDCs of 62 of the nation’s 75 districts (see Annex B-5). Groups in this programme involve nearly 500,000 persons (representing households), nearly half of whom are women (48.5%). COs are primarily established at the VDC level and below, in the hamlets and neighbourhood ‘communities’ at the Ward level. The PDDP’s social mobilizers are typically young women and men trained by the Ministry, employed by the DDC, and assigned to one or more VDCs.


73 There are other programmes with equally illustrative and effective group mobilization activities. We feel that the three we have chosen for examination here are sufficient to describe and discuss the processes involved.

74 The PDDP in its current configuration was recently amalgamated with the former Local Governance Programme (LGP). The combined LGP/PDDP is administered through the Ministry of Local Development (MLD), with funding from NORAD, UNDP and DFID. See Messerschmidt, Dahal and Sharma 2004 for a recent description. Other discussions are found in the References under LGP, MLD, NPC and PDDP.

Figure 4-1. Levels and Functions of Group Development and Interactions

Levels of Group Articulation, Interactive:

1) Individual
2) Household & Family
3) Ward: Hamlet, Neighbourhood, ‘Community’
4a) VDC: Village Development Committee
4b) Municipality
5) DDC: District Development Committee (incl. Ilakas)
6) Region (incl. Zones)
7) Nation
8) International

Group Functions & Opportunities:

**Micro**
- Local level service delivery, self-help/community development, social solidarity, mutual aid, resource management & economic livelihood groups, etc.

**Meso**
- Meso level group-based collectivities & coalitions seeking access to district & regional level policy, planning & coordinating committees, etc.

**Macro**
- Macro level group-based institutions (federations, cooperatives, NGOs, networks, etc.), some with Asian regional linkages; & social movements (Women, Dalit, Jana-jati, etc.). Access to national policy dialogue & national/international organizations & movements.
Table 4.1. Government Structure from Ward to Nation, with an Example of Group/Government Articulation

<table>
<thead>
<tr>
<th>Levels &amp; Units of Government</th>
<th>Description</th>
<th>Group/Government Articulation: Community Forest User Groups (CFUGs)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Macro Level</strong></td>
<td></td>
<td><strong>Example</strong></td>
</tr>
<tr>
<td>NATION</td>
<td>Central government: of ministries, departments, government corporations, military, etc.</td>
<td>Department of Forests, Ministry of Forests &amp; Soil Conservation (MoFSC). Kathmandu is headquarters to two national CFUG federations (FEQOFUN &amp; NEFUG). The discourse here includes donor agencies &amp; government agencies (sometimes international organizations).</td>
</tr>
<tr>
<td>Capital: Kathmandu</td>
<td></td>
<td>Regional Forestry Training Centres, forest research, technical support to District community forestry programmes.</td>
</tr>
<tr>
<td><strong>Meso Level</strong></td>
<td></td>
<td><strong>Example</strong></td>
</tr>
<tr>
<td>DEVELOPMENT REGIONS</td>
<td>Comprised of VDCs &amp; Municipalities. A unit of coordinated service (advanced health facilities, training centres, etc.).</td>
<td>(No specific zonal forestry infrastructure or services).</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Regional Forestry Training Centres, forest research, technical support to District community forestry programmes.</td>
</tr>
<tr>
<td>ZONES</td>
<td>Development services &amp; facilities at the sub-regional level.</td>
<td>District Forest Office range posts. Rangers, FEOQOFUN, NEFUG &amp; donor-funded projects work together to support CFUG activities.</td>
</tr>
<tr>
<td>14</td>
<td>4 to 8 districts in each</td>
<td>Range offices, looking after the VDCs within its area, and one or (usually) more CFUGs.</td>
</tr>
<tr>
<td>Districts</td>
<td>District Development Committee comprised of VDCs. Population size varies.</td>
<td>VDCs: Forest officer, FEOQOFUN (and to a lesser extent NEFUG) work together to support CFUG activities. E.g., FEOQOFUN branch offices &amp; donor-funded projects provide technical training, legal advice, etc. Municipalities: some have community forests, CFUGs, federation membership &amp; receive forestry support activities similar to VDCs.</td>
</tr>
<tr>
<td>75</td>
<td></td>
<td><strong>Example</strong></td>
</tr>
<tr>
<td>Mountains: 16 Hills; 39 Tarai lowlands: 20</td>
<td></td>
<td>CFUGs at Ward &amp; VDC levels – in the civil society, independent of government. Many belong to FEOQOFUN or NEFUG.</td>
</tr>
<tr>
<td>Ilakas</td>
<td>Service centres by sector.</td>
<td><strong>Example</strong></td>
</tr>
<tr>
<td>8-9 per district</td>
<td></td>
<td><strong>Example</strong></td>
</tr>
<tr>
<td><strong>Micro Level</strong></td>
<td></td>
<td><strong>Example</strong></td>
</tr>
<tr>
<td>Village Development Committees (VDCs) 3,915</td>
<td></td>
<td><strong>Example</strong></td>
</tr>
<tr>
<td>MUNICIPALITIES</td>
<td>District Development Committee comprised of VDCs. Population size varies.</td>
<td>CFUGs at Ward &amp; VDC levels – in the civil society, independent of government. Many belong to FEOQOFUN or NEFUG.</td>
</tr>
<tr>
<td>58</td>
<td></td>
<td><strong>Example</strong></td>
</tr>
<tr>
<td>Wards 9 per VDC</td>
<td></td>
<td><strong>Example</strong></td>
</tr>
<tr>
<td>Wards numbers vary</td>
<td>Lowest tier of elected government</td>
<td><strong>Example</strong></td>
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</table>
Each group operates through a general assembly of all the membership, and an executive committee headed by a chairperson, a manager and other executive members elected by the general assembly. The chairman is usually a notable person in the community, but is not necessarily literate, whereas the manager must be both literate for writing letters, and have adequate numeracy and accounting skills for keeping the financial books, maintaining the group bank account, and reporting the accounts at general assembly meetings. Transparency in group management is strongly endorsed by the programme through its social mobilizers (but, nonetheless, varies considerably in reality).

The group coalition process begins at one level above the CO. Group voice in VDC and district affairs is achieved through the formation of a Chairman/Manager Committee (CMC). The Chairman and Manager of each CO belongs to the CMC and serve the group membership by communicating local development needs and planning priorities to the VDC. The CMC plays a vitally important role in the VDC and, in the absence of local government (since October 2002), in the DDC planning process.

In the past, VDC plans were based on local level plans submitted by each CO through the CMC to the VDC, where they were prioritised according to need and political considerations. After being discussed and passed by the VDC Assembly, the plans were passed upward from the VDC into the broader DDC planning process. Now, without functioning VDCs, the CMCs have become even more important. It is they who now carry local plans directly to the district level. In future, if VDC government is restored, it may be difficult to return to the old procedures. Local power structures have clearly evolved and new social and political relationships have developed. This places CMC leadership in an important new position, exercising far greater voice and agency than in the past, as the newly empowering structure has evolved.

The PDDP programme’s social mobilizers assist in CO development and operations, with a combination of managerial advice, technical and administrative assistance, and financial guidance. Some funding is channelled to local groups through the VDC from the DDC’s Local Development Fund (a basket of resources from several donor sources). These monies are available on application for public works and other development and capacity-building activities of a group. Many groups, for example, pursue capital development activities such as community trail and bridge repair, school roof repairs, and the like. Most have also established a savings and credit (village banking) programme. Many are involved in one or more income-generating and individual/household capacity-development activities. And, functional (non-formal) education/adult literacy programmes are also very popular (as described below).

Group leaders and (CO and CMC) work closely with the social mobilizers and often solicit help for their group from line agency field officers such as extension staff in agriculture, forestry, health, education, etc., according to the functional objectives and needs of the group membership. Some COs are closely allied with one or more other development groups at the local level, such as a forest user group or an irrigation water users association. And, some of the more mature COs offer their services and help to newly formed groups.

(2) The Community Forestry User Group (CFUG) model. The development of Community Forest User Groups (CFUGs) is extremely well documented in the literature, undoubtedly more extensively than any other rural development organisation. The first CFUGs in Nepal emerged in 1990s, when the Manohara Project in the Chitwan District was initiated. This project, sponsored by the World Bank and the International Fund for Agricultural Development, was designed to improve the management and utilization of the local forest resources. The project was implemented by a group of local community members who had previously been involved in the management and utilization of forest resources. These community members formed the first CFUGs, which were later replicated in other parts of Nepal.


77 See also Case Study No. 2, in Part V of this report.

78 A representative sample of the vast literature on community forestry includes: Baral 2004a,b; Baral and Thapa 2004a,b; Biggs and Messerschmidt 2004; Dev et al 2003a,b; Fisher 1989 and 1991; Lachapelle et al 2003; Malla 2002; Malla et al 2003; Messerschmidt 1987b, 1993a, 1996a and 2002a; Messerschmidt, Turton et al 2004; Paudel
than any other development group phenomenon in Nepal. In brief, the process of CFUG development begins when groups are formed at the local level (neighbourhood, Ward or VDC), often in innovative fashion, building on pre-existing forest management committees. They consist of a general assembly (of all the members), and an executive committee of elected leaders. The executive committee works closely with district and ilaka level district forest rangers from the District Forest Office (Department of Forests) to develop a constitution and operational plans. The CFUG’s operational plan and constitution are submitted to the District Forest Office for authorization, and once authorized and registered, the community forest is ‘handed over’ to the CFUG for management, following the guidelines in the local operational plan and with technical assistance from DFO staff.79 In many districts, the forestry federations (FECOFUN and NEFUG), and various NGOs also assist CFUG members with advocacy programmes for legal and policy awareness raising, and with technical assistance on tree and forest management and forest resource production and marketing.80

In reality, many CFUGs pursue more functions than forest resource management, including savings and credit schemes, adult literacy programmes, income generating schemes, health education activities, etc.81

From official data available from the Department of Forests, 13,185 CFUGs were registered by 2003 (663 of them exclusively women’s groups), in 74 districts (Annex B-2). Among the CFUGs counted in the annex, the number of registered individual members is 147,771, among whom men outnumber women by a ratio of 3:1.

Unfortunately, the available data sets do not deal explicitly with the issues of social inclusion and empowerment (except to indicate the number of women’s groups and female members of groups). The literature shows, however, that there are serious problems with elite dominance (‘elite capture’) in many CFUGs, primarily by men over women, the wealthy over the poor, and dominant castes over other castes and ethnic groups, where the marginalized are in the minority.82

In the government’s CF guidelines, membership in a group is registered under the household head, giving a heavy male bias to the data. There are discussions currently underway (among government foresters) to redesign membership criteria to list dual household heads as members (both male and female). This would greatly affect the CFUG membership statistical profile, would enhance and encourage the presence of more members in the general assembly meetings, and might provide a measure of empowerment and voice to female co-household heads.83

In many communities, CFUGs are among the oldest sponsored groups around. Some are quite large and even wealthy (from membership fees and forest product sales), sometimes financially more well off than the VDCs in which they are located. As a consequence, CFUGs have become a powerful group-based organization in the local political and economic context. There is considerable discussion in the field (though it is limited in the literature) on assigning CFUGs the

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80 For a discussion of one donor agency’s (USAID’s) use of NGOs in forest resource management projects, see Messerschmidt 2002a.
81 See Baral and Thapa 2004a, for a discussion of multi-dimensional CFUGs; also Messerschmidt, Turton et al 2004.
82 See footnote 8 and Case Study No. 2 in Part V of this report.
83 Interestingly, FECOFUN, the main CFUG federation, has a rule to have at least 30% women in all executive positions, and is promoting such socially inclusive rules among its member groups.
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Through Development Groups and Group-Based Organizations in Nepal

premier position as a master group over other community organizations (of various functions). This approach has also been suggested for the PDDP, under the terminology: 'motherboard'.

(3) The Functional (Non-Formal) Education (NFE) model. The scope of functional education as a focal point of group development has been promoted in Nepal since the early 1990s. In Nepal, the participants in groups oriented around NFE for adult literacy (as the main, or one of several functions of a group) have been predominantly women. According to one source, women make up 70-100% of all literacy classes, and provide us with an example of the wide spread (international) practice of the ‘gendering’ of literacy practices. 'In Nepal, it has been said; ‘All NGOs focus on reaching women; not just because more women than men are illiterate. . . but “because they consider women a more reliable and secure investment”’ . In the 1980s, adult literacy programmes typically followed up with other functional training for women in knitting and sewing, at the request of the participants. Some organisations still pursue this approach. Many organizations have chosen to launch literacy classes as the point of entra to assist in the achievement of other programme objectives. The Women’s Empowerment Programme (WEP), for example, combines literacy and numeracy with a priority village banking (savings and credit) function.

The philosophical foundation of virtually all adult literacy programmes in Nepal is Paulo Freire’s approach to adult education for radical social action. Freire’s ‘Key Word Approach’ (KWA) to learning was first developed for teaching literacy groups in Nepal by SPACE in the 1980s, and has been used by many local and international NGOs.

A popular alternative (but related) approach called REFLECT (Regenerated Freirean Literacy through Empowering Community Techniques) was developed by ActionAid (with SPACE assistance) in 1993-94. It is the most popular approach to adult literacy in use by NGOs in Nepal today.

The Department of Education concentrates its approach on literacy and numeracy skills, often with the primary purpose of enabling adult group members to enter the formal education system.

84 Field observations and discussions in several districts; on Gorkha see Baral and Thapa 2004; on Parbat see Messerschmidt, Turton et al 2004.
85 Mukherjee et al 2003.
86 To begin with, there are several interchangeable terms used in this field of group development: Adult Literacy – refers to programmes in which functional literacy is the primary focal point; Functional Education – has several further meanings, including literacy as well as the inclusion of income generating and skill learning, health education, environmental education, and the like; and Non-formal Education (NFE) – a cover term for adult literacy, and literacy based skills, and other functional education programmes, implying learning (by adults) outside of regular schools. The classic example of NFE by this definition is the Farmer Field Schools in agriculture, where the focus is on ‘experiential learning’. (Improvements in adult literacy skills are not the primary function of this sort of NFE programme.)
90 Robinson-Pant 2000:42. This early SPACE literacy through health education programme later evolved into the ‘Health is Life’ (HIL) programme; see also Robinson-Pant 2000:18 (Table 1: HIL).
92 Archer and Cottingham 1996a,b.
The government uses the popular literacy reader series called *Naya Goreta* (New Trail), which is also used by some NGOs and donor agency-funded projects.

And, several major INGO-supported literacy group programmes use PLA (Participatory Learning and Action) methodologies.

A brief discussion of the impact of the REFLECT approach reveals the large scale of this development group activity. By 2000, barely over a half decade since its was developed, 600 REFLECT classes had been completed in 200 centres across Nepal. And, from initial classes, a group-based network called ‘EN’ (Education Network), has been formed. REFLECT is a fusion of Freirean literacy and Participatory Rapid Appraisal (PRA) techniques and approaches. It is quite similar to KWA, in that along with literacy its materials and facilitators encourage local people to form groups and mobilise local resources for development activities. The proponents of the approach claim that the empowering elements are in the approach, as compared with the style of literacy education used by the government, concentrating on learning letters and simple arithmetic (with little or no emphasis on social action or empowerment). Significantly, the curriculum used for reading and writing under REFLECT is not readymade; rather, participants themselves prepare it with the support of a trained facilitator, thus enhancing their empowerment.

A further important spin-off of literacy group development is the *Janajati Sikshya* (‘Indigenous Peoples’ Education’). This model of literacy education (for both adults and children) is solely focused on creating awareness among the Indigenous minorities of their identity, language and origins, as well as their rights enshrined in the Constitution of Nepal and various international declarations. Its approach to literacy is quite unlike the KVA, REFLECT and PLA models, mentioned above. It promotes indigenous language learning, and operates nine-month courses through a number of centres, to raise Janajati awareness. (We return to a discussion of this group-oriented development under the discussion of social movements, in Part III: §6, below.)

Many NFE groups pair adult literacy (and numeracy) with other functional ‘life skills’. We have already mentioned the early start by SPACE to link literacy and family health in the 1980s, and WEP’s combination of female adult literacy and village banking. The PCRW approach is similar, encouraging village women to learn, save and invest in small scale income-generating activities in their villages.

The Department of Education, with the assistance of CCODER (Community Development Research Centre) has pioneered yet another approach combining NFE with community development (CD) group activities. The process begins with social mobilization activities spanning a three-month period, with three objectives: (a) to form CD committees, which then goes on to (b) prepare a local CD master plan, and (c) help individual members prepare family plans. Group solidarity is promoted by encouraging group members to donate 10 minutes time to clean the village, and to look after the construction, repair and maintenance of village trails and roads. Other activities of these groups include the operation of village banks, which not only encourage savings and access to credit, but also look after income generating and associated marketing activities. The profits from income generating have enabled individual participants to meet many of their daily minimum household needs – an example of financial empowerment. Health centres and community health insurance schemes, and community school development for quality education are also supported by these groups. The ultimate goal, according to the literature, is a loosely conceived concept called ‘community self-reliance’.

In some instances, the CD committees have also formed networks with other nearby village level committees. A multi-group CD committee attempts to engage all households in CD groups across

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93 In the current development jargon, ‘life skills’ refers to ‘livelihoods’ and ‘household well-being’.

94 See references in Maharjan 2004; also MOES 2003.
the entire VDC. This larger committee prepares inter-committee plans, and articulates closely with the VDC government (when it was operative). The parallels between this programme of CD committees, and that of the PDDP’s COs, are obvious. In practice, the two programmes often overlap.

Another programme that combines adult education with experiential and functional learning (besides literacy) is the IPM Farmer Field Schools.95 The NGO World Education has helped with this major joint HMGN/FAO sponsored programme, since its introduction in 1999. The programme began with a four months Training of Trainer’s (TOT) course for IPM facilitators, followed by 16 to 18 weeks in the field training with farmers. The participating farmers (men and women) are organized into groups of 20 to 30 members. In each location, the FFS programme commences from the beginning of the planting season until the end of harvest. Group members meet weekly for interaction and learning sessions with the facilitators. Participants make detailed observations of crop and field conditions (an approach called Agro-Ecosystem Analysis or AESA)96 on both normal farm plots and specially established experimental plots. Farmers anything useful that they have learned in their own fields.

The FFS experiential learning process is popular and strong enough that it has gone well beyond the functional education approach to pest management and agricultural development with which it began, to the development of new knowledge and skills on health, education and community development.97

A number of these NFE-associated group development programmes have scaled up their activities with the development of multi-group committees and local area networks at the micro and meso levels (e.g., PDDP’s CMCs, DOE and CCODER’s CD group committees) and associations with broader networks and support groups at the macro level (e.g., an international IPM network).

(4) Some other models. Other models of social mobilization have been experimented with by various local and international NGOs. For example, CEAPRED (Centre for Environment and Agricultural Policy Research, Extension and Development) combines an integrated pest management (IPM) focus with health agricultural production for food security among farmer groups. Its strategy of social mobilization and empowerment encourages local group-based programs on income generating enterprises, capacity building and local institutional development. Local farmers group are formed, and members trained in IPM and encouraged to start vegetable gardens and distributes vegetable seeds. The farmers apply the knowledge and skills they learnt from the training to subsistence and cash crop production, such as off-season vegetables for market.

Community Learning Centre (CLCs) are a community group development strategy introduced by UNESCO. They focus on income generating schemes, preservation of cultural heritage, and both adult and child literacy classes, through the community groups. The sponsor provides seed money to help the CLCs establish a local resource centre, designed to maintain a local continuing education programme.

A recent new type of very local (micro-level) federation process is occurring in the ground water irrigation sector. There are now about 6,500 group-owned and managed shallow tube wells in the Nepal terai. These have been sponsored by a number of government and aid agencies, such as DOI, CECI (from CIDA), IFAD, and ADB.98 The programmes enable groups of 5-10 small

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95 See Case Study No. 4 (with bibliography), in Part V of this report.
96 Conway 1987.
97 CARE/Nepal has adopted the FFS approach widely, in all sectors in which it works.
98 Under DOI: 1,700 groups; CECI: 3,000; IFAD: c. 800 groups; and ADB: 1,000.
farmers to buy and manage a shallow tubewell. These groups of farmers then form a water users association (WUA), which may have from 30 to 50 individual farmers as members. (Some of the WUA members may own shallow tube-wells in a non-group or private capacity.) These WUAs (registered) are then eligible for various types of maintenance, human resource development, and technical skill development programmes provided by the government. This is a positive example of a ‘revisiting’ the group ownership of equipment (i.e., shallow tubewells in this instance), which has had mixed outcomes in the past (see below §4.2.4). Poverty reduction, gender and ethnicity variables have been monitored by the agencies involved (DOI, CECI, etc.) and have influenced planning and management, as evidenced in recent programme expansion.99 This is, therefore, a type of new institutional model focused around the introduction of new technology.

In the energy development sector (covering mini, micro and large-scale hydropower development), the processes of group development and their impacts vis-à-vis social inclusion and empowerment is unclear. A considerable public debate emerged in the early 1990s over the efficacy of developing massively large scale hydropower projects (e.g., the Arun River proposals) vs. small scale, community and group-owned and group-managed mini and micro hydropower developments.100 In reports on the subject, however, issues of social equity, inclusion and empowerment are hardly addressed, and are apparently not high on the agendas of the planners and technicians involved. One recent assessment concludes, for example, that ‘available evidence seems to suggest that hydropower development has not contributed to social equity’.101

The only evidence countering the lack of social equity in such projects, that we could find, is one comment in the limited literature available pointing out some equitable readjustment of the benefits (access to electricity) between the capital city and outlying districts, including some inclusion benefits to local minority peoples resident at micro-hydro sites in the hills (e.g., some Janajatis).102 The other evidence is from the Rural Energy Development Programme (REDP) which has supplied electricity to remote areas and isolated peoples which would, otherwise, have not gotten electricity. This does not, however, directly address social inclusion and empowerment questions. In some communities, however, what started out as group or community-owned and operated small hydropower schemes have been overtaken by private interests; i.e., dominated by influential members of the communities. In others, after contributing to hydropower planning and construction, the poor and powerless have simply been denied shares in the power plant operations or electrification of their homes.103

In conclusion, write one observer, ‘Compared to medium and large projects, small and micro-hydro projects have somewhat helped redress rural-urban and regional imbalances. Such projects have also provided more direct benefits to communities affected by the projects.’ All of this discussion of hydropower, inclusion and empowerment remains very exploratory. The limited findings noted here point to a failing of social mobilization oriented towards inclusion and empowerment of the poor and powerless in local communities. The few limited ‘success’ stories that do exist need to be followed up; that is (as Upadhyaya concluded in 2002), ‘…additional thorough investigation is needed to evaluate the impacts of these projects on social equity at the

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100 As noted in §1, the introduction to this report, see Pandey (B.) 1993a,b on the subject. The proponents of small-scale hydropower development, centred on local communities, appear to have one the debate; the large scale Arun 3 proposal was subsequently cancelled and micro-hydropower, managed by local groups of users and investors has become popular.
101 Upadhyay 2002:21. Recently, however, some attention has been given to the issue in two manuals focusing on environmental and social issues in DOE 2003 and DOED 2001.
103 East Consult 1990.
local level’.\textsuperscript{104}

In Annex B we present selected data spanning a broad range of group objectives and functions, including: common property resource management user groups (forestry, drinking water, irrigation), savings and credit (village banking), infrastructure development groups (trails, bridges), agricultural development (farmers groups), formal and non-formal education (sometimes called functional or adult literacy), health (e.g., safer motherhood and mother and child health), and others. Altogether, we estimate approximately 112,620 groups nationwide, at the micro level, in many hundreds of communities reflecting dozens of programmes and projects. For further discussion, see §3, where we present and discuss the quantitative data sets analysed for this study (and in Annex B).\textsuperscript{105}

4.2.4 Variations in Realizing Group Mobilization Objectives

Not all group mobilization and group-based projects work out quite according to their objectives and expectations. A contemporary case in point is the following example, describing several unexpected variables noted while mobilizing farmer groups to take up ownership and use of modern farm technology.

The project promoted the introduction of power tillers (two wheel tractors, or 2WTs) on farms, to be owned and operated by user groups. The group formation for 2WT ownership met with only a modicum of success, however, and at a high cost. In general, the members of the small subgroups who took the 2WTs and accessories on a loan basis were very interested at the start, assuming they would gain something by being co-owners. Yet, even the best of friends, or groups with a good history of working cooperatively together, does not necessarily lead to success. Project staff found that where there was apparent ‘success’ (technology adoption), the ‘group’ was actually just a single individual; the ‘group members’ were (at most) his silent partners or (at least) his ghost partners.\textsuperscript{106} Some of the project-mobilized groups experienced great difficulty maximizing the use of their 2WTs (and therefore their earnings) due to discord among members over the allocation of 2WTs for use on their farms. Thus, for strategic reasons, in order to expose farmers to new technologies, they have had to form groups because of the inherent political nature of the local social environment.

Noting these problems, the project staff has recommended three things: (1) that group mobilization should proceed only when there is outstanding evidence of willing cooperation for group ownership; (2) that given the individualist behaviour observed in ‘groups’, future loans from the project’s rotating credit funds should not exclude individual ownership; and (3) that use of the group approach should continue, especially during the demonstration period when new technologies are introduced into an area for the first time. They have found that group mobilization and related investment, such as training and the provision of a group mobilizer (‘motivator’), has been very useful to ensure equitable access by the maximum number of people when demonstrating valuable new technologies, such as the 2WTs.\textsuperscript{107}

\textsuperscript{104} Upadhyay 2002:33 and East Consult 1990; see also Annex B-9 for REDP-specific data.

\textsuperscript{105} The figure 112,620 in §3 is based on the selected sample from data sets available to us for this study. Note, however, that we have estimated an even higher number of groups, based on additional information gleaned from a wider but scattered literature (e.g., other project reports, but which do not appear in formal or comparable statistical data sets).

\textsuperscript{106} This is sometimes called ‘paper membership’ in groups. It is also noted in NPC et al 2002, in reference to group ownership of shallow tubewells by poor farmers in the Terai. The new CECI project on ground water groups in the Terai has taken these lessons into account and, in addition is carefully recording data on gender, caste ethnicity of their 4,713 shallow tubewell groups they have formed in the Terai (CEAPRED et al 2001, CECI 2002 and 2004, Gyalang et al 2004, Tiwari 2003; see also the CECI project data in Annex B-11).

\textsuperscript{107} See Gurung and Justice 2004.
4.2.5 Inherent Problems with Some Social Mobilization Schemes

Social inclusion and empowerment can be effective in some circumstances, and undermined in others. It has been observed in recent fieldwork that project staff interaction with group members may, itself, may defeat social inclusion and meaningful participation. In one large development project, for example, it has been noted that while the general membership and specific leadership of local groups was said (in project documents) to be the prerogative of the community or hamlet members, local group leaders were chosen (instead) by project field staff even before group mobilization had begun. On this particular project, neglect of involving local people as well as not providing capacity building training, was later evaluated as counterproductive to the objective of forming and supporting local resource management groups. When user groups were established, their leaders were not trained in group management techniques, nor were they adequately involved in the selection and planning of local project activities. ‘The user groups are not really in charge of projects,’ it was noted; ‘They implement a project as per the [department’s] selection, plan, design and procedures’.

During one year on this particular project, 99% of the programme budget was invested in buildings, staff scholarships and staff trainings, with only one percent allocated for training disadvantaged groups and women.

Situations such as these do little to enhance inclusion and capacity among the usually neglected vulnerable and marginalized groups, and although the staff of this particular project corrected some of the problem in subsequent budgets and implementation plans, when they were expected to finish ambitious plans before a major national holiday, the result was predictable – they moved ahead quickly without mobilizing meaningful involvement of local people in project implementation.

4.3 MESO LEVEL

4.3.1 Introduction

The meso level of group-based activity spans Nepal’s 75 District, 5 Regions and 14 zones (sub-divisions of Regions). Some group-oriented activities at the meso level have been noted above, in the discussion of CMCs and federations (vis-à-vis PDDP’s COs and Forestry’s CFUG social mobilization models, respectively). Note also that most sponsored groups are associated with district level programmes and projects, supported by one or a combination of donor agency funding, line agency and/or NGO technical support.

While local groups tend to form at the micro level, larger coalitions of groups, in the form of cooperatives, NGOs and federations tend to emerge at the meso and macro levels, and interact dynamically back and forth across all levels (see Figure 4-1). It is, therefore, difficult to separate the levels. In some cases, such as FECOFUN and NEFUG in forestry, and NFIWUAN in irrigation, federations are organized nationally (macro level), but with branch offices at the meso and micro levels. Federations and other group-based coalitions are discussed in greater detail in §5, below.

4.3.2 Responses to Multiple Group Memberships and ‘Group Fatigue’

Groups of many types and purposes often exist side by side with overlapping memberships at the hamlet/settlement (tol), community, ward and VDC levels. Household units often hold membership in several (sometimes many) groups at the same time. Typical examples include villagers belonging at the same time to two, three or more groups with multiple functions (see

108 van Riessen 2001; for more on the same project, see also Hocking 2001, and Hocking and Hocking 2001.
§4.2, below). Some are long-lasting groups, becoming Traditional. Others are Ephemeral (e.g., seasonal or for specific periodic/recurrent events) or Temporary (which disband after the work is completed; e.g., bridge or trail construction or torrent control groups). Some are Customary groups (pre-existing, either Indigenous or Traditional), but the vast majority are Sponsored.\textsuperscript{110} The list of overlapping memberships by households is potentially quite extensive, and the typical multi-group member household is expected to keep up with a plethora of meetings and group activities. The result is often what has come to be called ‘group fatigue’.

Furthermore, poorer and marginalized households sometimes have great difficulty going to any group meetings. The opportunity costs are often too high, especially if there are membership fees to be paid, or savings scheme payments to keep up, or periodic group work to be accomplished. Thus, members of marginalized society tend to drop out of groups, or not to join in the first place.

Solutions to these phenomena are beginning to emerge at the meso level. In several large programmes in Nepal, there has been an attempt to merge groups; i.e., to address group fatigue and rising opportunity costs, as very real issues facing poorer people. In one recent review of the PDDP, a proposal for developing a ‘motherboard’ solution to multiple memberships/compound functions has been suggested, where one ‘mother’ group (CO) is selected to coordinate and manage the functions of many across a wider territory.\textsuperscript{111} It is thought that lumping several functions under one group type will enhance operational efficiencies and cut down on opportunity costs. This is a questionable assumption. And, furthermore, whether these types of changes will bring about increased access and benefits to the poorest of the poor will have to be very carefully monitored.

Some District Forest Offices (DFOs) have also taken a proactive role in combining and managing functional sub-groups under the direction of one strong group, a CFUG. This has been observed in Gorkha and Parbat Districts.\textsuperscript{112} In Kailali District, the organization of groups under broad headings or master groups has fallen to the Local Development Office (LDO).\textsuperscript{113} Thus, there is evidence that district administrations are aware of what is perceived by some local people as a problem of ‘too many groups’ and are coming up with meso-level innovations to address it.

But, caution is advised, for before one can say anything about whether such modifications and changes are ‘good’, ‘bad’, ‘efficient’, ‘effective’ or ‘sustainable’, careful monitoring and evaluation of their effects on social inclusion of poor and marginalized peoples has to be conducted.

Some programmes can be said to have nearly nationwide coverage. Farmer Groups, for example (calculated as the aggregate of many projects and programmes), are found in 71 of the 75 districts, with both micro and meso level impacts on community well-being and development. The Production Credit for Rural Women Programme (PCRW), one of the most well-developed and oldest programmes for savings and credit, covers 67 districts. The PDDP is in 62 districts (currently expanding). General Education programmes (in aggregate) are found in 55 districts. Community Forestry, one of the most well-publicized programmes supporting user groups, is in 74 districts. The Rural Water Supply and Sanitation Development Project (RWSSDP) is in 48 districts; and so forth. See Table 4-2 for the further examples and details.

\textsuperscript{110} van Riessen 2001.

\textsuperscript{111} Mukherjee et al 2003.

\textsuperscript{112} In Gorkha by Baral and Thapa 2004, in Parbat by Messerschmidt, Turton et al 2004.

\textsuperscript{113} Personal communication, LDO/Kailali District, 2004.
Table 4-2. District Coverage by a Selection of Projects and Programmes Noted in Annex B

<table>
<thead>
<tr>
<th>No.</th>
<th>Project or Programme Categories</th>
<th>Districts Covered (out of 75 total)</th>
<th>Annex No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Miscellaneous Cooperatives</td>
<td>74</td>
<td>B-15</td>
</tr>
<tr>
<td>2.</td>
<td>Farmer Groups</td>
<td>71</td>
<td>B-6</td>
</tr>
<tr>
<td>3.</td>
<td>Production Credit for Rural Women (PCRW) Programme</td>
<td>67</td>
<td>B-7</td>
</tr>
<tr>
<td>4.</td>
<td>Participatory District Development Programme (PDDP)</td>
<td>62</td>
<td>B-5</td>
</tr>
<tr>
<td>5.</td>
<td>General Education Programmes</td>
<td>55</td>
<td>B-16</td>
</tr>
<tr>
<td>6.</td>
<td>Community Forestry Programme</td>
<td>74</td>
<td>B-1</td>
</tr>
<tr>
<td>7.</td>
<td>Rural Water Supply &amp; Sanitation Development Project</td>
<td>48</td>
<td>B-2</td>
</tr>
<tr>
<td>8.</td>
<td>Trail Bridge Support Sector Programme</td>
<td>46</td>
<td>B-4</td>
</tr>
<tr>
<td>9.</td>
<td>Irrigation Water User Associations</td>
<td>41</td>
<td>B-8</td>
</tr>
<tr>
<td>10.</td>
<td>Health Programmes</td>
<td>36</td>
<td>B-16</td>
</tr>
<tr>
<td>11.</td>
<td>Rural Community Infrastructure Work Programme</td>
<td>28</td>
<td>B-3</td>
</tr>
<tr>
<td>12.</td>
<td>Non-Formal Education Programmes</td>
<td>25</td>
<td>B-14</td>
</tr>
<tr>
<td>13.</td>
<td>Rural Energy Development Programme</td>
<td>15</td>
<td>B-9</td>
</tr>
<tr>
<td>14.</td>
<td>Sustainable Soil Management Project</td>
<td>13</td>
<td>B-10</td>
</tr>
<tr>
<td>15.</td>
<td>Community Ground Water Irrigation Project</td>
<td>10</td>
<td>B-11</td>
</tr>
<tr>
<td>16.</td>
<td>Drinking Water Programmes</td>
<td>10</td>
<td>B-12</td>
</tr>
<tr>
<td>17.</td>
<td>Gender Mainstreaming Empowerment Project</td>
<td>10</td>
<td>B-13</td>
</tr>
</tbody>
</table>

4.4 MACRO LEVEL

4.4.1 Introduction

Important group activity occurs at the macro level, in the national and international arenas. It is at this level that groups have begun exercising voice through large coalitions and organizations in the form of federations, NGOs, cooperatives and social movements. There is, however, no rule of linear development of such higher level groups or coalitions. This finding follows the general precept depicted in Figure 4-2, comparing linear with non-linear (or ‘messy’) development processes and perspectives.

An example of non-linear development is with the ‘squatters’ groups and federation among the urban landless. At first the federation was informal, and only after mobilization of individual member groups was it formally registered with the government. Similarly, federation of forest user groups called NEFUG, was also developed non-linearly (federate first, then find user groups willing to join), with assistance from the forest bureaucracy. By comparison, the older forestry federation called FECOFUN and the NFIWUAN federation of irrigation water user groups developed linearly out of a desire by the members of existing micro-level forest and water user groups, respectively, (in the districts and VDCs) to attain some voice for their concerns in the

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114 Note that some categories present data from discrete projects and programmes, while others are data aggregated from multiple projects or programmes.
115 See Part III: §5 and 6, for further discussion.
116 The process is described in detail in see Part V: Case Study No. 10.
national policy arena (at both the meso and macro levels).  

Figure 4-2. Linear vs. Non-Linear (‘Messy’) Models of Development: Traditional Pipeline and Innovative Development Model Compared

<table>
<thead>
<tr>
<th>MODEL A</th>
<th>MODEL B</th>
</tr>
</thead>
<tbody>
<tr>
<td>The quest for precise linear planning, predictability and control</td>
<td>The reality of messy, fluctuating unpredictability and flexibility</td>
</tr>
<tr>
<td>• A ‘hard’ science systems perspective</td>
<td>• A ‘soft’ science systems perspective</td>
</tr>
<tr>
<td>• Traditional ‘pipeline’ planning model</td>
<td>• New ‘actor-innovation systems’ model</td>
</tr>
<tr>
<td>• Central ‘control’ model of policy making and implementation</td>
<td>• More local, flexible and ‘democratic’ model of implementation and action</td>
</tr>
<tr>
<td>• Anticipated planned for and forecasted results</td>
<td>• Many ‘unanticipated’ results and ‘spill-overs’</td>
</tr>
<tr>
<td>• Often thought to be ‘pure’ and uninfluenced from above (unreal expectation)</td>
<td>• Influenced by myriad outside actors, forces, circumstances and incentive systems (reality)</td>
</tr>
</tbody>
</table>

The formation of group-based federations is an important recent phenomenon in Nepal. One of the first user group based federations was organized by community leaders involved in the Community Forestry Programme. FECOFUN (Federation of Community Forest Users, Nepal) was founded in the mid-1990s by the leaders of individual CFUGS across the nation seeking access to the national policy dialogue and to make significant inputs into national legislation and planning. In a similar manner, NFIWUAN, the irrigation water users federation, was founded by concerned WUA leaders in the late 1990s. Section 5, below, deals exclusively with the federation process and other higher-level group-based organization-creating processes.

In the previous section on meso level (especially district level) initiatives, we saw how some actors are becoming aware of problems caused by the multiplicity of Sponsored Groups at the micro level. Examples described were the suggestion for master CFUGs (in Gorkha and Parbat Districts) and the ‘motherboard’ approach on the PDDP. Of course, some of the new institutional innovations for addressing these issues may not be all positive; what is important is that not all are negative. It would not be hard to design a cost effective way to identify and learn from positive institutional change taking place at the district level. The key is whether any influential actors in political positions at the macro level could initiate or be in a position to get much learning widely used.

By the macro level, we mean the actors at the national level and the nature of their linkages with actors at the meso and micro level, as well as linkages with international organizations. These are the various ministries and departments of government, the local offices of bilateral and multilateral agencies, and international NGOs. It also includes linkages with international

117 See Part V: Case Study Nos. 2 and 3. For further discussion of FECOFUN see Biggs and Messerschmidt 2004, and Britt 2002 (also Veer 2003), and for NFIWUAN and the associated FMIS Promotion Trust, see Bon 2002, FMISPT 1997 and 2002, NFIWUAN 2001 and 2002a,b, Pradhan and Gautam 2002, and Rana 1991.


119 See Britt 2002 for a detailed description of the founding and purposes of FECOFUN. The FECOFUN and other federations (e.g., NFIWUAN for irrigation water user associations, and SPOSH for urban landless squatters) are discussed in many sources in literature (see References).
networks, such as the Asian Coalition for Housing Rights (ACHR) and Shack/Slum Dwellers International (SDI).

Paradoxically, it is at this level that there appears to be little analysis of the behaviours of national actors vis-à-vis the group phenomenon in Nepal.

It is beyond the scope of this study to review major macro policy decisions in different sectors, or to look at the overall livelihoods, employment and other major economic outcomes of technology and institutional choice in different sectors.\textsuperscript{120}

The promotion of groups in Nepal has been so central to the mainstream development effort during the 1990s and 2000s that we must ask, at the national level: Why? We suggest that there are several reasons. First, the promotion of community groups of one type or another has a ‘feel good’ connotation. Of course, community development \textit{is} a good thing; who would disagree with such noble goals? It is precisely because it ‘feels good’ that allows the machinery of the local bureaucracy, aid donors, NGOs and others to continue without raising too many deep social and political issues to the surface.\textsuperscript{121} This does not mean, for example, that the term ‘group-based community development’ should not be used. It means, however, that community development means different things to different people. For some, ‘group-based community development’ might mean that caste-based community relationships are left much the same as before, thus reinforcing social injustices.\textsuperscript{122} In another situation, ‘community development’ might mean activities to help a marginalized group become empowered and begin to effectively challenge existing social relationships in the community.

This stark difference in what can be meant by ‘community development’ is reflected in the various definitions of social mobilization that exist in the literature. ‘Social mobilization’ is a term that is an integral part of the national level discourse in development. We bring this up as a macro issue because social mobilization guidelines and manuals are normally written in the ‘head office’ or by national consultants.\textsuperscript{123} As recently as 2002, one national level organization suggested that the aim of social mobilization ‘is to harness the dominant potential and willingness of the people to help themselves’.\textsuperscript{124} This definition, while enabling yet another group-based community development programme to move ahead (as the manual describes), illustrates a kind of problem that exists at the national and international levels. It ignores the very real inequities rife in some rural communities. Anyone who has worked with the social inequities of the ex-bonded labourers’ (Kamaiya) community, for example, would certainly take issue with such a sweeping definition that helps disguise the inequitable social and political realities of social exclusion.\textsuperscript{125}

\textsuperscript{120} To undertake an assessment of the livelihoods outcomes in the Agriculture Sector, for example, would first require a sector-wide review of Agriculture, including examining, from our perspective, changes in gender relationships, social inclusion, local participation, and patterns of income distribution. This type of assessment, while needed, is beyond the scope of the study. A study by ANZDEC (2001) was a step in this direction. It concentrated, however, on economic growth with little discussion of patterns of income distribution between economic groups, and virtually no analysis of gender and ethnicity.

\textsuperscript{121} Terms like ‘groups for community development’ are rather like ‘appropriate technology’, ‘social capital’ and ‘participatory rural development’ in that they have no real meaning outside of the specific context in which they are each used.

\textsuperscript{122} See Part V: Case Study Nos. 2 and 5, for examples.

\textsuperscript{123} We have been among those national consultants, producing social mobilization manuals; see DOED 2001 and DOR 2003, also Messerschmidt 1996.

\textsuperscript{124} New ERA 2002.

\textsuperscript{125} For some of the realities of the implications of caste-based exclusion being carried out in practice, see the stories of the Yadav community’s and excluded groups as recounted in recent Nepalese national newspaper accounts (of
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Through Development Groups and Group-Based Organizations in Nepal

The point here is that it is precisely because of the ambiguities and mixed ways that the language of group interventions can be used, that such generalizing definitions are in appropriate and dangerous.

A second point (raised earlier) is that for any agency staff to go into a community and start working with specific ethnic groups, or with specific farmers, is a politically and culturally challenging act. Hence, irrespective of the functional reasons such ‘groups’ might be formed and talked about, there is yet another reason (pertaining to the institutional design of development interventions) to take into account when decisions are made at the macro level.

These two reasons help to explain some of the popularity in development and development aid circles for a ‘groups approach’ amongst national and international actors.

What is surprising at the national level is the continuation of the use of such ambiguous terms and the lack of monitoring of the outcomes, against some of the development goals that group-based programmes are supposed to contribute to. Some of the recent findings in Nepal about the outcomes of the promotion of NGOs (a type of group), and the types of groups promoted by NGOs, has been well documented in the international literature for years, as are the lessons about the ‘myth of community’ development. IN some sense, Nepal seems to have been in a time warp, or a state of denial, regarding predictable outcomes of group development. One must reflect (in the context of promoting improved gender relationships, social inclusion and empowerment) how this literature was either not known about nor acted upon by aid agency staff or government officials, etc. By the same token, one must also ask why earlier established monitoring and evaluation systems in government and donor agencies were either not used, or the results not acted upon. In Nepal, for example, the literature about the inequitable ‘behaviours’ of some CFUGs has been available for a long time.

At the macro level there are important institutional ‘turf wars’ taking place; and this, while a part of the donor and government ‘reality’, has important ramifications for all programmes. This was recently illustrated by the Mukherjee report on PDDP where, under recommendations and conclusions, the authors write: ‘On partnership – It may be said that though UNDP occupies the driver’s seat, other partners would like to see their role well recognised’. This may not, of course, be the way other partners see their roles.

It is not our task to embark on an analysis to explain the above processes. Rather, we proceed now to illustrate some positive things happening among development aid actors at the macro level in Nepal. These are only illustrations. We hope that actors in the policy processes and development practice in Nepal will say: ‘But you have not included the following x-y-z empirically-based examples…’ Our reply to this is twofold: (1) that this is an exploratory study to illustrate what can be done, and (2) that this is good news, an excellent response – for what is

November 8 2004). On this occasion, there was positive action on the part of a local magistrate to stifle the blatant boycott of a poor, marginalized community. Whether this is part of a swift process of change towards social inclusion in that location needs further investigation.

129 In a recent article by Eyben 2003, she describes her role in a key position within a major development agency (DFID) in Bolivia, and her relationships with her head office, other donors, and the Bolivian government. She well illustrates how her personal relationships with members of these three groups determined the direction and content of the donor-funded programme she managed. It is only recently that these topics are being analysed in systematic ways; for example, see Sharma et al 2004, for a prime example of ‘Aid Under Stress’ – the behaviours of various national/international actors on several large projects supported by Finnish government aid in Nepal.
needed is to progress in finding effective ways to make ‘good’ practice more widely known. Meanwhile, we are very aware of projects, programmes, workshops, databases and networks, etc., that have been relatively ineffectual in bringing about improvements in gender relationships, social inclusion and empowerment. We turn now to some positive examples of macro level actor initiatives.

### 4.4.2 An Actor Focussed Economy Perspective On Groups and Group Based Alliances

To sum much of the above discussion, our perspective is framed through viewing the macro level in terms of the political economy of group-based development. To understand when and where groups and group based alliances/coalitions have been effected at the national level one has to take a political economy perspective, with the emphasis on looking at the actions and behaviour of the specific actors at a moment in time.

- **(a) National political economy.** This might be done in two arenas. First in the broad political arena and second in the organisational arena. It is beyond the scope of this study to look at the relationships between the Maoist movement and the minority groups (Dalits, Janajatis and Women) who have participated in social change in the past, but we have borne these issues in mind while examining the growth of effective groups and affective behaviour. In this political arena, there has been significant development discourse concerning groups and group based alliances. For example, the use of terms such as ‘group based community development’, ‘social mobilization’, ‘empowerment’, ‘participation’, ‘social capita’, etc., in the name of reducing poverty and improving social inclusion (despite all of the ambiguities that these terms carry) has enabled the aid machinery to continue.

- **(b) Political economy of organizations.** The second political economy arena is that at the organisation level. In the national area, the staff of organisations are affected by the structures and reward systems of the systems within which they work. Different government organisations are competing for donor funds, and donors are competing with each other to be seen as the ‘lead’ organisations in particular areas.

These types of political economy issues are part of the fundamental nature of development processes. Analysis of these is necessary if actors are to be effective. Our concentration on positive case studies of where local heroes have been effective has been to highlight the nature of these processes in the ongoing political economy of Nepal.

### 4.4.3 Positive Group Happenings at the Macro Level

Moving on to specifics, the following examples illustrate positive happenings in group development at the macro level in Nepal.

- **(1) Agriculture Perspective Plan Support Programme (APPSP).** The APPSP is an HMGN/DFID programme to support the implementation of the Agriculture Perspective Plan (APP). Central to its planning is its concentration of effectively challenging funds to the district level to support group-based and individual-based service provisioning for agricultural production. Two competitive funds have been established. One is the District Extension Fund (DEF), open to CBOs, local NGOs, cooperatives, and private organizations. It especially encourages partnerships with government organizations. The other is the Local Initiative Fund (LIF), open to ‘any existing farmer’s group formed by the following organisations for self-evolved groups… like,

  - Farmer’s groups formed by DADO/DLSO
  - Women farmer’s groups formed by WDO

\[\text{130} \text{ See analyses by Harriss 2001, Ferguson 1990, and Wade 2001 for this type of the aid arena, and for natural resources see Biggs and Farrington (1990).}\]
One of the objectives of this programme is ‘to shift the resources from more favoured areas towards less favoured areas (remote and less accessible areas where poor and disadvantaged people live) through specific service providers to excluded groups to improve their livelihoods’. The guideline has details of a very simple structure and transparent methods for assessing allocations and administration. The emphasis of the guidelines it so help ensure that the beneficiaries of these funds are poor farmers, women and marginalized groups.

In the context of this study of positive initiatives on the part of donors, the APPSP appears to be addressing the issues of challenging funds to the district level, and providing mechanisms to provide resources to groups of marginalized farmers in high poverty areas. Ongoing assessments of this programme will reveal if this new set of challenge fund initiatives will address, in effective and sustainable ways, gender and social inclusion objectives.

(2) CECI’s Sahakarya Project – Working Together to Build Self-Reliant Communities in the Hills of Nepal. The Sahakarya is an interesting new project already working in the Western regions with community groups. One of the most interesting things about the project is that it is based on learning from a range of community-based initiatives from the past. The project description documents how new goals and activities have come about as a result of the analysis of lessons from the past, which take the project in new directions. This is of particular interest here, because it is unusual to find such documentation.

Another lesson of note is that the project went through the very formal administrative procedures of the Canadian government’s international development agency (CIDA) and within the HMGN system very easily and quickly. (This contrasts with some of the lengthy processing activities that have characterized the establishment of many development projects and programmes in the past.)

Other examples of effective national level (macro) initiatives supported by HMGN to enhance group development vis-à-vis marginalized peoples include these (to name a few of the more outstanding): the DFID-funded Nepal Safer Motherhood Project, the GTZ-funded NGO Forum, and the SDC-funded Nepal-Swiss Community Forestry Project’s Rural Entrepreneur Development programme. The point of these illustrations is to show that there are some programmes and projects on the ground that show that some national and international actors do appear to have learned some lessons from the past and are finding effective ways to respond to need. Each is reflective of the work of multiple 'local heroes’ or ‘champions’ of positive innovation at the macro level.

133 CECI 2004.
134 The review upon which the Sahakarya Project was designed is based, in part on CEAPRED et al 2001.
4.5 THE PRIORITY FUNCTIONS OF GROUPS

4.5.1 Introduction

Before we discuss the alternative functional reasons for forming groups, we need to note that there are overarching political and social reasons why groups are so popular in development in Nepal. Many villagers will tell you that only by forming groups can they expect to receive the services of many agencies. The inverse of that reason is that in some cases it is only by the formation of a ‘community group’ that outside agencies and organizations can even start to work in the village (micro) level context. This is well illustrated by the lessons learned in the agricultural technology project (described above in §4.1) to promote minimum tillage using small scale tractors (2WT power tillers).\footnote{Gurung and Justice 2004.} Group mobilizers from the project formed ‘groups’ for corporate ownership, management and use of this equipment. For the project to have provided the 2WT technology to only one person (identified by any set of poverty-based criteria) in the village would have caused immense social discord between villagers and all of the actors involved.

Besides the functional reasons for why groups are formed, there are also deep political and social reasons which are outside the surface level functionalities.

Development groups can be categorized functionally into two basic types: \textit{Primary} (e.g., agriculture, forestry, irrigation, etc.) and \textit{Secondary} (e.g., literacy, health education, savings and credit, etc.). This simple dichotomy, however, blurs some of the important distinctions about groups and why they form and how they function (and the fact that what is sometimes considered Secondary in one context, is Primary in another). Thus, we have developed a broader typology, highlighting eleven of the most common functions of groups.

4.5.2 Eleven Functions

The 11 functional types, below, represent the various purposes for which development groups are sponsored and formed in Nepal (see Table 4-3, at the end of the section).

\textbf{(1) Economic Livelihoods.} This far and away is the most prominent functional purpose of development groups nationally. Poverty alleviation leads the list of objectives for sponsored groups. Many groups consider this their first priority, or a major priority among others.

\textbf{(2) Savings and Credit.} S&C is otherwise known as ‘Village Banking’, where the credit available to members derives from a lump sum raised internally by group members on a periodic schedule (weekly, monthly, etc.). One major goal of these groups is to encourage local investment in small-scale enterprises. Many of them are gender specific (primarily organized by and for women).

In some instances, S&C is a principle function of a group (e.g., WEP and PCRW), often in tandem with adult literacy/functional education. In other instances, S&C ranks as a high secondary priority (e.g., many irrigation, forestry and other resource user groups, and many multi-purpose community development/self-help groups).

In contrast to Micro-Finance groups (below), the key distinction is that S&C groups have no access to outside loan funds. Some groups, however, may decide they want access to outside funding, and join micro-credit schemes.

\textbf{(3) Micro-Finance.} These groups function with lines of credit (of varying sizes) from outside the group membership (e.g., Grameen Bank, SFDP, and others). These are strictly credit and loan associations for small entrepreneurial investment, but stand in counter distinction to the even smaller, more intimate/neighbourly, self-sufficient village banking/savings and credit groups
described above.

(4) **Formal Cooperatives.** These are formed at the meso or micro level, and are formally registered with government. They differ from Micro-Finance groups and Savings and Credit groups by the fact that they combine the buying and selling of inputs and outputs with access to outside information, credit and markets.

(5) **Service Delivery,** whether provided by public agencies or private enterprise or located within the civil society (by NGOs, or the groups themselves). Service delivery covers a wide range of interests, including the need for technical and managerial services to groups.

The literature (limited) and field observations indicate that many of the more ‘mature’ and ‘successful’ (but not necessarily larger) community organizations are, themselves, beginning to provide services to other groups. Examples have been noted in community forestry and the PDDP, where groups are encouraged to assist in the social mobilization of newly founded groups.\(^{139}\) It is also common, for example, for non-formal education groups to assist each other, especially at start-up.\(^{140}\) In the health sector, researchers associated with this study have noted that women leaders and activists involved with village-based safe motherhood groups often travel to neighbouring villages to encourage the formation of new groups.\(^{141}\) District Agricultural Development Funds (DADFs), established under the Agriculture Perspective Plan Support Programme (APPSP), provide support and encouragement to farmers’ groups to help one another with service delivery activities.\(^{142}\)

(6) **Local Infrastructure Development.** Groups established under the Trail Bridge Support Sector Project, for example, have this as their main priority.\(^{143}\) It also appears as a secondary consideration in groups in other sectors, in need of drinking water schemes, roads to markets, and other infrastructure development, for example.

(7) **Common Property Resource (CPR) Management.** User groups for natural resource management are prominent, for whom this is a first priority (CFUGs, WUAs, and others). Common property resources include forest, pasture, water, and land/soils; but the category also includes other common properties such as trails, bridges, water systems, culverts, and the like. One of the largest development group categories is community forestry, for which CPR management is the main purpose. Most such groups, however, combine it with one or more other functions, including savings and credit programmes, and adult literacy/functional education.

(8) **Human Rights.** This is a primary consideration for groups formed by the urban landless (‘squatters’)\(^{144}\) for land, and for water rights advocates,\(^{145}\) for example, and a high secondary priority for many other groups. It encompasses rights of access to public assets such as legal advice, social, economic and physical infrastructure, and civil and child rights. Thus, for example, child rights advocates place it as a high priority function of associated child development groups.\(^{146}\) The rights of Dalits are also a high priority in some group development activities,\(^{147}\) as

\(^{141}\) Thomas et al 2004.
\(^{142}\) APPSP 2004.
\(^{143}\) DOLIDAR et al 2004.
are those of women.\textsuperscript{148}

\textbf{(9) Gender Inclusion and Empowerment.} The main consideration of this study. A large percentage of development groups are targeted towards women and serve women’s empowerment functions. Gender empowerment has been a long-standing function of groups in Nepal.

\textbf{(10) Dalit or Janajati Inclusion and Empowerment}, including Kamaiya (ex-bonded labourers). In recent years Dalits and Janajati empowerment issues, including Kamaiya and Mahdesi peoples, have begun entering the consciousness of project planners. It is still the case, however, that (a) these are among the poorest of the poor in Nepal, and (b) they are grossly underrepresented in development group activities. Given that they are relatively powerless in many communities, the more powerful and wealthier elites tend to dominate group functions. Furthermore, many of these poor peoples find attending group meetings and working on group activities difficult due to the opportunity costs involved.

\textbf{(11) Non-Formal Education}, adult literacy or functional literacy. This has long been a group development function in Nepal, since the 1950s. NFE represents a very large movement in Nepal and internationally. Many of the NFE/adult literacy and functional literacy programmes are based on Frierean philosophy.


Table 4-3. The Functions of Groups and Higher-Level Group-Based Organizations and Movements (An Illustrative Selection)

<table>
<thead>
<tr>
<th>SPONSORSHIP TYPE</th>
<th>Economic Livelihoods</th>
<th>Primary ('1') &amp; Secondary ('2') Functions</th>
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<td></td>
<td>1. Savings &amp; Credit (village banking; credit internal to the group)</td>
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<td></td>
<td>2. Micro-Finance (access to lines of credit external to the group)</td>
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<td></td>
<td>3. Formal Cooperatives (registered, buying-selling inputs &amp; outputs; access to outside information, credit &amp; markets)</td>
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<td>4. Service Delivery (public, private, &amp; civil society; excluding credit services)</td>
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<td></td>
<td>5. Local Infrastructure Development (bridges, roads, water systems, etc.)</td>
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<td></td>
<td>6. CPR Management (common property resources: forest, pasture, water, land, etc.)</td>
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<td>7. Human Rights (access to public assets: legal, social, economic and physical infrastructure; including civil &amp; child rights)</td>
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<td></td>
<td>8. Gender Inclusion &amp; Empowerment (Dalit &amp; Janajati inclusion &amp; empowerment including Kamu/yak bonded servants)</td>
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<td></td>
<td>9. Non-Formal Education (adult literacy)</td>
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</table>

| COMMUNICATIONS: | |
|-----------------| |
| 1. Radio Listening | x |
| 2. Trail & Bridge | x |
| 3. Roads (misc.) | x |

| INFRASTRUCTURE: | |
|-----------------| |
| 1. Radio Listening | x |
| 2. Trail & Bridge | x |
| 3. Roads (misc.) | x |

| WATER & ENERGY: | |
|-----------------| |
| 1. Radio Listening | x |
| 2. Trail & Bridge | x |
| 3. Roads (misc.) | x |

| IRRIGATION: | |
|--------------| |
| 1. Radio Listening | x |
| 2. Trail & Bridge | x |
| 3. Roads (misc.) | x |

| DRINKING WATER & SANITATION: | |
|-------------------------------| |
| 1. Radio Listening | x |
| 2. Trail & Bridge | x |
| 3. Roads (misc.) | x |

| GOVERNANCE: | |
|--------------| |
| 1. Radio Listening | x |
| 2. Trail & Bridge | x |
| 3. Roads (misc.) | x |
### Functional Attributes & Instrumentalities

Examples of Sponsored Development

- Group Programmes by Sector
- (some specific, some lumped)

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<thead>
<tr>
<th>SPONSORSHIP TYPE</th>
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<td><strong>Savings &amp; Credit (village banking; credit internal to the group)</strong></td>
<td>MWCSW</td>
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<td><strong>Micro-Finance (access to lines of credit external to the group)</strong></td>
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<td><strong>Formal Cooperatives (registered, formal, national, etc.)</strong></td>
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<td><strong>Local Infrastructure Development (bridges, trails, water systems, etc.)</strong></td>
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<td><strong>Dalit, or Janajati inclusion &amp; empowerment (including Kamaiya/ex-bonded servants)</strong></td>
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### MICRO-FINANCE/SAVINGS & CREDIT:

10. Women’s Empowerment (WEP)  
   x  
   x  
   MWCSW  
   1

11. Production Credit for Rural Women (PCRW)  
   x  
   MLD  
   1  
   1

12. Grameen Bank  
   x  
   NRB  
   1  
   1

13. Small Farmer Development (SFDP)  
   x  
   ADB/N  
   1  
   1  
   1  
   2  
   2

### FORESTRY:

14. Community Forestry  
   x  
   MoFSC  
   2  
   1

15. Livelihoods Forestry  
   x  
   MoFSC  
   1  
   1

16. NTFP Development  
   x  
   MoFSC  
   1  
   2  
   2  
   1

### LIVESTOCK:

17. Livestock Development (misc.)  
   x  
   x  
   MoAC  
   1  
   1  
   1  
   1  
   2

### AGRICULTURE:

18. Integrated Pest Management (IPM/FFS)  
   x  
   x  
   MoAC  
   1  
   2  
   1  
   1

19. Agriculture Extension (traditional)  
   x  
   MoAC  
   1  
   1  
   1

20. Sustainable Soil Management (SSMP)  
   x  
   x  
   MoAC  
   1  
   2  
   1  
   2

21. Seed Sector Support (SSP)  
   x  
   MoAC  
   1  
   1  
   1

22. Biodiversity/Participatory Plant Breeding (e.g., LIBIRD)  
   x  
   MoAC  
   1  
   1  
   1  
   2  
   2

23. Farmer Development (e.g., CEAPRED)  
   x  
   x  
   MOA  
   1  
   1  
   2  
   1  
   1

24. Pasture Development (misc.)  
   x  
   MoAC  
   1  
   1  
   1

25. Dairy Cooperatives  
   x  
   MoAC  
   1  
   1  
   1

26. Technology transfer (power tillers)  
   x  
   MoA  
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<table>
<thead>
<tr>
<th>Example of Sponsored Development</th>
<th>SPONSORSHIP TYPE</th>
<th>Primary ('1') &amp; Secondary ('2') Functions</th>
</tr>
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<tbody>
<tr>
<td>Group Programmes by Sector</td>
<td>Economic Livelihoods</td>
<td>1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11.</td>
</tr>
<tr>
<td>(some specific, some lumped)</td>
<td>Donor Agency</td>
<td>NGO</td>
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<td></td>
<td>Functional Attributes &amp; Instrumentalities</td>
<td>1. Savings &amp; Credit (village bank, credit union internal to the group)</td>
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<tr>
<td>FISHERIES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27. Fisheries Development (misc.)</td>
<td>x x</td>
<td>MoAC 1</td>
</tr>
<tr>
<td>NON-FORMAL EDUCATION:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28. Adult Education (SPACE et al)</td>
<td>x</td>
<td>MoES 1</td>
</tr>
<tr>
<td>HEALTH:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29. Women’s Health (Safe Motherhood, Women’s Right to Life &amp; Health &amp; Maternal &amp; Child Health Care)</td>
<td>x x</td>
<td>MoH 1</td>
</tr>
<tr>
<td>OTHER:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30. Craft Development (Mahaguthi, Sana Hastikala, Women’s Skill Dev, etc.)</td>
<td>x x</td>
<td>_</td>
</tr>
<tr>
<td>31. Child Development</td>
<td>x x</td>
<td>MWCSW 2</td>
</tr>
<tr>
<td>32. Indigenous Nationalities (NEFIN) Movement</td>
<td>x</td>
<td>_</td>
</tr>
<tr>
<td>33. Rural Reconstruction Nepal (RRN)</td>
<td>x x</td>
<td>_</td>
</tr>
<tr>
<td>34. Kamaiya Development (ex-bonded servants)</td>
<td>x x</td>
<td>MLD 1</td>
</tr>
<tr>
<td>35. Multi-purpose Community Development (e.g., Ama Samuha, SAPROS, CSD et al)</td>
<td>x x x</td>
<td>MLD &amp; other 1</td>
</tr>
<tr>
<td>36. Urban Poor (Squatters Development)</td>
<td>x x</td>
<td></td>
</tr>
<tr>
<td>37. NGO Fund</td>
<td>x x</td>
<td>MLD 1</td>
</tr>
<tr>
<td>38. ‘Food for Work’ (RCIW, et al)</td>
<td>x</td>
<td>MLD 1</td>
</tr>
</tbody>
</table>
PART III

ACHIEVING EFFECTIVE VOICE AT HIGHER LEVELS: GROUP-BASED ORGANIZATIONS AND SOCIAL MOVEMENTS

This study has resulted in many findings about development group phenomenon – re: process, function and impacts. They are presented in synopsis form in Part IV, Findings and Ways Forward. In addition to the majority of our findings about village level (micro) groups, which are abundant, two other findings have emerged which reveal a profound set of changes occurring vis-a-vis empowerment of Women, Dalits, Janajatis and other marginalized and deprived peoples of Nepal, in groups:

• One is the significance of groups seeking effective voice at higher levels through the creation of group-based organizations; e.g., various coalitions and collectivities such as federations, cooperatives, NGOs, networks, trusts and the like, both formal (registered) and informal (unregistered), at the meso and macro levels. Such higher level group-based organizations are relatively new, beginning in the mid-1990s (following the re-establishment of Democracy and the rise of Civil Society), and have been steadily growing in number, power and influence in the policy and planning arenas of the nation. These are discussed in §5, below.

• Another is the rise of group-based social movements, epitomized by the activities of higher level federations. Our discussion is focused on short accounts of social movements among three marginalized groups in Nepal – Dalits, Janajatis (‘Indigenous Peoples’) and Women. These are discussed in §6, below.149

5. GROUP-BASED ORGANIZATIONS: FEDERATIONS, COOPERATIVES AND OTHERS

Cooperation: collective action of individuals, or mutual association among groups, for common well-being or progress.

Federation: the act of uniting separate groups in a league, alliance or other collective association, while retaining for themselves control over local affairs.

To associate (in local groups or higher level cooperatives or other collectivities) implies achieving public identification and partnership with likeminded individuals, colleagues, friends, neighbours, companions or allies with similar concerns, interests or liabilities (e.g., marginalization, deprivation) who seek increased empowerment and influence over events and actions that affect them ‘as a group’. (adapted from Merriam Webster’s Unabridged Dictionary)

5.1 Introduction

One of the most important findings from this study is that there is a quiet revolution occurring in Nepal, one that is taking the impetus for group action up out of the villages and into national (and sometimes international) arenas, through the growth of group-based organizations. It is, in part, a ‘rebirth’ of the cooperatives movement (in a generic sense) combined with the rise of federations and other collectives of groups as part of the evolution of organizational growth and development. It is a movement by group members and their leaders to seek new platforms for expressing voice and agency at higher levels; hence, it has instrumental potential for achieving empowerment on a macro scale, in arenas of power and influence that micro-level (village) groups are unable to effectively reach.

149 Included with the discussion in §6 is the important distinction between ‘Indigenous Peoples’ and ‘Indigenous Groups’.
As discussed below, where micro level (i.e., local) groups give voice to individuals through collective action, larger collectivities of groups give voice and agency to coalitions of people in groups. A member of a PCRW cooperative has noted that:

‘By registering, women have more power. If we try to accomplish something alone, we are unable to get anything done because nobody listens to us. Therefore, for the goals that we want to accomplish we can do better ... [as a cooperative or federation], working together. Joined by so many other women, we feel empowered.’

We have seen that the group phenomenon is not new, but stretches back several centuries into the history and culture of the country (§2). What is new is the coalescence of groups into broader, more formal associations, and the exercise of their power and voice through collective action. The meta-groups that are being formed at the meso and macro levels are called by various names: committees, societies, networks, trusts, federations, cooperatives, NGOs. Many are formally recognized through the official registration process. Many others are informal and unregistered.

This process of group association and organizational development has increased exponentially over the last two decades, since enactment of the Organization Registration Act of 1977, Cooperatives Act of 1991 and, most recently, the Local Self-Governance Act of 1998 (see Table 5-1.) Coalitions of groups as higher level organizations are typically centred in the districts and higher, regionally and nationally. Some also articulate loosely with international networks, interests groups or centres.

In this section we discuss a range of organizations formed as collectivities of groups for higher level empowerment purposes. Table 5-2 shows an indicative set of such organizations. In our discussion, we concentrate on the two most prominent – cooperatives and federations.

5.2 COOPERATIVES

The term ‘cooperative’ has a somewhat problematic history, carrying some negative connotations when associated with the notorious credit cooperatives of the 1970s in South Asia. In those cooperatives, government funnelled credit through politicised cooperatives that were often made up of elite community members. These sorts of cooperatives have suffered a reputation for corruption and mismanagement.

In Nepal today, however, the formal cooperatives that are arising are quite different, as associations of vastly diverse membership founded for varying purposes sometimes without government intervention. They may be formed for buying/selling inputs and outputs, seeking access to information, credit and/or markets, and/or pursuing other social, economic or political empowerment goals. In Nepal, a ‘cooperative’ is recognized as a group of individuals (not necessarily of groups, per se) who register with the government to become, ultimately, a classic ‘group’ in itself. Cooperatives are formally registered under the Cooperative Act of 1991 (the rules of which require a minimum of 25 individual members). Cooperatives such as these are ‘classic’ groups in and of themselves.

Based on available statistical data sets, we have documented the existence 7,445 cooperative groups nationwide (undoubtedly a low figure). Based on these data (Annex B-15) there are, on average, 50 members in a cooperative, the vast majority being men. The total number of general members in cooperatives nationally is estimated at 372,250, of which 321,996 are male and 50,259 are female. Our data show that these cooperative societies are divided into various categories. Those for which data are readily available and aggregated into the Annex are: multi-purpose (3,044 cooperatives), saving and credit (2,350), dairy (1,362), consumers (194), others (496). Considering that the figures we have are probably low and the number and types of cooperatives incomplete, the impact of the

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151 For example, Nepal’s squatters federation (SPOSH) is affiliated with the Asian Coalition for Housing Rights (www.achr.net) and with Shack/Slum Dwellers International (www.sdinet.org). Similarly, the community forestry federation (FECOFUN), has been assisted in its national-level activities by the Regional Community Forestry Training Centre in Bangkok (Veer 2003).


153 See Annex B-15, then compare the more advanced estimates in §3.
cooperative movement on the population of Nepal is potentially much greater than these statistics suggest. Nonetheless and as limited as they are, these figures tell us that cooperatives (along with federations and other group-based organizations) are a major force in the development of groups in Nepal today.

Table 5-1. Concerned Laws and Authorities for Group-Based Organizations (Illustrative)\textsuperscript{154}

<table>
<thead>
<tr>
<th>Groups/Organizations</th>
<th>Concerned Laws</th>
<th>Concerned Authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Users Groups</td>
<td>Local Self-governance Act, 1998</td>
<td>Local Governance Authorities (VDC, DDC, Municipality)</td>
</tr>
<tr>
<td>CFUG (Community Forestry User Group)</td>
<td>Forest Act, 1993</td>
<td>District Forest Office (DFO)</td>
</tr>
<tr>
<td>Cooperative Societies/Micro Finance Societies</td>
<td>Cooperative Act, 1991</td>
<td>District Registrar</td>
</tr>
<tr>
<td>Saving and Credit Organizations (Village Banking Groups)</td>
<td>Cooperative Act, 1991</td>
<td>District registrar</td>
</tr>
<tr>
<td>Community-Based Organizations (CB)s), Community Organizations (COs) &amp; NGOs</td>
<td>Organization Registration Act, 1977</td>
<td>Chief District Officer’s Office</td>
</tr>
<tr>
<td>Mothers’ Groups, Daughters Groups\textsuperscript{155}</td>
<td>Organization Registration Act, 1977</td>
<td>Chief District Officer’s Office</td>
</tr>
<tr>
<td>Clubs</td>
<td>Organization Registration Act, 1977</td>
<td>Chief District Officer’s Office</td>
</tr>
<tr>
<td>Trusts (e.g., FMISPT)</td>
<td>Guthi Corporation Act, 1975</td>
<td>Guthi Corporation Department</td>
</tr>
</tbody>
</table>

Associations and Federations (some examples)

<table>
<thead>
<tr>
<th>Associations and Federations</th>
<th>Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFIWUAN (National Federation of Irrigation Water User Associations, Nepal)</td>
<td>Organization Registration Act, 1977</td>
</tr>
<tr>
<td>FECO FUN (Federation of Community Forestry Users, Nepal)</td>
<td>Organization Registration Act, 1977</td>
</tr>
<tr>
<td>NEFUG (Nepal Federation of Forest Resource User Groups)</td>
<td>Forest Act, 1993</td>
</tr>
<tr>
<td>Regional and District Cooperative Associations</td>
<td>Cooperative Act, 1991</td>
</tr>
<tr>
<td>Irrigation Water Users Associations</td>
<td>Water Resources Act, 1992</td>
</tr>
<tr>
<td>NGOs federations</td>
<td>Organization Registration Act, 1977.</td>
</tr>
</tbody>
</table>

\textsuperscript{154} The lists on this table are illustrative only, not exhaustive.

\textsuperscript{155} Mother’s Groups have sprung up in many villages, with self-help community development as an objective. They are very popular and tend to have a long life. By comparison, some Daughters Groups are formed by the Department of Education for six months with an objective to educate the young girls in local levels.
### Table 5-2. Indicative Typology of Group-Based Organizations

<table>
<thead>
<tr>
<th>Trusts</th>
<th>Associations/Networks</th>
<th>CO Committees</th>
<th>Cooperatives</th>
<th>Federations</th>
<th>NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special organizations established to provide specific support services (e.g., management assistance, technical assistance, training) or advocacy to specific categories of groups. Trusts register under the Guthi Corporation Act of 1975; NEFIN (the Indigenous People’s foundation) originally registered under the Organization Registration Act of 1977; now under the National Foundation for Development of Indigenous Nationalities (NFDIN) Act of 2001</td>
<td>Community organizations at VDC level &amp; below, pursuing a variety of purposes, usually mobilized at the neighbourhood (Ward) level. Registered under the Local Self-Governance Act of 1998.</td>
<td>Groups of individuals registered under the Cooperative Act of 1991, designed for various service delivery—e.g., buying/selling inputs &amp; outputs &amp; accessing information, credit &amp; markets. Registered under the Cooperative Act of 1991.</td>
<td>Associations of groups, mainly advocacy oriented, seeking voice in district &amp; national policy &amp; planning arenas. Registered under the Organization Registration Act of 1977.</td>
<td>Multi-dimensional, designed to work with groups for capacity building, service delivery, advocacy &amp; promotion of voice in policy &amp; planning; often work in donor-funded projects at the interface between line agencies &amp; groups. Registered under the Organization Registration Act of 1977.</td>
<td></td>
</tr>
</tbody>
</table>

**Some examples:** (see more in Annex A)

- FMIS (Farmer Managed Irrigation System Promotion Trust)
- NEFIN (Nepal Federation of Indigenous Nationalities)
- Samaj Sudhar Sangh (social welfare society)
- Madan Puruskar Guthi (literary society)
- District IPM Farmer Field School (FSS) Association
- Association of IPM Trainers (TITAN)
- Seed Sector Support Group Network
- Himalayan Grassroots Women’s Natural Resource Management Association (HIMAWANTI)
- NTFP (Non-Timber Forest Products) Association
- CDG (Community Development Groups) Network
- Chairman/Manager Committee (in VDCs)
- Phewa Tal Fishers’ Enterprise Committee (of Pokhara)
- Society of Women’s Unity, Nepal (NMES)
- Mushroom Cooperative (of Pokhara)
- Production Credit for Rural Women (PCRW) Cooperatives (individual names vary)
- Horticulture Cooperative (of Bardiya)
- Credit Cooperative (national)
- Milk Cooperative (national)
- Savings & Credit Cooperative Society (SACCOS)
- Small Farmers Cooperative, Ltd. (SFLC)
- Kaski District Fish Growers Association (KDFGA)
- Microfinance Association of Nepal (MAN)
- Society for Preservation of Shelters & Habitations in Nepal (SPOS)
- Federation of Community Forest Users, Nepal (FECOFUN)
- National Federation of Irrigation Water Users Association of Nepal (NFI-WUAN)
- Nepal Federation of Forest Resource User Groups (NEFUG)
- National Federation of Savings & Credit Cooperative Unions, Ltd. (NEFSCUN)
- General Welfare Pratishan (income generation, education, women’s empowerment, AIDS awareness…)
- Samuhik Abhiyan (a private volunteer service organization for capacity building & social mobilization…)
- WATCH: Women Acting Together for Change (gender issues, AIDS awareness, advocacy & empowerment…)
- TEWA (non-profit philanthropic, gender issues & community self-reliance…)
- Maiti Nepal (against social injustice to women & girls, anti-trafficking…)

And many smaller, very local organizations working in virtually every sector, but especially in health, adult literacy, income generation & capacity building…

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156 The lists on this figure are illustrative and by no means complete; they serve as examples only.

157 CDGs are formed by the Department of Soil and Water Conservation. They are similar to the forestry user groups (FUGs) of the Department of Forests. The CDGs have formed a network to obtain information and to share activities.
5.3 Federations

A ‘federation’ is also a group of people, or an association of groups of people, registered with government (or unregistered), sometimes formed on a lesser and sometimes on a greater scale than a cooperative. A cooperative might be made up of several federations, for example, but more commonly there are federations of cooperatives. Unfortunately, the process of registering a cooperative, NGO or similar organization is sometimes referred to, loosely, as ‘federating’. Therefore, for purposes of this study, to avoid confusion, we refer to the larger category of such associations as higher-level group-based ‘organizations’ and the process of forming them as group-based ‘organization development’.

The term ‘federation’ is often used to describe many kinds of organizations. When considering ‘federation’ in the strict sense of the word, as used here, one needs to be aware of at least four major distinctions regarding their individual founding and functions:

1) Federations that exist within a hierarchical management structure, such as in micro-finance agencies and sometimes in large NGOs (e.g., Grameen Bank).

2) Federations that are part of a formal legal structure but where there is no functional role for the delivery of services (e.g., the cooperative structure).

3) Federations that are created by groups ‘from below’; i.e., that come into existence as part of a movement to secure access, express voice and seek empowerment (e.g., FECOFUN in forestry, NFIWUAN in irrigation).

4) Federations (in growing numbers) that are informal or semi-formal, as found in various sectors (e.g., women’s IPM groups in agriculture).

5) Federations that are created ‘from above’ with substantial support from government (e.g., NEFUG in forestry).

These four configurations (and there may be others) illustrate the fact that to speak too broadly about micro-finance federations or of federations of forest user groups, for example, as if they are the same everywhere, in every case, is not useful. There are too many variations, hence no fixed rule. In fact, such generalizing is particularly misleading, as in a sense it ‘depoliticizes’ the variety of organizations embedded within the political context of contemporary Nepal.

5.4 ORGANIZATION FORMING PROCESSES

As noted, the group-based organization development process is difficult to describe in Nepal, for there are almost as many arrangements as there are such organizations. We know by examining the histories of various federations, that there is no linear path regarding the organization development process. A linear model would posit a process where micro-level groups come first, then are later federated at the meso or macro level. In the PDDP, for example, group development follows the linear model. COs (community organizations, i.e., local groups) are mobilized at the Ward or settlement level and administered by a chairman and a manager. Chairman-Manager Committees (CMCs) have been created above the groups to express voice in the development planning process at the VDC and, ultimately (in the recent absence of VDC government), at the DDC levels. Similarly, some small

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158 The Grameen Banks in Nepal are modelled after those of Bangladesh. The best example of a large NGO in this category is BRAC, also from Bangladesh; see Jain 1994 and 1996 for analyses of both.

159 Conceivably one could argue, for example, that even the Maoist movement epitomizes a type of ‘federation’ structure; but this is beyond the scope of our inquiry.

160 The CMC plays a vitally important role in the VDC/DDC planning process. In the past, VDC plans were based on local level plans submitted by each CO through the CMC to the VDC, where they were prioritised according to need and political considerations, then authorized and budgeted. The combined VDC plans were
cooperatives created at the micro or meso level choose, in time, to join the macro level National Federation of Cooperatives (though it is not mandatory).

On the other hand, a distinctly non-linear process of group federation also occurs. One example is the creation of SPOSH, the urban squatters’ rights federation, and another is of NEFUG, an alternative federation of community forest user groups. Both of these federations were created at the national level, quite independent of micro level group mobilization. It was after the act of federation that member groups were either mobilized from scratch to fill in the federation process (as in SPOSH) or recruited from existing groups (as in NEFUG).

Similarly, some groups are self-sustaining and remain separated from a formal organizational structure, either as stand-alone groups (such as the national NGO TEWA, non-profit philanthropic, gender issues and community self-reliance and which, itself, is fiscally self-reliant), or as part of a larger but informal network or coalition of groups that is not registered with the government (e.g., some IPM groups, some fisheries groups). Still others start up aggressively, only to ‘disappear’ through mismanagement, or loss of interest, or purposively (as temporary associations). Some are deliberately ephemeral or temporary, designed for a single one-off purpose.

Some group-based organizations are sectoral, and some are multi-sectoral. Some are Indigenous, some Traditional, and others are Sponsored by donor projects or by NGOS, or directly by government line agencies. Some Sponsored Groups are beholden to the sponsor as a founding entity and source of training, technical input and financial resources. Others seek open-ended financial sponsorship agreements to achieve their objectives, but without donor strings attached. Some are ‘top-down’, some are ‘bottom-up’, some are directly and some indirectly sponsored, and some have evolved spontaneously or have arisen completely independent of outside sponsorship. There is no single rule or model.

Some Sponsored Groups have become so empowered that they have outgrown their preliminary purposes and have taken on greater roles in the political, legal and policy development arenas. For example, some CFUGs are quite large and powerful, and have more operating capital than the VDCs in which they are located; thus, they have potential for considerable influence on local governance and political processes. In many instances, these larger CFUGs embrace smaller functional groups in their midst, under one umbrella organization. Some observers feel that PDDP groups should fulfil the same generalizing group leadership functions (the so-called ‘motherboard’ effect).

There are those who argue that this inconsistent and sometime anti-intuitive approach to group-based coalescence and organization development is confusing to those who seek to...
more formally institutionalise the group and federation development process. There is a case to be made for having an established framework, or cooperative model, with distinct stages of advancement that run parallel to capacity development. The Women’s Development Office with UNICEF assistance, for example, has created an Institution Development Framework. The framework describes four stages of development, trainings based on self assessment, and IEC (Information, Education and Communication) materials, with the idea of identifying process indicators to measure federation maturity, and allow for the development of goals, comparison with other groups across the country, and regular evaluations and progress reports. This framework is still being utilized in the Micro-Finance and agricultural sectors. In Sunsari and Chitwan districts, for example, PCRW groups are attempting to replicate the framework in women’s groups under the PDDP programme.\textsuperscript{167} Meanwhile, the PDDP, itself, is currently operating under yet another group development framework designed for its social mobilizers.\textsuperscript{168} Similarly, the Department of Health Services has created an IEC (Information, Education, Communication) strategy for application to various community and family health oriented projects.\textsuperscript{169}

The implementation of a singular national framework across all sectors would be difficult, and certainly misguided regarding promoting the interests of the poor and marginalized. The development of groups has not occurred for the same purposes, nor with the same assistance, and often with very different objectives. The process of developing a group based organization is both dynamic and highly individualistic. And, while it is important to keep group objectives and processes in mind, it is also important to avoid the tendency to dwell only on the process, losing track of the informalities, the group vibrancy, culture-specific norms, local leadership variables, and the potential for powerful civic action and policy pressure.

From our analysis of a wide range of sources, the process of organization development, whatever route is taken, generally follows a pattern of members progressing from ‘beneficiaries’ (pre-group) of development and government ‘service handouts’, to an internal realisation of needs that can be better addressed locally through groups, then to membership in a group, and ultimately becoming informed participants with increasing voice and (eventually) agency within the group.\textsuperscript{170} When following the linear path, the process continues upward to the formation of higher level collectivities (federations, cooperatives, etc.). No matter which model is followed (linear or non-linear), empowerment occurs when a group member, or the collective membership of a group or collective organization, becomes informed and feels confident in its support network to begin influencing decision-making and control over resources and their allocation. Voice is gained through the process of obtaining information and understanding, and growing opinion, and gives rise to member agency when individuals and groups become empowered enough to find and solicit their own resources and to influence economic, socio-cultural and political power structures.\textsuperscript{171}

The creation of group-based organizations is inconsistent, as we have pointed out. It is always based on the process of binding people together around a common cause or objective, but beyond that, the process of ‘federating’ varies considerably. Sometimes it builds upon micro level groups, then encouraging them to function as a collective towards further realisation of their strategic and practical needs, and their economic development, social, or service goals (FECOFUN is a prime example of this sort of linear federation development). Other factors include shared socio-economic characteristics, common problem or purpose, relationships, harmony, trust, gender, caste or ethnic solidarity, societal status or class, and age. On the

\textsuperscript{168} MLD 2001; see also References under LGP, NPC and PDDP.
\textsuperscript{169} DOH 2003; see also Abbatt 1999, Manandhar 2000a,b, and NSMP 1998.
\textsuperscript{170} See Yadav 1999 for a description of how this process was to take place in the agriculture sector under the World Bank supported Agriculture Research and Extension Project (AREP).
\textsuperscript{171} UNICEF 2003.
other hand, sometimes the process of federating precedes the formation of member groups (as in SPOSH) or in recruiting groups to become members (as with NEFUG).

In any case, group size may vary, as does the size of higher-level organizations. The incentive to form a group or create a group-based organization may also vary while working towards a commonly identified ‘need’ or ‘purpose’. Some are formed on the incentive of credit on group collateral, but more important incentives today include participation in trainings, exposure tours, and access to technical resources, as well as education, income-generating opportunities, technical and financial resources, influencing policy and planning, peer support and collective strength and, not least, public recognition and prestige.

No matter by what process group-based organization is developed (linear or non-linear), they all attempt to assist the membership with the ability to increase access to and control over resources, develop a strong sense of solidarity, increase individual and collective empowerment, and create informal grassroots linkages. The institutionalisation process also gives members a sense of identity that allows them to gain political power enough to expand activities much more effectively, further and faster than micro groups alone can do.

Group-based organization development is relative new (barely a decade along), so the future roles that these new civil society organizations might vis-à-vis effective empowerment take remains to be seen. It should be noted, however, that even in organizations deemed to be ‘failing’, individual members still gain a measure of empowerment through the opportunities presented during the process.

The effects of empowerment by joining groups and cooperatives is exemplified in this case from the PCRW Programme (in Part V, Case Study No. 11). One woman, Kanchi Sarki, as a member of an unregistered cooperative, went from living in a hovel and dressing her children in burlap sacks, to owning a house and independently forming an all inclusive Sarki women’s savings, credit and social service group.172

5.5 Organization Functions

Groups and group-based organizations in Nepal play many different roles. Traditionally, they were dominated by elite and privileged members of society, with the poor and marginalized having less association, hence less voice and agency, within groups. In recent years, however, there has been a change in the structure of groups, in two ways: (a) by specifically seeking to mobilize groups for marginalized and deprived peoples (non-dominant, non-elite), and (b) by opening up greater opportunity for members of vulnerable populations to participate and gain benefits within mixed groups (caste/ethnic, male/female, wealthy/poor, etc.). These positive changes are being actively pursued by (some) government agency staff, and especially by some donors and NGOs, and while some official bodies, like the National Federation of Cooperatives, are formally restricted from taking a proactive stance in promoting cooperatives and other organizations as a way of organizing minority and marginalized groups, they do not oppose this sort of targeting of activities.173 The advantages and disadvantages to women and disadvantaged people in several selected types of groups are noted on Table 5-3.

There are also good examples of positive situations where women and marginalized groups have successfully formed effective organizations, of their own initiative. In Kaski District, for example, women’s mushroom growing groups have recently registered as a cooperative in order to have better access to inputs and marketing opportunities.174 In Dolakha District, a community forestry project has helped poor, small scale NTFP producers to form networks

172 See also KC 2001, UNICEF 2003b.
173 Nonetheless, there are still glaring examples of discrimination and elite dominance in some sectors. For example, in forestry see recent discussions by Lachapelle et al 2004, Malla et al 2003, Smith 2004, Timsina 2003 (an others), and in health see Thomas et al 2004.
and engage in mutually-supportive cooperative activities. In Bardiya District some ethnic Tharu women’s vegetable production and marketing groups have registered as a cooperative with assistance from the local DADO office in the registration process. In Saptari District, elite community members have successfully assisted a Dalit community in forming a Micro-Finance and income-earning group to help lift them out of poverty. In a number of Terai districts, CECI’s Sahakarya project supports cooperatives of small scale tubewell operators. And, savings and credit groups among urban squatters have been able to mobilise multiple funds soon after they were registered as cooperatives because they owned the cooperatives.

In some mixed groups, the trend towards greater inclusiveness and empowerment of minority members is observable, especially in donor-funded and NGO-supported projects. In Kavre District, for example, a women’s Micro-Finance group has taken special measures to ensure that the desperately poor are not disenfranchised, by establishing a fund to cover shareholder and membership fees of women who cannot otherwise afford to pay them and would otherwise be excluded from joining. This fund also helps cover the monthly savings requirements until poor women are self-sufficient, at which time the fund is reallocated towards other needy women. In Nawalparasi District, another group sought a relationship with the local agricultural extension office and solicited a gift of ten pigs, which are rotated in breeding pairs among poor marginalized members. Recipients benefit from the sale of all but one male and one female piglet, which they retain to provide a steady source of income. The original male and female are then gifted to another needy member.

Similarly, in the districts of the donor-funded NSMP (Nepal Safer Motherhood Project), some NGO partners actively seek broad-based involvement of marginalized groups (especially Dalit and poor Janajati), although there is also evidence that some of the poorest and most isolated areas, and marginalized peoples, are neglected. For example, special group-based emergency funds have been established by group members, with NGO assistance, and special subsidies have been allocated to help poor and marginalized women (to assure better access to health care facilities). But, inconsistencies abound, and the use of such funds and subsidies needs to be monitored more closely, and improved.

There are many case studies in the literature of the failings of such groups activities at various levels in many sectors. The UNDP’s gender assessment study, for example, lists some of the all too familiar failings, constraints and ‘problems’ (e.g., ‘elite capture’, etc.) which are so often the outcomes of projects that have been ineffective in reducing poverty and improving social inclusion. Similarly, a recent review of the NSMP points out in strong terms the ineffectiveness of concentrating only on the existing ‘barriers’ to access by village women to maternal health facilities, to the neglect of building upon the strong positive examples that exist.

Not all examples, however, are so negative. The platforms of some organizations, for example, are successfully being used to counter elite bias against the disadvantaged. Federations, for example, often serve as a social service instrument, promoting approaches to

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175 Nurse and Paudel 2003; see also ANSAB 2003.
177 Described in Part V, Case Study No. 9.
179 Part V, Case Study No. 10; also Lumanti 2001 to 2004.
183 For example, in forestry see Lachapelle 2004, Smith 2004, Timsina 2003 and others; and in health see Thomas et al 2004.
184 UNDP 2002.
development that benefit entire communities with special attention to marginalized peoples, through effective lobbying of the bureaucracy (e.g., FECOFUN). Some federations and especially social welfare-oriented NGOs also promote greater equality, transparency and justice through activities ranging from anti-alcohol and anti-gambling rallies, sanitation camps, schools and meeting hall building, rural electrification, temple construction, and (in particular) legal assistance and political pressure. Often the threat of group or federation action is enough to ensure fairness. As one observer of the PCRW federation process has observed from the field: ‘When the whole federation shows up at the police station, it is hard to ignore’ (or, at the line agency, or the district courthouse…). In Jhapa District, PCRW cooperative members successfully prosecuted the murderer of a members’ daughter, from his arrest, to hiring a lawyer on behalf of the impoverished family, to bringing in witnesses, and ultimately putting enough pressure on the judicial system to assure fairness during the trial.

Several of the Case Studies in Part V describe the way group activities are linked to federated organizations. Group-based organization development, unlike individual group formation, does not carry with it the same notion of ‘being formed’ by a sponsor; rather, the process of federating, forming a cooperative or creating some other association is often a far more ‘independent’ or ‘spontaneous’ process.

While some donors provide outside assistance to such organizations, sometimes including fiscal and capacity building assistance, it cannot be said that these are all ‘outsider-sponsored’ hence ‘outsider-controlled’ organizations (e.g., FECOFUN and SPOSH). Their impetus is usually conceived locally and in this way is ‘Indigenous’ (by our typology); i.e., locally founded and functioning regardless of outside encouragement. Their social dimension and advocacy work on behalf of members, as well as their increasing visibility in challenging policy processes and regulations that they see as counter to their raisons d’être, are indicative of this.

187 Part V, Case Study No. 11.
188 See Part V, Table V-1.
189 For FECOFUN see Britt 2002; for SPOSH see Lumanti 2001 to 2004, and Case Study No. 10.
Table 5-3 Some Examples of Legal Status and the Advantages/Disadvantages for Women and Disadvantaged Groups Under Various Acts and Regulations

<table>
<thead>
<tr>
<th>Legal Status</th>
<th>Women</th>
<th>Dalits and Janajatis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CFUG: Community Forestry User Groups</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Forest Act of 1993 &amp; subsequent rules assign more responsibility to local user communities. The DFO directly hands over management of forest to user groups that meet the requirements. The CFUGs prepare a constitution according to an established format, &amp; an operational plan, &amp; register them with the DFO. DFO has the authority to dissolve groups.</td>
<td>The objective of the Forest Act is to promote the socio-economic condition of disadvantaged people. Women are encouraged to participate in CFUGs. The Regulations specify 33% female participation on CFUG Executive Committees (but do not specify other marginalized group inclusion).</td>
<td>CFUGs are encouraged to promote socially &amp; economically disadvantaged groups. The objective of the Act is to fulfil basic needs for development.</td>
</tr>
<tr>
<td><strong>WUA: Irrigation Water User Associations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Irrigation Act &amp; Rules of 1999 &amp; the Water Resources Act of 1992 mention such groups. Groups register with the District Water Committee. Conflicts are resolved by the users themselves. DIO is entrusted to look after complicated cases &amp; acts as a quasi-judicial body.</td>
<td>The practice of such groups shows very traditional exclusion behaviour towards women. The leaders often do not inform women of meeting. Representation of women in executive committee is often only a formality.</td>
<td>The objectives of the WUAs is useful for disadvantaged groups of the society. Draft amendments to the constitution of NFIWUAN is very progressive in allocating quotas for the representation of disadvantaged groups.</td>
</tr>
<tr>
<td><strong>FMIS: Farmers Managed Irrigation Systems</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operated by customary rules.</td>
<td>Women typically not strongly encouraged in cooperatives.</td>
<td>Helpful to participating Dalit farmers. Ethnic communities usually have their own groups for maintenance of natural resources</td>
</tr>
<tr>
<td><strong>User Groups</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Local Self Governance Act (LSGA) encourages establishment user groups for management of natural resources</td>
<td>The LSGA encourages participation of women in local level governing bodies (VDC, DDC &amp; Municipality).</td>
<td>Dalits &amp; ethnic communities are represented in local councils.</td>
</tr>
<tr>
<td><strong>Cooperative Societies and Micro Finance Organizations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Cooperative Act &amp; Rules regulate cooperatives. Societies registered under this law are obligated to organize assemblies in designated time &amp; duration.</td>
<td>The objectives of this law are to improve the socio-economic conditions of disadvantaged, poor &amp; skilled people; thus, women are encouraged in principle.</td>
<td>In principle, the purposes of the law are useful to the disadvantaged.</td>
</tr>
</tbody>
</table>

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190 The table is illustrative, not exhaustive. It shows generalizations and trends but does not answer ‘how’ or ‘why’.
Some federations are increasingly creating political mechanisms, and involving themselves in political and legal processes. The best examples of this are, again, FECOFUN and SPOSH, but some PCRW cooperatives are also involved in political action. In Nawalparasi District, for example, members on the executive committee of a PCRW cooperative have developed a system for junior members to succeed them as they run for political office. Evidence from the field shows that when local politicians support women’s groups, the groups are more successful from the perspective of furthering gender inclusion goals, and, in turn, campaign on behalf of the politician. This has increased their ability to mobilise resources, solicit funds, and obtain land donations, permits for telephone lines, and legal assistance. Likewise, where political support has been lacking, women have united against politicians.191

5.6 LEGAL ASPECTS

In many ways, higher-level group-based organizations (cooperatives, federations, NGOs, etc.) are simply a ‘big groups’ with legally recognised status. Their legal status is formally achieved through registration under various laws related to organizations, natural resource management, irrigation management, and cooperatives (see Table 5-1). Some organizations are not formally institutionalised under these laws, but continue their services through popular but informal legitimacy.

Table 5-4 describes some of the pros and cons of registration and non-registration of group-based organizations.

Table 5-4. Formal and Informal Group-Based Organizations: Pro’s and Con’s vis-à-vis Member Participation, Social Inclusion and Empowerment192

<table>
<thead>
<tr>
<th>1. FORMAL ORGANIZATIONS/REGISTERED</th>
<th>AGAINST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulated by formal laws. The laws have fixed the process &amp; steps to formulate the CFUGs &amp; for the preparation of the constitution &amp; operational plans</td>
<td>Centralized bureaucratic system of management</td>
</tr>
<tr>
<td>Forest groups are given rights by the Department of Forests &amp; the hand over certificate is signed by DFO</td>
<td>Lack of the similarities of the process &amp; steps.</td>
</tr>
<tr>
<td>For the irrigation users, DIO is the authority. The DIO can dissolve the executive committee after taking the consent of the DOI if the committee is found to be involved in acts against the approved rules of the said organizations</td>
<td>A few quasi-judicial bodies (DFO) are also involving in managing forest related conflicts which fosters discrimination among the people &amp; promotes greater bureaucratic control over forest groups</td>
</tr>
<tr>
<td>Processes &amp; criteria are to be adopted for the membership of formal organizations for the NR management</td>
<td>The process of justice is normally adversarial in nature</td>
</tr>
<tr>
<td>One can appeal in the court against the decision of quasi judicial authority</td>
<td>Court expenses can turn out to be very expensive for the litigant which includes court fee, lawyers fee, travelling expenses, etc.</td>
</tr>
</tbody>
</table>

Examples:

1a. FECOFUN (Federation of Community Forestry Users, Nepal)

<table>
<thead>
<tr>
<th>FOR</th>
<th>AGAINST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participatory &amp; inclusive</td>
<td>Composition of groups influenced by political parties</td>
</tr>
<tr>
<td>Legal obligation to work for socio-economic upliftment of the disadvantaged</td>
<td>Irregularity in these organizations (e.g., corruption)</td>
</tr>
<tr>
<td>Written agreement is made between the organizations &amp; individuals</td>
<td>Dalits are usually forbidden to be seated together with some other castes in the meetings (though changing)</td>
</tr>
<tr>
<td>One can be punished who violates the agreement</td>
<td>Women, Janajati, Dalits are under-represented</td>
</tr>
</tbody>
</table>

192 This table is designed to be indicative, not exhaustive. Some categories may be incomplete, and the reader may have additional insights and opinions based on other experience with federations, cooperatives, NGOs and other group-based institutions.
### 1b. CFUG (Community Forestry User Groups)
- Each CFUG manages internal conflicts according to the provision of its own constitution
- Legal obligation for inclusion of women & disadvantages in users' associations
- CFUG is dissolved if it goes against its constitution
- Clever farmers used to rush for the registration of their organizations
- Bare exercise of powers & 'source force' to influence the decision on disputes
- Women, Dalits & Janajati are under-represented

### 1c. WUA (Irrigation Water User Associations)
- Regulated by Irrigation Act & Water Resources Acts
- Legally registered organizations are permitted only for operation
- Increasing the dependency of WUA
- Low level of legal knowledge of the users group
- Long, frustrating formal procedure of dispute resolution

### 1d. NFIWUAN (National Federation of Irrigation Water User Associations, Nepal)
- Association of WUAs to supervise & regulate them
- Participatory & inclusive
- Attempts to encourage the participation of Dalits, women & ethnic
- Some practices influenced by the political party in power

### 1e. Micro Finance
- Legal organizations ostensibly for the economic upliftment of the poor & disadvantaged
- Opens new avenues of financial assistance; access to outside capital
- Provision of punishment for those who violate the rules & conditions of the Cooperative Act
- Networking opportunities
- Registration explicitly recognizes how to handle default
- Cohesive group spirit
- Local residence a strict requirement for membership
- Only one district-level cooperative organization is permitted in each district
- Influentials may dominate (elite capture)
- Poor management and corruption among managers may occur
- May diminish concepts of self (individual) savings and credit
- May lead to borrowing for non-viable investments

### 1f. Guthi (Temple Asset Management by Specific Clans)
- Regulated by the Guthi Act
- Use of Guthi property for the affairs & events
- Exclusionary by nature
- Misuse of common property by powerful men in group

### 2. NON-FORMAL USERS' ORGANIZATIONS/UNREGISTERED

<table>
<thead>
<tr>
<th>FOR</th>
<th>AGAINST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers managed system. Code of conduct is devised &amp; applied in the way that natural resources are to be utilized</td>
<td>Membership criteria traditionally dominated by privileged caste men, with no system of appeal</td>
</tr>
<tr>
<td>Rules are taken seriously by members &amp; violations are penalised without exception</td>
<td>Exclusive</td>
</tr>
<tr>
<td>Local communities have been managing the natural resources establishing the network of community structures &amp; organizations following indigenous practices. Role of government sector is quite nominal</td>
<td></td>
</tr>
<tr>
<td>Accessible according to people's knowledge &amp; level of understanding</td>
<td></td>
</tr>
<tr>
<td>Rules formulated by the society enforced by traditional organizations elicit better compliance</td>
<td></td>
</tr>
<tr>
<td>Accessible justice process, speedy conflict resolution</td>
<td></td>
</tr>
</tbody>
</table>

### Examples:

#### 2.1 FMIS (Farmer Managed Irrigation Systems)
- Self discipline has generally proven to be effective for good management & performance of the irrigation system
- Accessible, equitable, quick acting institutions
- Rotational working mechanism by members
- Informal internal legal practices to resolve the disputes
- Mutual trust plays vital role
- Women generally are discouraged from participating in decision making process
- Dalits are rarely found in the formulation of these groups
- Possibility of injustice to the underprivileged people
- No mechanism to review or appeal decisions

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continued-
2.2 Pancha Bhaladmi, Aama & Chelibeti Samuha

- Generally manage the distribution of irrigation & natural resource management.
- Simple, cheap & non-formal process of resolution of disputes.
- Manage natural resources relying upon various non-formal formulas (e.g., parma exchange labour systems, etc.).

- Domination of privileged caste individuals in decision-making.
- Differences in gender, caste, social relations, age, and social status of the disputants in an internal conflict may lead to variations in dispute management process against the rule of law.
- Dalits generally discriminated from obtaining justice. Privileged castes and persons of high socio-economic status important for becoming a member of the Pancha Bhaladmi.

2.3 WUGs (unregistered irrigation Water User Groups)

- WUGs develop many rules on irrigation water management that may lead to water disputes among farmers.
- WUGs are similar to other farmers organizations that use negotiation, mediation or arbitration to manage their water disputes.

- WUG executive committees dominated by clever and relatively well-off farmers.
- Decisions made by the leaders are generally not questioned.
- Women, Dalits and Janajati not highly encouraged to participate.

2.4 Dhikuti (Customary Rotating Credit Associations)

- Managed by the local people themselves, often targeting initial assistance to the most need participants.
- Access is principally open, without caste, gender or ethnic restrictions; allocation of fund generally by drawing lots (though, as a reward, the organizer has the privilege of taking the first round of the fund); sometimes a poor participant takes the first round.
- Individual who gets loan morally bound to repay; usually a system of sponsorship to cover defaults.

- Lack of formal financial organizations with convenient savings deposit facilities and broad access to credit.
- More and more people place bids of unreasonably low amounts to capture the fund immediately, speculating on exceptionally high returns on their investment. When these expectations fall through, they find themselves unable to abide by their obligations and drop out of the group early.

The two main laws for organization registration are the Organization Registration Act of 1977, an important means of facilitating social service and development, and the Cooperative Act of 1991, which has paved the way for people to organize and manage the financial activities of cooperative societies and micro finance entities. There are some striking differences between these acts that influence how an organization registers, but one thing remains consistent: the organization must seek registration, be approved, and be accountable to an affiliated line agency. Some users groups are also registered under the Local Self-Governance Act of 1998, under which local community user groups are registered and entrusted with the protection and preservation of natural resources. Other legal platforms for registration include the Drinking Water Rules of 1998, the Forest Act of 1993, the Guthi Corporation Act of 1975, the Irrigation Rules of 1999, and the Water Resources Act of 1992.

There are a number of reasons and advantages to formally registering a group-based organization. They include the ability of the organization to:

- obtain recognition and legitimacy (access to more trainings, resources, opportunities and information),
- increase collective strength, power, voice and agency,
- systematise locally scattered groups,
- provide a larger interactive forum for members,
- consolidate resources and expertise,
- extend outreach to more marginalized populations,
- network and collaborate within a larger geographic and social arena, and
- increase independence and interdependence.

Some distinctions between cooperative and federation registration are shown in Table 5-5.
**TABLE 5-5. ORGANIZATION REGISTRATION ACT AND COOPERATIVE ACT COMPARED**

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum of seven members required for registration. Organization usually presents itself as an NGO.</td>
<td>Minimum 25 members required for registration.</td>
</tr>
<tr>
<td>Purpose: Social development of community.</td>
<td>Purpose: Economic and social development of members and community.</td>
</tr>
<tr>
<td>Funds: External and internal resources together with donations.</td>
<td>Funds: Share capital, membership fees, monthly savings, loans, revolving funds, grants, donations, etc.</td>
</tr>
<tr>
<td><strong>NO FINANCIAL OBLIGATION BY MEMBERS.</strong></td>
<td>Members must buy shares, pay membership fee, and deposit savings.</td>
</tr>
<tr>
<td>Profits are tax exempt, and can only be used by the organization for social development.</td>
<td>Profits are not tax exempt, and can be distributed equally among members.</td>
</tr>
<tr>
<td>Registration is coordinated under the supervision of the Chief District Officer. After registration, organizations should be associated with the Social Welfare Council. Annual renewal is required even after registration.</td>
<td>Registration is coordinated under the supervision of the registrar of the appropriate government line agency. Once five cooperatives are registered a District Cooperative Association is organized, affiliated with the District Cooperative Board. Annual renewal not required once registered, but can be discontinued.</td>
</tr>
<tr>
<td>Property of the organization seized by the government if the organization discontinues or collapses.</td>
<td>Assets and property distributed equally to members if cooperative discontinues or collapses.</td>
</tr>
<tr>
<td>All development activities permitted according to community need and priority (including, but not limited to, research, community development, and savings and credit mobilization at local level).</td>
<td>Restrictions on development activities unless specified in the by-laws. Cooperatives are not encouraged to do social development work. The focus is on making a profit.</td>
</tr>
<tr>
<td>Can work anywhere in Nepal based on expertise and interest.</td>
<td>Restricted to work in certain areas unless specified in the by-laws.</td>
</tr>
<tr>
<td>Financial record keeping system and annual audits required.</td>
<td>Annual audit required, and the financial record keeping system must follow the guidelines of District Cooperative Board (DCB).</td>
</tr>
<tr>
<td>Difficult to renew unless supervision is given under the Social Welfare Council. Supervision is provided based on production of documents, and is often weak.</td>
<td>DCB offices are located in villages, making it easier to conduct periodic supervision, and offer assistance to the cooperatives.</td>
</tr>
<tr>
<td>(no parallel)</td>
<td>DCB provides training packages to the cooperatives according to their needs.</td>
</tr>
<tr>
<td>More independence and more room for incorrect direction. Requires, therefore, more organizational ability on the part of the members, and a high degree of literacy.</td>
<td>More assistance and assessment given. Takes longer to register and involves more paperwork, but is more accountable, depending on the abilities of the DCB, the registering agency and the members.</td>
</tr>
</tbody>
</table>

### 5.7 SOME EXAMPLES OF GROUP-BASED ORGANIZATIONS IN NEPAL

There are dozens of examples of the organization development process taking place among groups in Nepal. The following examples are of a few that are increasingly influencing policy and development practices.

1) **CFUGs and FECOFUN (Federation of Community Forestry Users, Nepal)**

Initially, community forest user groups (CFUGs) are formed under the Community Forestry Division of the Department of Forest. Rangers help individual groups write a constitution and operational plan, map the forest, and determine who members are or should be (often, but not always, based on pre-existing locally customary resource management groups). A CFUG general assembly is registered with representation from all households, along with an executive committee that requires a minimum of 33% female involvement. After plans are presented and authorised by the District Forest Office (DFO), the forest is officially ‘handed over’ to the CFUG for management. Thereafter, the CFUG membership may choose to join a federation (FECOFUN or NEFUG), or remain independent.

Table 5-6 illustrates key events in the history of CFUGs up to federation.

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Table 5-6. Timeline of Recent User Group, Policy and Federation Development in the Forestry Sector

<table>
<thead>
<tr>
<th>Year</th>
<th>Traditional Forest Management</th>
<th>Sponsored Forest User Groups (FUGs)</th>
<th>Policy Actions</th>
<th>Federations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>Indigenous forest user groups (ban samiti, samuha, palé, heralu, ghar lahuré, lahuré palo, etc…) up to 1980s</td>
<td>1st project-sponsored FUGs 1980s</td>
<td>Forest Master Plan 1989</td>
<td>FECOFUN UN2 founded 1995</td>
</tr>
<tr>
<td>1995</td>
<td></td>
<td></td>
<td>Forest Sector Policy 2000</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. See Annex A.
2. Federation of Community Forest Users, Nepal (FECOFUN)
3. Nepalese Federation of Forest Resource User Groups (NEFUG)

What is interesting about the CFUG group model is where it diverged from its sponsored purpose, and has become empowered under the FECOFUN federation, and has gone on, independently empowered (with minimal outside involvement), to challenge the government (its original sponsor) on policy-related and legal issues. This occurred when a government order threatened to reinterpret the rights of CFUGs as set down under the Forest Act of 1993. With the threat of their diminishing rights, user groups realised they were powerless alone, but together might be able to challenge such changes. FECOFUN was then organised to advocate for the rights of the user groups and hold the Ministry accountable to the Forestry Act.194

Today, all CFUGs benefit from the advocacy of FECOFUN, although it is not mandatory that all join; some CFUGs are not members, hence have no voting rights in the federation. At the national level and below (Ilaka and VDC), FECOFUN monitors the Ministry to ensure that established policy is upheld, and that new policy is in line with the demands of members. At the district level, FECOFUN works closely with line agencies, NGOs and projects to provide technical services and to teach and advocate for legal rights under the forest laws.

FECOFUN receives a modicum of funding from a few outside sources (e.g., Ford Foundation), but is not specifically guided or directly supported or controlled by them. Recently, in an attempt to dilute the influence of FECOFUN, a rival CFUG federation has been formed (with some donor agency assistance and unofficial support from the forest bureaucracy). It is called the Nepal Federation of Forestry Resource User Groups (NEFUG), and while it may play a valuable role at the local level, NEFUG has not been able to generate the following and social momentum of FECOFUN. From the perspective of this study, FECOFUN (as a federation) is important as it has introduced specific rules to include women in a meaningful way in its decision-making arena. It is also actively helping its local member groups to include women and marginalized groups.195

While FECOFUN is often thought of as a prime example of a federation that influences

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194 The rationale for the establishment of FECOFUN is described in Britt 2002, and reviewed in Biggs and Messerschmidt 2004.

195 Field observations in many districts.
policy processes and development practices, it is only one of many examples of civil society organizations that are empowering in the institutional landscape.

2) **NFIWUAN (National Federation of Irrigation Water User Associations, Nepal)**

Members of this federation also saw the need to federate at the national level (following the example of FECOFUN), but without the bitterness FECOFUN has experienced with the bureaucracy. Table 5-7 highlights the organization development history leading up to the founding of NFIWUAN. Aside from process similarities, NFIWUAN is also quite similar to FECOFUN in its purpose. Both organizations support women’s inclusion in decision making, and both see themselves as representing ‘the voice’ of their group members in policy and development arenas, but in somewhat different ways. While FECOFUN has become known as a confrontational entity, even taking the government forestry establishment to court over contentious issues, NFIWUAN is less confrontational and endeavours to work more closely and congenially with government.

### Table 5-7. Timeline of User Group, Policy and Federation Development in the Irrigation Sector

<table>
<thead>
<tr>
<th>Pre-Modern Nepal</th>
<th>Irrigation Events Since Mid-20th Century</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1950’s +</td>
</tr>
<tr>
<td><strong>CUSTOMARY GROUPS:</strong></td>
<td></td>
</tr>
<tr>
<td>• Indigenous Farmer Managed Irrigation Systems (FMIS) up to 600 years old</td>
<td></td>
</tr>
<tr>
<td><strong>GOVERNMENT AGENCIES:</strong></td>
<td></td>
</tr>
<tr>
<td>• Pani Adda (Canal Dept.) est. 1952</td>
<td></td>
</tr>
<tr>
<td><strong>SPONSORED GROUPS:</strong></td>
<td>1st Water User Association formed 1989 (Sirsi-ya-Dudhaura WUA, Bara Dist.)</td>
</tr>
<tr>
<td><strong>DONOR ASSISTANCE:</strong></td>
<td>Irrigation Management Project (IMP), 1986-96 (USAID)</td>
</tr>
<tr>
<td>• Irrigation Sector Project (ISP), 1986-91 (ADB)</td>
<td></td>
</tr>
<tr>
<td>• Irrigation Line of Credit (ILC), 1986-91 (World Bank)</td>
<td></td>
</tr>
<tr>
<td>• Second Irrigation Sector Project (SISP), 1992-03 (ADB)</td>
<td></td>
</tr>
<tr>
<td>• Nepal Irrigation Sector Project (NISP), 1992-04 (World Bank)</td>
<td></td>
</tr>
<tr>
<td>• Community Ground water Irrigation Sector Project (CGISP), 1999-2004 (ADB and CIDA)</td>
<td></td>
</tr>
<tr>
<td><strong>POLICIES &amp; REGULATIONS:</strong></td>
<td>Irrigation Act of 1992 (amended 1997)</td>
</tr>
<tr>
<td>• Water Resources Regulations, 1993</td>
<td></td>
</tr>
<tr>
<td>• Irrigation Regulations, 1999</td>
<td></td>
</tr>
<tr>
<td><strong>TRUSTS:</strong></td>
<td>FMISPT, founded 1998</td>
</tr>
<tr>
<td><strong>FEDERATIONS:</strong></td>
<td>NFIWUAN, founded 1999</td>
</tr>
</tbody>
</table>

Notes:
1. See Annex A.
2. Farmers Managed Irrigation Promotion Trust (FMISPT)
3. National Federation of Irrigation Water User Associations, Nepal (NFIWUAN)
3) **FMISPT (Farmer’s Managed Irrigation Systems Promotion Trust)**
FMISPT is a non-profit, non-partisan, non-governmental professional group, which sprang up simultaneously with the recent growth of Farmer Managed Irrigation Systems (water user associations, or WUAs). FMISPT provides technical, financial and research assistance both to WUAs and NFIWUAN. It is funded by its own independent means.

4) **NEFSCUN (Nepal Federation of Savings and Credit Cooperative Unions, Ltd.)**
NEFSCUN was established in 1993 and registered under the Cooperative Act in 1998. It is a non-governmental, member based, national apex organization that promotes savings and credit cooperative societies (SACCOS). This Nepalese organization is affiliated internationally with the World Council of Credit Unions (WOCCU), the Asian Confederation of Credit Unions (ACCU) and the National Co-operative Federation of Nepal. NEFSCUN's Central Finance Facility cum Inter-Lending (CFFI) system provides on-lending to member SACCOS. Members must contribute 100 NRs per month, or 1% of total assets to the fund. NEFSCUN also has a printed form service, which provides standardised forms (membership applications, receipts, passbooks, vouchers, loan applications, etc.) for sale to SACCOS. NEFSCUN’s members include 383 primary level savings and credit cooperatives and 19 district unions. These societies have more than 70,000 individual members, covering 51 districts.

5) **PCRW (Production Credit for Rural Women)**
PCRW has established a model federation process that begins with identification by the Women’s Development Office (Ministry of Women, Children and Social Welfare, Department of Women’s Development) of poor, marginalized women, who are organised into groups of five to eight individuals at the settlement and ward level. These groups have access to loans based on group collateral, and participate in trainings geared to provide them with income-generating potential. Mature, active, ‘successful’ groups are then encouraged to form a ward-level committee. At this stage, anywhere from five to 20 settlement-level groups come together with one member from each group representing the whole at the ward level. A chairperson, secretary and treasurer are nominated, and members benefit from an increase in the number of trainings provided (particularly on capacity building) and access to outside resources, as assisted by the WDO.

Ultimately, after successfully functioning at this level for a year or more, and demonstrating an ability to handle funds efficiently and organise activities successfully, three or more committees join together and ‘federate’ at the VDC level, by forming a cooperative. This federating process is a continuously evolving system, the purpose of which is to enable members to act collectively, as well as address, access and influence political decision-making. By expanding the size of collective groups, the programme hopes to facilitate development on a larger scale, influencing policy decisions, and to take on other civic responsibilities. Federated groups can eventually register as an NGO or cooperative (the later being the preferred choice) through the WDO. PCRM cooperatives are unique for their social service dimensions. Once registered, all group members are automatically members of the cooperative, but only shareholders have voting rights, participate in higher-level trainings, and attend the annual General Assembly meetings.

In theory, there are several informal indicators required to measure the ‘maturity’ of a group’s registration status that should be assessed by the ‘assisting’ line agency in the registration process. These include the combined abilities to conduct regular monthly meetings, to maintain transparency and good record keeping, to pursue democratic decision-making, to identify and prioritise needs, to appropriately utilise resources, to plan and implement programmes, to resolve disputes and conflicts, to exhibit strong leadership and linkages, to mobilise resources, to be self-reliant, to pursue community development activities, to exhibit solidarity, trust and confidence among members, and to exhibit a sense of responsibility and cooperation. 196 In practice, because of the political and social nature of federating and

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196 Adapted from UNICEF 1999:14
building higher-level group-based organizations, and because registration takes place in the social/political reality, these indicators are selectively applied by the respective line agencies.

6) **SPOSH (Society for Preservation of Shelters and Habitations in Nepal)**

SPOSH is a new indigenous (self-initiated) organization that has received some assistance from a local NGO called the Lumanti Support Group for Shelter. Lumanti is a multipurpose organization dedicated to the alleviation of urban poverty. SPOSH was founded by leaders from within the urban landless and ‘homeless’ (sukumbasi) settlements of Kathmandu Valley, seeking to protect their rights. For some time it remained unregistered, during which time, as their membership and activities grew and expanded outside of Kathmandu, individual settlement groups were formed to help with efficiency and cost-effectiveness of the organization. Eventually these groups formed district-level committees. In 1999 SPOSH was formally registered as a central federation, following a somewhat roundabout process of organization development (unregistered federation first, member group formation second).

SPOSH networks closely with the Asian Coalition of Housing Rights (ACHR, Bangkok) and with Shack/Slum Dwellers International (SDI). (The General Secretary of SPOSH was recently nominated to stand for election to Vice Chairman of SDI. This has given this particular federation regional visibility beyond Nepal.)

Within Nepal, SPOSH confronts government on key advocacy issues pertaining to squatters’ rights, through petitions in the interest of its membership. It is important to note that because the groups that made up the federation are composed almost exclusively of poor marginalized people, there is no ambiguity (as in some other organizations) about whether or not the interests of its constituents (women and marginalized landless people) are being adequately pursued.

7) **NMES (Nepal Mahila Ekata Samaj; Society of Women’s Unity, Nepal)**

NMES is a national federation and sister organization to SPOSH. It was formed by the wives (and others) of SPOSH leaders. These women felt that for squatters to gain the rights SPOSH was working towards, they needed a savings and credit association for income generation. NMES encourages its member savings and credit groups to join any one of three microfinance cooperatives under the society. It is also assisted by Lumanti, which has provided help in organization, including administrative and legal advice. (Lumanti is not, however, a donor sponsor in the formal sense, hence does not dominate or control either SPOSH or NMES.)

8) **FFS (Farmer Field Schools)**

Associations of farmer groups formed under the Community Integrated Pest Management (CIMP) programme provide an example of an organization arising out of a programme sponsored by the Department of Agriculture. This programme began by providing training to groups of 20 to 30 farmers, and while not part of the original design, some of these groups have formed associations in their respective districts and are registered with the District Agricultural Development Office (DADO) as cooperatives or NGOs, and one as a cooperative. These organizations are supplying pesticides and making new demands for good services from the local extension line agencies.

9) **TITAN (IPM Trainers’ Association)**

TITAN is an association of CIMP trainers, providing assistance to Farmer Field Schools (FFS). The member trainers are mainly farmers (many of whom are women) who have shown high ability to train others. TITAN has organized and run FFSs in 23 districts in Nepal, and has been contracted to provide trainings with other agencies in Nepal, and internationally in Bangladesh and Kyrgyzstan.
6. GROUP-BASED SOCIAL MOVEMENTS (Dalit, Janajati and Poor Farmer Examples)

6.1 INTRODUCTION

Groups have long been the basis for service delivery, empowerment and local decision-making process in Nepal. Before the unification of modern Nepal, groups were formed exclusively by ethnic groups (e.g. guthi – Newar, rodi – Gurung, choho – Tamang, tumyanghang – Limbu, bheja – Magar, mircang – Marphali). The concept of groups is partly borrowed from the Indigenous Peoples (Janajati ethnic groups) and from other historically-based Customary Groups (Annex A). More recently, it has been applied by government, donor agencies and NGOs to the formation of largely non-ethnic based (caste-based) groups, which had little history or experience in local institutionalised group development practice, and without much involvement of the real architects of the concept.

The exclusion of peripheral (e.g., Dalit) and other non-caste people (Janajati) became the norm in development group mobilization. The exclusionary process manifested itself in the higher incidences of poverty among these peoples.

With the development of the Millennium Development Goals, Nepal began to take more seriously the inclusion of the poor and marginalized peoples through its own Poverty Reduction Strategy Programme (PRSP), and in other programmes with slogans like ‘Education for All’ and ‘Access to Health’. Groups become all the more important, then as vehicles of outreach to the poor as part of the global concepts.

In this section we discuss three examples of new Social Movements involving the historically ignored marginalized and deprived peoples, as follows:

§6.2: Indigenous Peoples Social Movements for Civil Rights

§6.3: The Dalit Social Movement for Socio-Economic Non-Discrimination

§6.4: Poor Farmers and Tenants Social Movement for Land Rights.

6.2 INDIGENOUS PEOPLES SOCIAL MOVEMENT FOR CIVIL RIGHTS

Before proceeding to discuss the Indigenous People’s Social Movement, we must define certain terms to avoid confusion. Throughout this report we have used the term ‘Indigenous’ in two distinctly different ways;

(a) first (and most often) in reference to ‘Indigenous Groups’ – i.e., groups with various ‘development’ functions that are initiated from within a local community (by insiders); hence, are identified as locally-originated, locally ‘owned’ and ‘customary’; and

(b) second (but of no less importance) in reference to ‘Indigenous Peoples’ – i.e. ethnic groups that are identified in terms of language and culture and as being aboriginal (first settlers) of a place (in contradistinction to more recent migrants settlers of other, non-ethnic, social identities).


198 After Fisher 1991. Our use of the term Indigenous Groups is based on the established definition of such groups in the literature. It bears no necessary relationship to the concept of Indigenous Peoples. Although Indigenous Peoples may be members of, or originators of, Indigenous Groups, not all Indigenous Groups include Indigenous Peoples.

199 The accepted definition of ‘Indigenous Peoples’ in Nepal, as established by the National Consultation on Indigenous Peoples of Nepal in 1994, is Those communities – (a) which possess their own distinct original lingual and cultural traditions and whose religious faith is based on ancient animism (worshipper of
It is clear that at some points the two definitions may overlap in confusing ways. To clarify the situation, bear in mind that the membership of some Indigenous Groups (and other categories of groups, as well) may include Indigenous Peoples, but that not all Indigenous Peoples belong to Indigenous Groups. The reader should recognize the importance of keeping the two terms and concepts carefully separated, to avoid confusion.

The Indigenous Peoples Social Movement for Civil Rights started in response to exclusionary practice of the mainstream society as a process of ‘homogenisation’, national unity and nation building. This Panchayat Era slogan said it all: ‘One nation, one state, one religion, one language, one dress’.200 Reactions to this motto soon arose. In 1981, Indigenous Peoples activists organised a broad alliance called the ‘Forum for Rights for All Groups’ (Sarbajati Adhikar Manch), for language rights, with representatives from Newar, Gurung, Tamang, Magar, Thakali, Sherpa, Tharu and Limbu ethnic communities. As denial of language became one of the tenants of exclusionary practice vis-à-vis access to education and other services, the Forum organised itself around a quest to regain Indigenous rights to language, religion, culture and education. Over time, the movement spread to issues of rights to land, resources, self-determination and autonomy.201 The movement, of course, got energy both from the global movement of Indigenous Peoples and the solidarity of the federation of Indigenous Peoples within the country. Starting with 8 groups of Indigenous Peoples, this movement has now encompassed 48 of the 59 Indigenous Peoples groups recognised by the government.

The main agenda of the movement is not limited to exclusionary practice in groups per se, but to address discrimination rooted in the Constitution of 1991.202 The primary elements of that discrimination are on the basis of religion and language.

In July 2004, as part of the action research associated with this study of groups, a workshop for representatives of Indigenous Peoples was held in Kathmandu under the auspices of NEFIN (Nepal Federation of Indigenous Nationalities) to discuss Indigenous Peoples’ rights and development. From discussions among the representatives from all across Nepal, a long list of newly emerging self-help organizations from among the various ethnic groups was drawn up, and plans were made to more proactively assert Indigenous Peoples’ rights to partake in mainstream development activities.203 These groups have recently emerged as a result of a new expression among the Indigenous Peoples of Nepal to issues of exploitation, disempowerment and social exclusion. This ethnic awakening has been triggered, in part, by

*ancestors, land, season, nature), or who do not claim ‘The Hinduism’ enforced by the state, as their traditional and original religion; (b) those existing descendants of the peoples whose ancestors had established themselves as the first settlers or principal inhabitants in any part of the land falling within the territory of modern state (Nepal), or who inhabit the present territory of Nepal at the time when persons of different culture or ethnic origin arrived there and who have their own history (written or oral) and historical continuity; (c) which communities have been displaced from their own land for the last 4 centuries, particularly during the expansion and establishment of modern Hindu nation State and have been deprived of their traditional rights to own the natural resources (kipat, communal land), cultivable land, water, minerals, trading points etc.); (d) who have been subjugated in the State’s political power set-up (decision-making process), whose ancient culture, language and religion are non-dominant and social values neglected and humiliated; (e) whose society is traditionally erected on the principle of egalitarianism – rather than the hierarchy of the Indo-Aryan caste system and gender equality (or rather women enjoying more advantageous positions) – rather than social, economic and religious subordination of women, but whose social norms and values have been slighted by the state; [and] (f) which formally or informally admit or claim to be ‘the indigenous peoples of Nepal’ on the basis of aforementioned characteristics’ (NEFIN 1994).

200 The first edition of the book written by the eminent Nepalese anthropologist, Prof. Dor Bahadur Bista (People of Nepal, 1967), published early in the Panchayat Era, was designed to illustrate Nepal’s unity in diversity, with national unity as a main theme. By the time Bista published his more recent and critical assessment of Nepalese society (Fatalism and Development: Nepal’s Struggle for Modernization, 1991), he could see the damage being done to the nation’s diverse ethnic identities under the caste-based model of nation-building.

201 The most blatant example of expression of these rights is in the recent Maoist establishment of ethnically based republics in several rural areas of Nepal.


203 The outputs of the meeting are described by Manandhar 2004.
several factors, including: the predominant visibility of non-ethnic elites in the media.; politicians using Janajatis, Dalits, Women and Madhesi Terai peoples as ‘vote banks’; alienation from customary access to natural resources; predominantly privileged caste leadership in mixed caste/ethnic group executive committees; the Maoist movement’s creation of Ethnic Autonomous Regions; and advocacy voiced in civil society for more attention to the rights of excluded and marginalized peoples.

Prior to the 1990 Movement to Restore Democracy, Indigenous Peoples (Janajati, Adivasi) were effectively suppressed by the government’s desire to instil national unity and a singular, non-divisive internal national identity. When the Democracy Movement of 1990 opened civic space for people to assert their voice, Indigenous Peoples began to register formally as groups of various types under the Organization Registration Act of 1977. At the time, they did so not for development purposes but for Indigenous identity recognition. According to the law, they were not allowed to conduct certain traditional activities unless registered, and even with registration the law did not allow them to engage in some communal group activities. Despite registration and the fact that that 37% of Nepal’s population is ethnic, Indigenous Peoples make up less than 15% (estimated) membership in sponsored development groups at the micro-level.

The government formally recognizes 59 indigenous communities. In 1991, 48 of these registered groups formed NEFIN, the Nepal Federation of Indigenous Nationalities. Each nationality group has one representative in the federation. Among NEFIN’s objectives are these:

1. lobbying for promulgation of a new Act and/or amendment to existing Act(s), Rules, Regulations and By-Laws and of the national Constitution, to better reflect the memberships’ identities and values,

2. social development within the ethnic communities, and

3. maintaining (or restoring) customary rights of access to natural resources.

Because their objectives are primarily to assert their distinct ethnic identities and rights, most of these groups have not become partners with sponsored development groups, and those few that are members have become so by default.

As long as Indigenous Peoples had not established a recognized group association, they were generally overlooked nationally. In 2001, called the National Foundation for Development of Indigenous Nationalities (NFDIN) Act was promulgated with the assistance of NEFIN. This has given them a national identity, a foundation upon which to pursue their broad group objectives. The NFDIN Act conflicts in several says with the Organization Registration Act of 1977, however, and with the Local Self Governance Act of 1999. Therefore, the NEFIN leadership is now advising the government on how to bring the three acts more closely in line with one another.

The inclusiveness of Indigenous Peoples within sponsored group has lagged partly because they were not recognized prior to 2001. Since then, they continue to lag for several reasons:

1. ‘old styled’ Sponsored Group mobilization did not purposively go out and find effective ways to include ethnic minorities;

2. their members are not fully aware of the existence, functions, activities and benefits of belonging to sponsored groups at any level; and

3. donor-funded and other project planning needs to be more pro-active to purposively include more ethnic minority groups.
Furthermore, from the perspective of NEFIN, in moving forward to increase inclusiveness, two things need to happen: (a) the law needs to be re-examined and redesigned, especially Organization Registration Act of 1977 and other relevant laws, rules and regulations, to reflect some of the key provisions of the NFDIN Act of 2001, and (b) the leadership of the national foundation needs to make it their duty to gather and disseminate information on sponsored groups, and coordinate activities between indigenous people and sponsored groups.

6.3 THE DALIT SOCIAL MOVEMENT FOR SOCIO-ECONOMIC NON-DISCRIMINATION

Another of the significant findings of this study is the relationship between the rise of adult and functional literacy groups and centres, and social awareness among marginalized peoples that has spurred several social movements in the country. Such ‘spin-offs’ from the development group phenomenon are significant aspects of higher level group-based institutions. We have seen how they play out in the creation of federations and cooperatives in the previous section. Here, we describe two such movements – the first one involving empowered Dalits seeking to remove the yoke of discriminatory and dehumanising traditional practices, and the second one describing poor farmers seeking land rights as tenants and smallholders.

The story of the Dalit movement began in Saptari District, in a far eastern region of Nepal, two hours drive from Birgunj, close to the Indian border. Saptari is a flat, agricultural area where many of the farmers are poor tenants and do not own the land. Many occupational and artisan castes people, or Dalits, live there under traditionally discriminatory and difficult circumstances. Recently, many Dalits have become involved in non-formal education (NFE) activities in groups pursuing functional literacy training.204

In recent years, especially since the Democracy Movement of 1990, a number of organizations have been created dealing with the rights of marginalized peoples, including Dalits. The organizations working on Dalit rights issues are classified as (a) those formed by Dalits themselves (and federated as FEDO, the Federation of Dalit Organizations) and (b) those formed by non-Dalit NGOs and development projects.205 Dalit organizations are involved in projects delivering effective integrated development, supporting NFE groups and centres, and providing Dalit children with scholarships for school and vocational skills for employment. National level, non-Dalit formed groups, however, are not as involved in rights-based campaigns or actions that raise the self-dignity of Dalit communities.

Chamars, a Dalit people, are considered ‘untouchable’ by other castes, given their traditional occupation removing and disposing of livestock carcasses. It is considered by others to be a ‘dishonourable’ occupation, and Chamars themselves identify the practice as humiliating and discriminatory. In one Dalit mixed Chamar and Dom (another Dalit caste) community of Saptari District, the Saraswoti Community Development Forum (SCDF) began a REFLECT literacy programme involving Chamars.206 In one class, one of the social issues discussed by the group as part of the literacy lesson was the disposal or animal carcasses. Shortly after completing the literacy course, the same group of Chamars and Dom villagers participated in advocacy training led by an activist from Maharashtra, India. The INGO ActionAid also provided leadership training to them. These trainings, in combination, empowered and emboldened the Chamars by providing the platform to move against their traditional occupation.

204 See Part II: §4, for a description and discussion of Nepal’s widespread group-based non-formal/functional education programmes.
205 For an example of a non-Dalit directed assistance to Dalits, see Part V: Case Study No. 9 (‘Elites and Dalits’).
206 See Part II: §4.
The showdown came when a dominant-caste member of parliament (MP), a man belonging to one of the dominant national political parties, called ordered a Chamar to remove the carcass of a heifer from his property. The Chamar refused. Shortly thereafter, an ex-MP of another political party asked for the same services. The Chamar refused again.

Both politicians were indignant. To publicize the Chamar’s refusals, they promoted a public display of non-cooperation, obstructing all Dalits who became involved in the movement. Dalits in the community were not allowed to fetch water from the public water tap, and barred from purchasing food and supplies in the public market. As the boycott against Dalits heated up, the Dalit communities registered formal complaints with the police, against the behaviour and action of the elites. With their newfound solidarity, as well as empowerment, awareness, and leadership skills, they organized mass meetings, press conferences, and picketed the Chief District Officer’s office. When the blockade broke and the Dalits were allowed back at the public water tap and into the public market, the importance and power of organized groups was well understood by the Dalits. The politicians were fined and imprisoned for a week.

Refusing to ‘throw’ carcasses (as it is called) has been a giant step in the process of Dalit empowerment, and Dalit associations and organizations are increasingly articulate. The movement has since expanded to other Dalit communities across the Terai, and under the aegis of the NGO SLF (Sustainable Livelihood Forum) in the central hill district of Parbat. In Parbat District NFE centres, for example, this social issue has been discussed at length, both as part of group literacy lessons as well as for raising awareness about discriminatory social practices. The process of focusing on advocacy issues, awareness-raising, and action – a process begun through the power of awareness raising and advocacy training among Dalit NFE groups – is playing a vital role in bringing positive change to traditionally conservative communities. In fact, in true Freirean fashion, reading and writing in literacy classes are a secondary priority to the goals of social movement; i.e., of encouraging and empowering marginalized communities to act against limiting situations and discriminatory practices.

6.4 POOR FARMERS AND TENANTS SOCIAL MOVEMENT FOR LAND RIGHTS

The Movement for Land Rights was begun by poor hill farmers in Sindhupalchowk District, in central Nepal. Sindhupalchowk is a middle hill district, with an agriculture-based economy, feeding into the markets of Kathmandu Valley.

In 1993, ActionAid began programmes in the Sindhupalchowk communities of Kiul and Helambu and in 1994 entered into partnership with CSRC (Community Self Reliance Center) in the same area. CSRC is involved in community development, and at the start of its involvement with ActionAid its staff conducted a baseline survey to share with community members to determine what types of development programmes were desired. The survey findings were met with great interest especially by the poor farming communities. They clearly illustrated the relationship between land ownership and quality of life, self-dignity, and social status. Many of the farmers were tenants, and owned no land (hence have no strong case for official national citizenship), as is traditional in many areas in Nepal.

Beginning in 1996, CSRC organized literacy groups in Sindhupalchowk under the REFLECT NFE programme. Many of the participants were the same landless farmers, and some of the NFE topics of discussion revolved around tenancy and land rights. One issue raised was the controversial subject of rent payment receipts. It came out that 95% of tenants were not provided with receipts.

After this lesson, the participants of the REFLECT centre NFE groups organized a village mass meeting. Forty-five tenants then organized a society and an interaction programme to further address the issue. CSRC gave financial support to the group’s initiative. A
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representative of the Land Reform Commission, a section officer from the Land Reform and Management Department, and a district advocate facilitated the interaction programme. Following the meeting, they formed a Tenant Rights and Awareness Committee of 21 members who had initiated the movement to press for their rights to get formal rent payment receipts. The landlords threatened them, but by 1997 the tenants had the upper hand and nearly 100% of them were receiving their rent receipts.

Shortly thereafter, 45 tenants, empowered by success in the payment receipts campaign, filed cases with the District Land Reform Office against their landlords, claiming more of their rights as tenants. Some of the tenants were not able to follow the legal procedures, and their cases were dismissed. But, learning from this situation the society hired two full-time lawyers who helped them organize petition drives, after which 258 tenants filed cases. This brought the issue into the national spotlight. A press conference was organized in nearby Kathmandu at which 100 Sindhupalchowk District farmers appeared. Their problems were subsequently published in several popular news dailies and on radio.

After press conference, the society formed a Tenant Farmers Association with members from 17 VDCs in the district. Committees were formed at the district level among the farmers, and at the national level comprised of representatives from local community groups. The local groups now report to the national committee any cases of discrimination and mistreatment of tenants, and the national committee helps farmers file cases against the offending landlords. The national committee has become so conspicuous and powerful that government authorities were moved to form a commission to distribute land certificates to farmers. Through these efforts, 4,000 farmers have received formal titles to their land, 1,700 in the first three months of 2004 alone. These results have encouraged other farmers to file cases as well.

With the success of this poor farmers movement, DANIDA (the Danish Aid agency) formed a partnership with CSRC to work in seven districts in west Nepal on similar farm tenants’ rights issues.

This social movement among poor farmers, which arose out of awareness raised in literacy training groups, has resulted in unprecedented empowerment among the poor. It has cost the donor agency very little, and has the strong backing, commitment and ownership of the beneficiaries.
PART IV
CONCLUSIONS

7. FINDINGS AND WAYS FORWARD

In this section, after the Introduction (§7.1), we discuss Findings and Ways Forward under three main headings: §7.2: Thematic Dimensions, §7.3: Further Examples of Ways Forward and §7.4: Specific Findings from the Case Studies.208

7.1 INTRODUCTION: PRO-ACTIVE COMMITMENT TO SOCIAL INCLUSION

An underlying premise of our study is that there is no formulaic way forward. Conditions are extremely variable and any attempts to promote group-based development that are not tailor-made to the specific political, cultural and economic circumstances, are extremely problematic. For example, any move to support the process of group-based federations would require attention to highly specific political and social exclusion issues.

By examining gender issues and the social inclusion of women and other marginalized peoples in this study, we have found that in the past these are neglected subjects, but that important changes are now taking place at many levels. While gender has received considerable attention (reflected by the inclusion of disaggregated data by gender in the data sets of many projects and programmes), there is relatively little attention given to the differentiation of Janajati, Dalit and other ultra poor and marginalized people (including Madesi and Kamaiya), nor to the implications of their roles in group development vis-à-vis policy, planning and development.

In some quarters there is still a persistent view that an economic poverty reduction focus in planning is an adequate framework for development planning. All our work confirms that this is not a sound assumption, particularly as it regards the important issues of income distribution, gender, social inclusion and empowerment of marginalized people. There have been recent changes and improvements in social inclusion, especially of women, as our case studies and some of our data shows. On the social inclusion of marginalized peoples, however, the picture is different. Paradoxically, with so much attention by those concerned with economic and gender equity issues, exclusionary practices based on ethnic identity are often not addressed. To progress forward there needs to be continued specific attention given to these issues at all levels and amongst all development actors. Pro-active policies and programmes (with some of the same strong dedication given to gender inclusion) need to be initiated with attention to ethnic groups, Dalit castes, other marginalized and relatively powerless peoples, including the ultra poor of any social identity. This is an area where benefits of neutral economic growth will neither trickle down nor trickle across.

As an overarching recommendation, therefore, we suggest that the place to start is for people and organisation involved in these issues to ‘put their own house in order’ and, at the same time, to work closely with other like-minded agencies, organizations and coalitions.

7.2 THEMATIC DIMENSIONS

7.2.1 Framework of Analysis: Finding, Learning From and Supporting ‘Local Heroes’

The basic premise of this research is that there are ‘out there’ local innovators (‘champions’ or

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208 In the interest of time and space, the discussion in this section of the report does not include all the findings noted in the first version of our report (submitted separately: Biggs, Gurung and Messerschmidt August 2004). While some important features of Version 1 are discussed, others of our initial findings are not re-stated here. We hold that those original findings and ways forward are still viable, and can be examined in Version 1. They include discussion such as why positive outcomes are not well understood, investigated, documented or used in the prevailing mainstream discourse on development in Nepal, as well as an understanding of factors that lead to different types of actor behaviour, at all levels.
‘local heroes’)209 who are bringing about social change that is already leading to improvements in poverty reduction, gender relationships, social inclusion and empowerment. We proposed a framework for investigating, understanding, and learning from these innovators. The framework had not been articulated before, but we conclude that our framework has worked and hope the reader will agree.

The key lesson that comes out of our analysis is that ‘local Heroes’ are central to any understanding of situations where positive social change is taking place. Local heroes are found in multiple locations, but they are often unrecognised and unacknowledged. Our case studies demonstrate this. For example, where women’s fisheries cooperatives were spreading on the Terai, not only were local women leading these initiatives, but innovative local district level agricultural offices were also part of the process (see Case Study No.1).

Local heroes can also appear at other levels; for example, key staff in FECOFUN have designed a management structure that ensures substantial women’s involvement in decision-making. Within the federation there are programmes to help its member CFUGs to bring more women and representatives of other socially excluded groups in meaningful ways into forest group management.

Our framework is open and inclusive. In this exploratory work, however, we have not covered all sectors or areas of interest and concern. We have not explored positive experiences of groups and group based institutions concerning children, for example.210 Also, we have not covered in any depth experiences concerning the group ownership/management of equipment such as power tillers, micro hydro units, and water mills211. We suggest that the framework presented here can be used to purposively search out situations and literature about positive experiences that can be learned from and built upon. As we have found, however, it takes considerable effort to find relevant documentation even where positive case studies are known to occur.

Our framework is open, in the sense that readers and others interested in this subject can add their own case positive case studies to it. They can add, for example, illustrations and examples of actors at various levels who are learning from and responding to positive group development behaviour. In this brief exploratory study, in this exploratory study we have neither the time nor the resources to interview all aid actors in Nepal to determine what other innovative projects that are building on local innovations and are ‘in the pipe line’. It would not take much imagination or skills of a creative person in any setting to begin adopting this framework to assist programmatic actions.

7.2.2 The Significance of Group-Based Federations and other Higher Level Organizations, and of Group-Based Social Movements

Another highly important finding of this study is the growing importance of higher level group-based organizations – i.e., federations, cooperatives, formal and informal networks, coalitions, alliances and NGOs, and of group-based social movements. These organizations and movement,

209 ‘Local heroes’ is a term from the work of Goetz 1996, based on an analysis of how different actors in micro, meso and macro arenas were effective in bringing about positive social change. Goetz’s examples are from a study of gender relationships in a Bangladesh bureaucracy.

210 For an entry into this literature, see Bartlett et al 2004, and Rajbhandary et al 2002.

211 We have briefly discussed some of the positive experiences coming out of the community groundwater shallow tube well programme in the Terai and have seen how this has been used by CECI, for example, to make major changes to programming (see Gyalang et al 2004, Pyakuryal 2004, and Tiwari 2003). Early experiences of group based shallow tube well programmes revealed major problems with the formation groups, some of which were only ‘paper groups’ (i.e., groups on paper but not in practice; NPC et al 2992). Biggs and Justice (2004, in progress) are covering some of these issues in a broader review of the status of rural mechanisation policy and practice in Nepal. It has recently been noted, too, from the experiences of a technology transfer project which for over five years has promoted group-based ownership and management of two-wheeled power tillers (‘2WTs’), that is very difficult to find positive outcomes amidst this type of common property management (Gurung and Justice 2004).
while sometimes tracing their roots to sponsored group activities at the village level, are on the whole ‘driven’ by local actors at various levels (micro as well as meso and macro). Some projects are already recognising the potential for supporting such organizational coalitions and networking activities. This is an area in which there is great potential for careful support in the future.

Our recommendation are to investigate (a) the potential that the Federation of Cooperatives might play in the future, and (b) how organisations of Indigenous Peoples, Dalits, Mahdesis and Kamaiya (and others which support the very poor) can be further supported in order to provide up to date information about development opportunities to their membership. This could be information on the full range and potential scope of government, donor-supported projects and NGOs that ostensibly exist for the benefit of these peoples.

7.2.3 Responsive Donor, Government and NGO Actors

We have found that there are some donor, government and NGO actors who are learning from the past and responding in a positive way to address poverty alleviation, gender, social inclusion and empowerment issues. For example, DFID funds the government’s APP Support Programme, in which decentralised district level funds are available to support group-based service delivery applications. The Swiss government (SDC) is supporting new cooperatives to enable poor households to sell non-timber forest products. CARE/Nepal has had in place a well-formulated positive action gender programme for several years. DFID is now publishing the gender breakdown of this staff and introducing a transparent and publicly accessible monitoring system of all its programmes against PRSP criteria. These are just a few illustrations of donors that are changing in response the need to address social inclusion and empowerment goals. They are examples of positive ‘good practices’ that are emerging in local and international organisations. Other agencies can also learn from these innovations.

We have considered several options as ways forward in this regard, and considered recommending the commissioning (perhaps by NPC) of a full review of groups and group-based organizations in all sectors (with an up to date database), one that would include an assessment of past effects of programmes and policies concerned with livelihoods, gender, social inclusion and empowerment, to see what has worked and what has not, and then to make recommendations to policy makers and development practitioners based on the results. This would, however, be a massive effort and, hence, not a cost effective way forward. For one, it would be extremely expensive and, given the current political change taking place in the country, somewhat impractical. Secondly, the results of such an undertaking, while it might make good academic reading, would undoubtedly be ‘out of date’ already by the time it is completed. And thirdly, if past experience is indicative, the results of such an undertaking might not be well used, even given a predictable political and social climate and ample resources. The evidence of the past is that even when such costly studies have been produced and have included useful conclusions, the results are too often poorly reflected or articulated in new policy processes and development practice. (As an illustration of this is lack of evidence, for example, that even some important census data have been well used for forward planning.)

Instead, we recommend that actors involved in policy processes and development be encouraged and enabled to take such issues as poverty reduction, improved gender relationships, social inclusion and empowerment more seriously in their day to day work. One approach to put this recommendation into action could be for those donor and government agencies, NGOs and other development organizations, networks and coalitions who are now at the forefront and have been effective in addressing social inclusion and empowerment concerns to share their approaches, empirical findings and results transparently among themselves and with others not yet fully ‘on board’. This effort should not become ‘yet another workshop’ of listing problems and recommendations of what should be done. It should be, instead, a serious sharing of positive perspectives and processes that are already being effective. Done well, it would serve to increase

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212 For example see CECI and the current phase of the Community IPM/FFS programme.
the ‘critical mass of experience’ necessary to move these key issues to the forefront of development programmes and of internal management systems of relevant agencies and organizations.

7.3 FURTHER EXAMPLES OF WAYS FORWARD

7.3.1 Expansion and Use of Current Databases

(a) Collection and use of data. We have established that some agencies are already collecting data on gender and on indicators of social inclusion. It would be useful to know what methods work for such data collection, and how organisations have used this information to change behaviour and monitor their own activities. The onus would be on analysing the processes that have already been effective in Nepal in bringing about a change in behaviour in policy and practice situations. This type of study could be done at all levels and in the government, NGOs and privates sector. An example of an organisation, which had already taken steps in this direction several years ago, is CARE International, other NGOs could learn from their experiences. FECOFUN has also introduced a positive policy to include women in it organisation. The list can go on, and one of the first jobs of such a study would be to make a purposive survey to search out and find organisations that have already found effective ways forward on these issues. The quick production of such a study would be useful to those organisations, which now want to change but need locally relevant guidelines on how to do it in the Nepal context. Such guidelines cannot be produced out of a modification of previous guidelines from elsewhere, as this study has shown that the political, social and cultural complexity of Nepal makes such overly generalized guidelines unhelpful.

(b) Pro-active information dissemination on poverty reduction, gender, social inclusion and empowerment programmes. During this study, at a meeting to seek the views of ways forward among district members of the Indigenous Peoples federation NEFIN, we were made aware in very dramatic way of the problems that currently exist regarding the availability of information on programmes ostensibly for the benefit of poor and marginalized groups. One of our research team told the participants at the meeting about programmes we had come across during the study that were supposed to be for their benefit. Virtually none of the NEFIN members knew about them.

NEFIN is now beginning to take action to address this problem, in part by collecting information on current programmes and projects to distribute among the membership. But, there is a wider issue here – the apparent lack of effective new types of action from either side of the issue; i.e., from the supposed beneficiaries (Indigenous Peoples/Janajati groups) to seek information, and from programme planners and implementers (donor and government agencies and NGOs, etc.) to provide information. This is partly due to the fact that the role of government and other agencies has been ‘top down’ in delivering the various services involved (e.g., in agriculture, health, and other sectors).

Although there has been change in national institutional policy to encourage Janajati and other marginalized peoples groups to take up development opportunities, there seems to be more work to be done to turn this into a reality. The Ministry of Agriculture and Cooperatives might restructure its Agricultural Information and Communications Centre, for example, so that it effectively provides information to all Dalit, Janajati and other marginalized groups on projects and programmes in the agricultural sector (by government, NGO and private) that are designed for their benefit. It is also possible that the NGO Federation, for example, could take on a similar role. This is not a difficult task. The media is available (national newspapers, for example, regularly carry cover new government and donor projects).

A complementary approach is for an organization like the National Cooperative Federation to become more proactive in helping to level the playing field. This would entail ensuring that women and marginalized peoples not only receive the relevant information on programmes for their benefit, but are suitably trained to be able to use it. The Case Studies (in Part V) illustrate
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quite well that there are many people from minorities groups who make good trainers. The key thing at this stage is to find organisations whose staff are willing to carry out such information-spreading activities.\(^{213}\) At the same time, already established social mobilization staff need to be encouraged and enabled (through further training) to play their new roles, to help increase access to such information from government agencies to local communities of marginalized and poor people.

(c) Further collection and publicity of positive case studies. While conducting this study, we have become aware that there are many other case studies to be documented and written up for use by actors in policy process and development practice arenas. For example, the socially responsible developments under the Fair Trade Group Nepal (FTGN), the corporate social responsibly promotional activities of such organisations as Lotus Holdings, the expanding enterprises using ‘Rugmark’ fair trading labelling, and various pro-poor and socially inclusive initiatives in the medicinal and other non-timber products industries. Our brief encounter with these sorts of cases indicate that ‘good practice’ is happening (i.e., inclusive, empowering, responsible behaviours) under current socio-political circumstances of Nepal. The basic problem is that they are neither widely known about nor acknowledged, not often encouraged publicly. In forestry, for example, a study of the 663 all-women’s CFUGs could be carried out by the Department of Forests or a major donor or an NGO, to understand and learn what factors have influenced their development and the measure of their success in securing women’s inclusion and empowerment. And, as we have noted earlier, more accounts of positive group action among Janajatis and Dalits are needed. They exist (far more than the few examples amongst our Case Studies), but they need special attention to be found, documented and learn from.

7.3.2 Supporting Federation Processes

One of the most interesting and important findings of the study is the growing phenomenon of group-based federations processes. Some of these developments have clear and effective pro-poor, social inclusion and empowerment effects. We have found that (1) there is no ‘one way’ or linear process by which such organizational processes occur, and (2) ‘local heroes’ (or networks of local heroes at different levels) are typically part of the processes.

We prefer caution, however, regarding government or donor intervention in the organizational processes; any involvement on their part must be carefully and highly selective in identifying suitable entry points. The current new interest of government in promoting cooperatives, for example, should be encouraged with the caveat that any promotion activities be based on empirical evidence from local lessons of good practice in the past.

Further activities in this area could involved facilitating the expansion of Nepalese actors to engage in Asian regional and other international networks focussed on such issues as minority rights, human rights, social inclusion, empowerment, etc. Connecting Nepalese endeavours such as the processes of developing macro-level group-based organizations that focus on the issues of marginalized and disadvantaged peoples with international support groups and networks is a part of Nepal’s Globalization ‘coming of age’.

7.3.3 On Manuals and Guidelines

In a review of project and programme-initiated social mobilisation and group implementation handbooks and guidelines, we found some that have been written with good intentions but reflect a poor understanding of local political and socio-cultural norms and practices. Some programmes are already moving forward, such as the APPSP.\(^{214}\) Some of the more relevant manuals reflect the positive effects of using ‘appreciative inquiry’ (AI) methods for bringing local cultural

\(^{213}\) To some extent, CECI’s Sahakarya programme is addressing these issues, for example in the context of helping poor and marginalized peoples take advantages of cooperative programmes (CECI 2004).

\(^{214}\) For example, APPSP 2004.
An area where further politically and culturally relevant work will have to be done is on district (meso level) institutional analysis and guidelines for understanding situations are needed. Useful work at this level will be quite different from the skills and knowledge needed to help form useful village level groups. Social mobilization guidelines and planning processes must also take cognisance of Nepal’s current conflict situation.

We have also found that many programmes are now ‘piggy-backing’ new groups onto older, more well-established and ‘mature’ development groups (CFUGs, PDDP’s COs, and others). While there is a good rationale for this, new manuals for village level social mobilizers must be prepared to address the issue of whether existing groups are pro-poor and equity/inclusion-oriented and, hence, where ‘piggy-backing’ is a good idea. There is clearly a need to improve the content of many ‘social mobilisation/ training materials, so that mobilizers at the local levels are better able to address persistent gender, social exclusion and empowerment issues.

### 7.3.4 Reading Materials for Aid Agency Staff

Many of the finding that appears to be ‘new’ to development actors in Nepal are well documented in the literature (e.g., various NGO experiences). While there is something to be said for local learning, there is an unnecessary cost when well documented information is not used. In the particular case of any analysis of the implications of the effects of Hindu culture and caste bias on bureaucracy and development, Dor Bahadur Bista’s 1991 classic study of *Fatalism and Development* should be read by all development actors. So should Bennett et al’s 1982 *Status of Women in Nepal* be carefully read for background on women’s traditional conditions in Nepali society. Similarly, the 1986 health sector study by Judith Justice on the behaviour of donors and government officials is another example. More recently, the 2004 study on the political economy of joint HMGN/Finnish development in the drinking water and forestry sectors, in *Aid Under Stress*, is also important reading.

As a way forward, we suggest that a small study be commissioned to identify key documents and report that are ‘required reading’ for new arrivals on Nepal’s development aid scene. While this might not be effective in reducing the problems of short term aid advisers, and other short term visitors who have a direct effect on policy and development processes, it will nonetheless enlighten them to many of the persistent and current issues.

### 7.3.5 Coordination and Collaboration at the Macro Level

In the national arena, we recommend more coordination and sharing of insights and lessons learned about groups and group-based development at the inter-agency (among and between donors and government agencies) and inter-organization (among NGOs) levels. The sector wide (SWAP) approach is becoming popular, and is quite useful for bringing information and action together at a programme level. Similarly, the so-called ‘piggy-backing’ of groups under master groups (as in forestry and under the PDDP and other programmes), is also useful — but only so long as the group actors (leaders) have social inclusion, empowerment and equity firmly in mind.

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215 Appreciative Inquiry activities have been especially useful in the health sector; e.g., under the Nepal Safer Motherhood Project (NSMP’s ‘Foundation for Change’ programme; Hodgson et al 2003), on the UNICEF-funded Women’s Right to Life and Health Project (WRLHP; see Messerschmidt n.d.), and in association with the Women’s Empowerment Project (WEP; see Odell 1998).

216 The HMGN/DFID Livelihoods Forestry Programme has commissioned important discussion and plans for working directly in the conflict affected mid-western region, Rapti Zone districts; see Paudyal et al 2003 and LFP 2003b, c. Note also that the set of operating principles prepared by the Risk Management Office (RMO) give good advice to project staff on good practice in general for development in Nepal, but especially how to be transparent and affective under conflict situations.

7.3.6. Access to Economic Opportunities (Employment), Productive Resources and Viable Markets

Underlying the success of every positive case of social inclusion and empowerment are examples of the opening up of employment opportunities for the poor and marginalized, as well as access to productive resources (such as alternative forest resources/non-timber forest products) and viable market opportunities. To move forward regarding effectiveness and sustainable pro-poor and socially inclusive action this underlying economic reality has to be taken into account.

7.3.7 Importance of Personal Commitment and Accountability

A key finding is that all actors, at all levels, are integrally involved in the group-development process in one or another or several says, and also that in the past the development scene was often seen in terms of an ‘us’ and ‘them’ dichotomy. The reality is that to progress towards more equity, inclusion and empowerment through planning and action, development thinking must take on a more inclusive orientation at the top, as a unity of ‘we’ (vs. ‘us’ and ‘them’) (see Figure 7-1). During the process of preparing this study, we have realized that how brave and to be respected are the Nepalese ‘out there’ in the political economy at all levels (micro, meso and macro) who are being effective in bringing about a more fair and equitable society. Our Case Studies, in particular, demonstrate this finding.

Figure 7-1. Two Models of the Articulation Between ‘Us’, ‘Them’ and ‘We’

A dichotomous model:

- ‘US’ = As Observers; . . . development agents, policy makers, donors, planners, etc., viewing Them at a distance . . .
- ‘THEM’ = As Objects: . . . local leaders, village elite, group members, government staff, ‘the poor’, ‘the marginalized’ (etc.), ‘champions’, NGOs, CBOs,

An alternative, more inclusive model:

- ‘WE’ = members of alliances and coalitions, learning from one another, promoting various positive agendas for change . . .

This is a Political Economy Model of development, where coalitions of actors at various levels form to work together and (using various models) to address the critical issues of social change, inclusion,

7.4 GENERALIZED FINDINGS FROM THE CASE STUDIES

The following lessons are taken from the Case Studies in Part V of this report.

(a) The more homogeneous a community or group is the more likely it is to be ‘successful’ at achieving goals of social inclusion and empowerment. Homogeneity is exemplified in several ways (sometimes more than one at a time). For example:
• **Caste/ethnic homogeneity.**
The best examples of *caste/ethnic homogeneity* are found in Case Studies Nos. 1 and 9 (fisher groups and Dalit upliftment, respectively).

• **Same gender homogeneity.**
In Case Study No. 8 (safer motherhood groups), and Nos. 11 and 12 (savings and credit groups), the ‘homogeneity’ is in their being all *women’s* groups.

• **Common cause homogeneity.**
The ‘success’ described in Case Study No. 10 (squatters’ groups) is based on a solidarity of purpose around the *common condition of landlessness*, encouraging unity of purpose and action despite various social differences among members (e.g., caste, ethnicity, gender). But, common cause is pervasive throughout all the case studies – e.g., in natural resource management (Case Study Nos. 3 and 4, irrigation and agriculture, respectively), in the health-oriented groups (Nos. 6, 7 and 8), and in the savings and credit groups (Nos. 11 and 12).

• **Economic homogeneity.**
Several types of groups are focused on *economic (or livelihoods) improvement*. Case Study Nos. 11 and 12 (savings and credit groups) exemplify this well, but most of the others have economic and other livelihood foci. *Most groups*, that is, of whatever function embody an *economic core theme*. For example, the safer motherhood groups, the Dalit upliftment activities and squatters self-help functions (Case Study Nos. 8, 9, and 10) include savings schemes.

In each of these specific cases, there is little opportunity for dominance or capture by any particular group; i.e., all women’s groups cannot be easily dominated by men (who do not belong) nor can all Dalit groups be easily dominated by elites (who do not belong). We hasten to point out, however, that even within such socially homogenous groups, internal factions and distinctions of relative power and privilege may arise to divide the members. This, in turn, can lead to the further social marginalization of some of these already most marginalized people.218

**(b) ‘Successful’ inclusion and empowerment prescriptions are not formulaic.** There is no one standard top-down ‘cook book’ approach to empowerment and inclusion, although many donor-funded programmes and projects have created handbooks, manuals and guidelines for group formation. Forcing group development into a pre-designed handbook-guided mould is as likely to stifle and undermine good group mobilization processes as it to nurture them. While some handbook-guided development groups work well219, by comparison some of the most creative and successful innovations in group (and federation) processes are led by independent local people, guided in some remarkable instances by insightful programme or project administrators and NGOs operating without formal guidelines or special training.220

For examples where the mobilization process has been problematic (regarding inclusion and empowerment) under formal regulations and guidelines, see Case Study No.2 (community forestry) and No. 5 (drinking water).221 Where group mobilization has been innovatively adapted

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218 Deeper analysis is needed, in different subject areas, to determine the degree to which women have benefited from all-women groups. Goetz and Sen Gupta 1996 have shown, for example, how men can influence benefit streams from within the household even when the loans are made directly women for ‘their’ projects.


220 In a recent interview in *The Kathmandu Post*, Ms. Rita Thapa reiterates this observation. In the 1990s, Rita Thapa worked for UNIFEM (United Nations Development Fund for Women), and she has more recently founded the Nepalese NGO ‘Tewa’, which operates independent of foreign and multilateral donor funding. When she worked for the UN in the 1990s, she says, ‘I realized that genuine developments were not taking place... I strongly felt that we were simply perpetuating inequity and disparity and not involved in development in these big structures and hierarchies.’ The interviewer goes on to say that ‘Rita believes that Nepal can never attain sustainable development with such a “top-down approach” in place where the actual beneficiary has no say in the development agendas’ (Pandey 2004).

without formal training or handbooks, and is participatory, see Case Study Nos. 1 (fisheries), 3 (irrigation), 4 (farmer field schools), 8 (safer motherhood), 9 (Dalit upliftment), 10 (landless squatters), 10 (production credit) and 12 (women’s empowerment groups). 222

We do not say that handbooks are not useful, for in many instances they provide important guidance to project officers, field staff and villagers in the group mobilization process. 223 To the degree that they are genuinely participatory and innovative (vs. ‘top-down’ interventionist or intrusive), they work well. In one GTZ-funded participatory initiative, for example, a ‘poverty targeting approach’ to group identification and development has been implemented with positive results reported. 224

In other cases, standard group formation policies have not effectively thwarted prevailing trends towards elite capture in rural communities. For group development that exemplifies exclusion while following well established regulations and guidelines, see Case Study No. 2 (community forestry) and No. 5 (drinking water). It is interesting to note that in the prevailing literature on community forestry, for example (as one of the most publicized group development programmes of Nepal), examples of blatant elite capture are largely found within heterogeneous community groups, where the poor and marginalized have little power with which to counter elite dominant behaviour. 225

In the international literature, see Tendler’s 1997 study for an insightful analysis of good governance in developing countries. 226 She documents a range of examples of successful local development outcomes (as measured against current development goals) that have occurred without reference to existing ‘best practice’ guidelines. She convincingly argues that if such a formulaic approach (using such guidelines) had been used it would have impeded the positive processes she documents.

(c) Effective drivers for social change are not trained or chosen, but emerge from local, district and national contexts. These case studies demonstrate that successfully inclusive and empowering group development is not something that is easily or readily imparted by formal training nor chosen from a list of ‘success’ methodologies. Of course, good training and attention to participatory methods are helpful in promoting good group development, but evidence shows that some of the best group developments come spontaneously within existing socio-political and economic contexts. A main point is that inclusive and empowering development, through local groups, can and is being effected by coalitions of politically and culturally aware partners, often at many levels and including various constellations of partners (local citizens, NGOs, line agencies and donor).

Several of the Case Studies effectively demonstrate this. See Case Study No. 1 where women’s fish production cooperatives have sprung up with the help of a Fisheries Department officer who was not trained; he just did it. Similarly, in Case Study No. 4 (agriculture/farmer field schools), an association of IPM trainers, many of them local women, formed a training group (called TITAN) to promote and sustain quality IPM training using the Farmer Field School methods. Their initiative came from themselves; it was not taught to them by others. In Case Study No. 8 (safer motherhood) we find village women finding effective ways to apply group pressure to censure a negligent health practitioner (see Part V, Box V-4). These are all examples of untrained leadership and group action arising to influence social change in positive ways.

222 See also case examples in Baral 1999 and 2004a,b, Baral and Thapa 2004a,b, and Smith 2004. The references cited in §8 of this report are indicative, not exhaustive.


On a broader scale, several international organizations recognize and have lauded successful grass-roots development and innovative local leadership, awarding individuals, groups and sponsors who promote social inclusion and sustainable development with little or no outside help or special training. Two such organizations have recently recognized innovative group development in Nepal. One is the Dubai International Award, presented every two years under its Best Practices and Local Leadership Programme (BLP). It encompasses a global network of institutions dedicated to identifying and exchanging successful solutions for sustainable development, celebrating ‘the daily survival strategies of neighbourhood women and grassroot women’s groups’.227 Similarly, the Club of Budapest’s Best Practice Awards are given annually to organizations that put the ‘Agenda 21’ criteria into practice, of ‘socially and ecologically sustainable global development in a particularly innovative, exemplary, successful and integral way’, who ‘have a special potential to initiate fundamental processes of change towards a globally responsible and win-win oriented kind of thinking’, and who ‘have an implicit potential for applicability under different circumstances’. The innovative Women’s Empowerment Programme (WEP), a combination of thousands of local women in small groups, assisted by NGOs, government line agency and donor agency, has won both of these awards. WEP is described in Case Study No. 12.228

\[(d)\text{ Long-term sponsored group sustainability is more likely when local people continue or expand the initiative spontaneously} (independent of outside support and often with creative modifications). Groups in Case Study No. 12 (women’s empowerment) fall into this category. The programme is notable for the large number of new groups that have sprung up well after project termination. Similarly, in Case Study No. 11 (production credit), it is not uncommon for members to form independent groups on their own, after learning from the PCRW programme. The case study documents a former group member successfully forming an independent all Dalit women’s savings and credit group, outside of the PCRW programme. Case Study No. 10 (landless squatters) provides an example of independent initiative from the beginning, and the NGO support that it now enjoys came relatively late in the formation of the group. This is a good example of how a coalition of partners focussed on a common cause, where none are claiming to be the leaders; nor has it come about under project management or following a project design.

\[(e)\text{ Specific Observations re: Livelihoods Development.} All our case studies show that under pinning all positive situations, we find that there are sound economic livelihoods rational for

\[227\text{ See www.blpnet.org/awards/awards08f.htm.}\]

\[228\text{ WEP won the prestigious Dubai International Award at the height of its project work in Nepal in 2000, followed in 2002 by the Club of Budapest Best Practice Award. WEP was founded on the principle that ‘dependency is not empowering’, promoting ‘women (to) teach themselves the skills they need to improve their lives, to save money and start small businesses... at costs they (themselves) can afford. The no handout policy inspires motivation, pride and commitment in a programme integrating literacy, economic and legal components’ (www.blpnet.org/awards/awards02e.htm, emphasis added). Under WEP, rural Nepalese women were organized to carry out group-based projects in literacy, village banking, small businesses development, and small health and community projects, with the knowledge and skills of participants expanding outward spontaneously to create new groups in other communities, in a snow ball effect (see: www.club-of-budapest.com and www.pactworld.org).}\]
holding the groups together, and that group members’ household well-being is increased.

(f) Specific Observations re: Social Mobilization. ‘Social mobilization’ is a general term that is given to almost all group work, whether for common property management, health development, bridge building or any other purpose. Use of the term in guidelines and manuals often refers specifically to the mobilization of marginalized groups to take affirmative actions to change their social, economic, and/or political circumstances. Social mobilization has become a generic term, so over-used that its meaning is devalued. If the term is to mean something significant vis-à-vis social inclusion and empowerment goals, then new types of politically and socially aware trainings are needed, if social mobilizers are to be effective. As noted earlier, however, ‘real’ locally-owned social mobilization only starts when the local poor and marginalized begin to be pro-active and increasingly effective in determining their own futures, and when social mobilizers find positive ways to respond to their needs and requests.
PART V
CASE STUDIES

INTRODUCTION

We have developed 12 case studies to support the analysis and conclusions of this study. They are at the heart of the overall study. Each is concerned with describing, learning and building upon contemporary social processes taking place in Nepal vis-à-vis local (micro-level) groups and, in a few instances, with reference to higher-level group-based institutions. Ten of the case studies demonstrate how positive social inclusion, mobilization and empowerment are occurring in groups across the country. Taken together, they illustrate how social inclusion and empowerment is being played out in different locales, among Dalits, Janajatis, Women, and The Poor.

We recognize, of course, that the overwhelming evidence is not positive, that elite capture and social exclusion and disempowerment are widespread. The literature bears this out; it is largely focused on the majority (negative) situation. Because so many examples of negative group behaviours are amply described and discussed in that literature, we have opted to present only two negative cases to illustrate the point. It is our contention that to develop more socially inclusive and empowering group (and group-based federation) development, learning to improve social inclusion and empowerment must be based on what works, on positive examples from Nepal. The ten positive case examples here give the reader a starting point for understanding and helping to facilitate the success of development groups.

The majority of cases described here illustrate how positive actions on the part of specific development actors can lead to positive outcomes. Those actors exist at all levels from the local ward and village groups, to regional and national federations, cooperatives, NGOs and groups associated with social movements; also to national policy-makers and development workers and beyond, in internationally affiliated organizations. There is a large literature that looks at the way social structures and reward systems in government bureaucracies and agencies directly effect policy and development process and criteria used to assess success. Much of that literature is critical of aid donor behaviour. For example, Mosse recently documented what was described as ‘success’ by a donor at one moment in time, then soon after was reassessed in less glowing terms as the donor development criteria changed. One of the notable things about our positive case studies is that in many cases the actors involved appeared to be making decisions in ‘normal’ rather than special project circumstances. We argue that the types of situations we describe have more likelihood of being sustained over time, as they are coming out of processes highlighting the initiatives of local actors (‘local heroes’), hence less determined by the agendas of outsider actors.

Examination of actor incentives, decision-making and innovations is not new. In 1978, Biggs looked at the incentives of donor and government agencies that resulted in national policy decisions that were sometime completely opposite to the declared donor and government goals. Similarly, Griffin suggests analysing policy processes by assuming that governments in developing countries achieve

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229 Many cases described in the literature document instances of exclusion and dis-empowerment, especially in recent studies of common property resource management; e.g., forestry (see references with Case Study No.2). There are also examples from water resource management (Sharma 2004), health (Thomas et al 2004), Dalit studies (e.g., Tamrakar 2003, UNDP 1999, Vishwakarma 1994), and gender studies (e.g., UNDP 2002, Upreti 1995, World Education 2000). Gross inequalities and exclusion have also been noted in the literature on the Maoist Insurgency in Nepal (e.g., Gersony 2003).


231 Mosse 2003.


233 Griffin 1979.
what interest groups in those government want to achieve (and, on the whole succeed in achieving),
rather than assume that government ‘fails’ to achieve what they say they will do. In another study,
Lewis showed how the narrow institutional interests of a partnership in a Ministry of Fisheries,
working with an international NGO, completely dominated the main goals of a project in Bangladesh.
It was part of a wider project wherein another partner’s role was to do the process monitoring and be
involved in management changes as the project proceeded. In the end, the process monitoring partner
had to withdraw, as the structures and reward systems in both the international NGO and the local
government agency were so strong.234

In this section, our case studies show that positive innovations regarding inclusion and empowerment
come up in multiple locations and from multiple sources and actors. They also show how complex
and unpredictable development often is, and the importance of thoughtful planning, monitoring,
purposive learning and timely responses from ‘the start’ of development initiatives, at all levels
(micro, meso and macro).

The case studies, are mostly based on first-hand knowledge of the authors (and of researchers we
commissioned for special studies), backed up and supplemented by selected literature. In all but one
instance, we are familiar from recent observation and/or prior experience with the case material. The
only exception is Case Study No. 10 (drinking water groups), which we include because it is based
on research by a reputable independent source that we trust – i.e., it rings true from our combined
experience in very similar circumstances; but it is not based on our own direct observation. The
sources of data and experience that inform each case studies are noted at the start of each case study.

Two further limitations affect our presentation of case materials. For one, our time was extremely
short, and was impinged upon in major ways by insecurities rooted in an on-going national
insurgency. For another there is a dearth of appropriate and useful analytical materials from which to
develop sound, judicious and well documented case examples. Very few projects keep records or
positive report case materials in enough detail, and of the processes that have taken place, to utilize as
comprehensively and insightfully as we would like.

Finally, while we feel that the 12 case studies are illustrative in a general way, though not
representative statistically. Rather, they are indicative of some of the social behaviours towards
inclusion and empowerment available to us. To have conducted a more systemic and comprehensive
survey was beyond the time and other resources available to this analysis.

The 10 positive case studies demonstrate various processes of social inclusion of Dalit, Janajati,
Women and the very Poor (of any caste or ethnicity). In these cases, the marginalized communities
involved were well-supported for inclusion and empowerment, the relative ‘success’ of which is
closely associated with the other indicators noted below on Table V-1.

Discussion of the Attribute Types on Table V-1.

Inclusion. The distinction is between social inclusion and exclusion. The two examples marked
‘exclusive’ epitomize typical characteristics of elite capture of group management and benefits (Case
Study Nos. 2 and 5).

Functional Typology. Group activities are typically focused around one or more purposes, types of
activities or functions. We have identified 11 functions (see also Part II: §4, Table 4-3). These are not
discrete or independent categories, but groups often embody more than one function. For example,
some common property resource/forest management groups serve additionally as the locus of self
help, service delivery, livelihoods and/or human rights functions. Virtually all the functional
categories have their roots and affinities with Customary Groups (see Annex A). Some self-help
groups, for example, reflect the purposes of customary community multi-purpose and support groups,
for mutual aid, etc. Sponsored resource management groups have similar functions and are often

234  Lewis 1998.
innovatively built upon pre-existing Customary forest management groups. Sponsored service delivery groups are broader and more complex, encompassing a range of services, including education, health services, resource processing, savings and credit, and others listed in Annex A. And so forth.

**Location.** The case studies represent the major geographical areas of Nepal – terai lowlands, hills and mountains regions, and/or have nation-wide coverage.

**Social Groups.** All social groups are represented in the case studies. While this study focuses primarily on social inclusion and empowerment of marginalized groups (Dalit, Janajati, Women, mixed caste/ethnic), and the Ultra-Poor of any category, it is sometimes difficult to disaggregate their membership from the involvement of more privileged caste and ethnic people. Many groups are heterogeneous (mixed social status), which is where ‘elite capture’ tends to predominate.

**Sponsorship.** Contemporary sponsored groups are typically formed by an NGO, government line agency, or donor-funded project. A few arise spontaneously, or independently. Sponsorship by an NGO or donor agency is not exclusive; such sponsored projects are always associated with one or another government line agency. Sometimes, however, the resulting group programme appears as an semi-independent development running parallel with government programmes.

The ‘independent or spontaneous’ column reflects groups whose members or leaders have led the processes or gone beyond the project or agency programme that may have inspired them, and have spontaneously or voluntarily created new groups that flourish independently without continued outside support. Those with only minimal influence from agencies or projects are marked by ‘(x)’ on the table. Frequently, local leaders are the ones that key in the direction of developments that lead to federations and effective voice in the policy arena.

**Associated Federations and local NGOs (national and international).** Higher level organizations sometimes form around groups, although the process is not automatic nor linear. For example, coalitions of local NRM groups (forestry, irrigation, etc.) have proceeded to form national federations (Case Study Nos. 1, 2, 3 and 4) seeking, and generally achieving, ‘voice’ in policy dialogue, and access to special services (legal, educational, etc.). In some cases, the federations were formed after a critical mass of local groups had developed and a need for larger association and representation on the national scene was considered appropriate and timely. PCRW groups have developed under a very strong federation system (Case Study No. 11; see also KC 2001 and UNICEF 2003b). The landless squatters in Case 10, however, formed a federation first, and organized local groups afterward. So, there is no single rule regarding federation.

Some groups have also affiliated with regional-international federations and associations, as in Case Study No. 10 (landless squatters), affiliating with Slum Dwellers International (SDI), Case Study No. 4 (IPM/FFS) with an Asia-wide FAO-associated IPM programme, and Case Study No. 1 (fisheries).

And, while all groups have some experienced some level of line agency or donor agency assistance, the outside affiliation sometimes diminished over time, as in Case Study No. 4 (IPM/FFS) and No. 7 (MCH mobile clinic groups). In the latter case, the mobile clinic groups in Gorkha District exist today quite independent of their origins (the NGO Save the Children), a government agency (Department of Health Services) and a donor agency (USAID). The MCH clinics function today, locally and independently, under the current difficult conflict situation.
# TABLE V-1: THE CASE STUDIES, THEIR ATTRIBUTES AND FUNCTIONS

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Inclusion</th>
<th>Functional Typology (See also Table 4-3)</th>
<th>Location</th>
<th>Social Group</th>
<th>Sponsorship</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td></td>
<td>Inclusive</td>
<td>Exclusive</td>
<td>Economic Livelihoods</td>
<td>Savings &amp; Credit</td>
</tr>
<tr>
<td>1</td>
<td>Fisheries</td>
<td>x</td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>2</td>
<td>Forestry</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>3</td>
<td>Irrigation</td>
<td>X</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>4</td>
<td>Agriculture</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>5</td>
<td>Drinking Water</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Health &amp; Community Dev.</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Mobile Clinics (MCH)</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Safer Motherhood</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Dalit Upliftment</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Landless Squatters</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Production Credit for Women</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Women’s Empowerment</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key:** Large ‘X’ = primary emphasis of the group described in the Case Study (some have several primary goals); small ‘x’ = important attribute in addition to the primary one; "(x)" = minimal involvement of an NGO, line agency or donor.

- **CF**-Community Forestry, **IPM/FFS**-Integrated Pest Management/Farmer Field Schools, **CD**-Community Development, **MCH**-Maternal and Child Health, **PCRW**-Production Credit for Rural Women, **WEP**-Women’s Empowerment Programme, **NGO**-Non-Governmental Organization.
The Twelve Case Studies
1. Empowering Underprivileged Fisherfolk: Two Government Sponsored Examples
2. Forest User Groups: Where Elites Tend to Dominate
3. Evolution of the Irrigation Users Federation: Making the Farmers’ Voices Heard
4. Integrated Pest Management/Farmer Field Schools: Joint Line Agency/NGO Sponsored Groups
5. Social Exclusion to Bikas ‘Development’: A Water Users Group
6. Developing Social Inclusion and Empowerment: Health and Community Development
7. Sustainability Despite the Conflict: Mobile Clinic Groups
8. Defying Death from Complications in Childbirth: Empowerment through a Peer Group Process
9. Elites and Dalits: Empowering the Ultra-Poor
11. Government-Assisted Inclusion: Collective and Individual Empowerment through Production Credit Groups
12. Women’s Empowerment: WEP Village Banking and Literacy Groups

CASE STUDY 1
Empowering Underprivileged Fisherfolk: Two Government Sponsored Examples

SOURCES: On-site observations and interviews with staff of the Fisheries Research Centre at Phewa Tal, Pokhara, with a representative of the Kaski District Fish Growers Association, and in the terai. Supplementary information from Gurung and Bista (2003), and official DOFD and DADO records.

An interesting set of examples is described involving long-term support for the development of sustainable livelihoods for occupational castes and ethnic groups in the Nepal hills and terai. The two examples involve the innovative activities of two government agencies, the Directorate of Fisheries Development (of the Ministry of Agriculture and Cooperatives) and the Fisheries Research Centre (of NARC, the Nepal Agricultural Research Council). One example describes how NARC staff have worked with a Fishers’ Enterprise Committee to improve fishing practices and to protect the fishing rights of an occupational caste at Phewa Lake, in the Pokhara Valley (Example 1). The other describes how District Agricultural Development Officer (DADO) staff have supported and strengthened groups of local fisherfolk, mainly Tharu Janajati women in the western terai. These two examples converge in a special project designed to establish and support the livelihoods of freed Kamaiyas (ex-bonded servants) in the terai, by bringing the skills and expertise of the Phewa Lake Fishers’ Enterprise Committee together with the needs of the Kamaiya.

(1) Empowerment Under Nepal’s Fisheries Research Centre

In the early 1970s, as fish catches were declining in the lakes of Phewa, Begnas and Rupa, near Pokhara in Kaski District, the livelihoods of traditional fisherfolk became threatened. At that point, the Fisheries Research Centre (under the aegis of the National Agriculture Research Council, NARC) stepped in to support their economic rehabilitation, with jobs and income under a programme of Subsistence Cage Aquaculture. The fisherfolk of Pokhara are members of the low-caste Jalari (or Podé) community. They were traditionally a nomadic people who travelled with their families among lakes, rivers and wetlands, living in temporary huts and fishing for food using a long-established net casting technique.
Current status and influence of groups

By the mid-1980s these fisherfolk had organized themselves loosely into local groups that were only formally structured in the 1990s as the Phewa Tal Fishers’ Enterprise Committee. This group is made up of 80 Jalari members and has an executive committee of nine members. Group assets total about Rs. 65,000. Group funds are raised by a tax on fish caught and by registration fees for the placement of cages in Phewa Lake. There are now six permanent wire cages for fish rearing by the lakeside. Group funds have been used for placing a special net above the Phewa hydroelectric dam to stop fish from being lost, as well as for salary for watchman at the dam, for removing water hyacinths from the lake, and for office rent and supplies. A women’s sub-group has also been formed, called the Machhapuchare Mother’s Group. Both the main committee and the mothers’ group meet separately on a monthly basis. Among the social activities undertaken by the mother’s group are anti-drinking and anti-gambling campaigns within this ethnic community.

Each of the three big lakes of the Pokhara Valley have similar Fishers’ Enterprise Committees that, together, have federated to form the Kaski District Fish Growers Association (KDFGA). This organization was registered at the district administration office (of the DDC) in 2002. The KDFGA has a 25 member executive committee of whom 16 members are elected directly for 2-year terms. The remaining nine members represent the Fishers’ Enterprise Committees. The association has an advisory board with a representative of the District Agriculture Development Office and the Fisheries Research Centre. The association’s constitution does not specify a fixed gender quota for the executive committee, though there are currently two elected women members.

Box V-1. Successful Advocacy Protects Livelihoods

A few years back the Kaski District Development Committee (DDC) announced their intention to advertise an open tender for fishing rights in Phewa Lake. This would have seriously undermined the livelihoods of the Jalari fisherfolk who have traditionally depended on the lake for their livelihoods. In collaboration with the Pokhara-based Fisheries Research Centre, the Phewa Tal Fishers’ Enterprise Committee lobbied for the tender to be withdrawn. Their arguments were that the Jalari fisherfolk would be impoverished if their livelihood could not be continued and that there was no way to guarantee the lake environment would not be destroyed by over fishing. In return for cancelling the tender notice the Committee promised to pay a tax per fish harvested to the DDC, plus maintaining the lake environment by regular clean-ups and annual re-stocking of fingerlings. The Jalaris retained their exclusive rights, and continue to make their living from the lake.

Observations from Example-1

1) Livelihoods: Initially, cage aquaculture could only provide part-time jobs and earnings for the Jalari fishing community. But, over time, most families involved in cage aquaculture have come to own their land and houses, and have sufficient income to send their children to school. Three students are ready to attend university, whereas previously it was difficult to find a single literate person in the community. Most houses now have a TV, gas stove and toilet, and a few of the Jalari have motorbikes.

2) Social Mobilization: A group will only be active if there are benefits from functioning as a group. Though the fisherfolk of Phewa Lake were organized in an informal group before the mid-1980s, it functioned in a haphazard manner. With the need to act in a collective manner to protect the resource and, hence, to maintain their increased income, the group became stronger and more active.

3) Empowerment: The Jalaris have become empowered. Their success in overturning the DDC tender notice (see Box) shows their capacity to undertake advocacy/lobbying action. Comcomitantly, it is reported that the women have become empowered as well. An informant of the Fisheries Research Centre stated: ‘Till five years ago, Jalari women could not talk in front of outside people, did not go to committee meetings and would only go to the market to sell fish’.
(2) Empowerment Under the Department of Agriculture’s Fisheries Programme

The Directorate of Fisheries Development (DOFD) of the Department of Agriculture works with poor and deprived farmers to raise their social and economic conditions through the creation of employment opportunities and livelihood improvements. In 1995 women’s groups were first created to undertake fish farming in Nawalparasi District by the District Agriculture Development Office (DADO). It was an idea that spread, and today there are 45 fisheries groups in that district alone. By 2002-03, the DOFD was working in 20 terai districts and 25 hill districts (although there are no figures available on the number of fish farmer groups established or currently operating in these districts).

Issues of gender and social exclusion/inclusion

The Fisheries Development Programme is specifically designed to improve the social and economic conditions of poor and deprived farmers. The programme encourages the establishment of fish farmer groups (FFGs), comprised of women, occupational caste (Dalit) members, and landless (sukumbasi), including formerly bonded servants (Kamaiyas) and poor Janajatis (e.g., Tharus, in the terai). The DOFD provides financial support for the construction of the required structures for the fish pond, as well as for fishing nets, the purchase of fingerlings for stocking the ponds, and other necessities for establishing and maintaining the fishery. In addition, FFG member are provided training and demonstration tours. The programme is especially popular in the western terai districts of Banke, Bardia, Dang, Kailali and Kanchanpur. There, 10 groups with a total of over 450 members have been established (the data for nine of which are given in the following table).

Table V-2. Fish Breeding Groups in Far Western Terai Ponds

<table>
<thead>
<tr>
<th>Name</th>
<th>District</th>
<th>Members</th>
<th>Gender</th>
<th>Caste/Ethnicity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sagar Group</td>
<td>Kanchanpur</td>
<td>104</td>
<td>Male</td>
<td>Janajati</td>
</tr>
<tr>
<td>Aasha Group</td>
<td>Kanchanpur</td>
<td>17</td>
<td>Female</td>
<td>Dalit</td>
</tr>
<tr>
<td>Hariyali Mothers</td>
<td>Kailali</td>
<td>14</td>
<td>--</td>
<td>14</td>
</tr>
<tr>
<td>Janasewa Community</td>
<td>Kailali</td>
<td>60</td>
<td>--</td>
<td>60</td>
</tr>
<tr>
<td>Shree Fish Breeding Group</td>
<td>Banke</td>
<td>10</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Shree Amiko Multi-purpose Farmers</td>
<td>Banke</td>
<td>16</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>Shree Jakhera</td>
<td>Dang</td>
<td>24</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Kopila Fish Breeding Group</td>
<td>Kailali</td>
<td>181</td>
<td>115</td>
<td>180</td>
</tr>
<tr>
<td>Bichki Jobuwa Fish Breeding Group</td>
<td>Kailali</td>
<td>28</td>
<td>28</td>
<td>--</td>
</tr>
</tbody>
</table>

| Totals                      |           | 454     | 239    | 215             | 393 | 15 | 18 |

Source: Fisheries Development Programme Annual Progress Report (2002/03)

In addition to working with women and disadvantaged groups in the Terai the Directorate has begun to work with the Majhi, Machuwa and Bote Janajati groups residing along the Madi and Sunkosi Rivers. Group formation and awareness raising activities that discourage ecologically unfriendly fishing techniques have been begun.

Current status of the fishers’ groups

An overall figure for the number of fish farmer groups in the country could not be collated as there does not appear to be a central repository for such data. Data were only available for one District (Nawalparasi, in the terai) although, as noted above, the DOFD works in 20 terai districts and 25 hill districts.
The women fisheries groups initiated by the Nawalparasi DADO has been very successful. There are now 45 groups with over 1,000 members and accumulated savings of approximately Rs. 800,000. It is reported that these groups are self-sustaining and members have gained sufficient confidence to meet with government officials and politicians in the DDC to demand services and support. Officials at the DOFD mentioned that MS-Nepal (an NGO) plans to contract experienced members of the Nawalparasi women’s fish farmer groups to train Kamaiya groups in Banke and Bardia Districts in the forthcoming coming financial year.

Some of the above groups established themselves as cooperatives and have joined together to establish the Nawalparasi District Fish Farmers Association. It is reported that such associations exist in 21 terai districts and that there is a National Fish Farmers Association (though it is currently non-operational).

Box V-2. Disadvantaged Fishers’ Group Supporting Other Disadvantaged Groups

With a grant from the Hill Agriculture Research Project, the Fisheries Research Centre at Pokhara and the Phewa Tal Fishers’ Enterprise Committee collaborated with Department of Agriculture Development Offices (DADOs) in Kailali and Kanchanpur District, in the far western terai, to introduce cage-based fisheries to local people. The project worked with fish rearing groups organized by the DADOs, composed of Kamaiyas in the lakes of Shova Tal, Shahadev Tal and Taula Tal, in groups of 104, 92 and 15 members, respectively. The smallest is an all-female group.

Project activities included:

- an initial observation visit by a technician and 2 members of the fisherman’s organisation of Phewa Tal (Pokhara) for selection of appropriate locations and groups,
- training of the groups in fish rearing techniques utilising the wire cage and nets,
- handover of cages and nets to the groups, and
- an exchange visit to Phewa Tal by 50-60 group members.

The project is benefits disadvantaged groups in several ways:

- Increased economic potential of the occupational caste fisheries groups in the far western terai by reducing fish mortality and enabling harvesting at the time of maximum market demand.
- Increased confidence of occupational caste fishers group of Phewa Lake by fully involving them in the technology dissemination project.
- Demonstrate power of institutional linkages between district-level government line agencies, agriculture research centres and community-based organisations to help disadvantaged group livelihoods.

Observations from Example-2:

1) **Inclusion**: Over half the fishers groups (24) of Nawalparasi District are of Tharu (indigenous Janajati) membership. Women of this ethnic group are reported to be more interested in fisheries than members of other ethnic groups or castes, based on a Tharu cultural tradition that the Tharu must serve a fish meal at least once a day. Given this, group-based fish farming appears to be a suitable economic activity, by which their livelihoods can be improved through. Increased sales increases household income, greater consumption of fish improves health, and group based work is empowering.

2) **Policy**: The *Local Self-Governance Act* (1999) has devolved authority over natural resources to the local authorities (DDC and VDC). These local bodies have the right to lease out the resources under their jurisdictions to any entity. In Nawalparasi, the women fish farmer groups have leased ponds from the local authorities; but this is not the case in Janakpur (Dhanusha District) where it is reported that the VDCs are leasing ponds to individual contractors who have been able to outbid the fish farmer groups, a trend detrimental to the enhancement of livelihoods among fish farmer groups.
3) **Livelihoods**: It is reported that women fish farmer groups have experienced unilateral termination of their pond leases before the expiry of the term without prior notice. This can have serious negative impacts on the livelihoods of members for whom the ponds may be their only income source. Such news will also deter other women fish farmer groups from leasing ponds due to the risks.

4) **Policy**: Policy development is now needed for the DDC and VDC level authorities, so that resource leasing includes livelihood and inclusion criteria. This will serve to strengthen the confidence voice of local groups.

**OVERALL OBSERVATIONS**

1) **Livelihoods**: Fisheries are economically viable enterprises, suitable for caste and ethnic groups with customarily disadvantaged livelihood options.

2) **Social Mobilization**: Traditional group practices already exist, upon which to develop such programmes. These programmes are transferable, as demonstrated in Box V-2.

3) **Sponsorship**: The government agencies involved worked directly with the fisherfolk, including women members of fisher communities. Such fishery development programmes are applicable to poor Kamaiya groups in the terai. The programmes developed have a long-term history and are sustainable.

4) **Policy**: Rights to fisheries development is an issue for national policy.

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**CASE STUDY 2**

**Forest User Groups: Where Elites Tend to Dominate**


Community Forestry User Groups (CFUGs) are state-sponsored community-based resource management organizations, specifically authorized to manage local forests. They were developed and placed in the legislation during the 1980s and early 1990s, as part of a community forestry (CF) programme promoted by government and donor agencies. The idea of decentralized local level resource management was first described in the Decentralization Act of 1982. User groups specific to community forestry were strongly endorsed and recommended at the First National Community Forestry Workshop of 1987, then formally recognized and defined in the national Master Plan for the Forestry Sector, 1989. They are a major feature in the Forest Act of 1993 and the Forest Regulations of 1995. Today there are over 14,000 registered CFUGs nationwide, with several thousand more groups reportedly awaiting certification. This figure is dramatically up from only a few hundred such groups a decade earlier. Their rise in popularity parallels the growth of civil society following the 1990 Popular Movement to Restore Democracy.

A CFUG includes a general assembly of all members, and an executive committee that, by law, must include 33% female members. (There are no comparable stipulations regarding membership quotas for Dalits or Janajatis.) The CFUG writes a constitution and prepares an operational plan based, in part, on a forest resource inventory. (Each constitution reflects the unique local power structure and direction of the group.) The operational plan is usually prepared with the help of a ranger from the District Forest Office (DFO). When the constitution and operational plans are acceptable and certified by the DFO, the local forest is formally handed over to the group to manage and utilize. (The user group has the right to manage the resources, but ownership of the
forest land remains vested with the government.) Operational plans are renewable every five years.

The operations of many CFUGs are based upon customary practices of forest management and group membership usually reflects the unique constellation of social and economic groupings of the specific local ‘community’. The notion of ‘community’ however, is problematic, sometimes referring to a whole VDC, sometimes to a ward, or to a hamlet or neighbourhood (tol). And, they sometimes breach administrative boundaries at DDC, VDC and ward levels. Also, modelling CFUGs on customary practice and membership has recently been challenged, recognizing the often powerfully elite domination that those earlier forms of forest management took. The literature on CFUGs is replete with examples elite domination on executive committees, by wealthier, high caste men of the ‘community’. Thus, unlike the parallel leasehold forestry (LF) programme that is exclusively focussed on the poor, the CF programme is not specifically targeted to any local group other than the community of users at large, wherein all members of a ‘community’ are theoretically eligible to join and share the benefits regardless of social status or economic standing. The theory, however, is seldom played out in practice, for there is considerable evidence that the poor and marginalized of the community typically lose out to the local elites who yield far more power and tend to realize the bulk of the benefits. The only existing rule regarding social inclusion is that the CFUG executive committee must include 33% women. Beyond that, local custom prevails − and it is often highly exclusionary against Dalits, poorer Janajatis, women, and the very poor of any caste, typically in that order of precedence.

A recent study of empowerment in CF by Lachapelle et al (2004:2) describes a series of ‘obstacles’ to effective and socially inclusive community forestry. They include a general weakness in participation and equity based on membership and benefits that favour economically advantaged groups, lack of participation resulting from political domination by powerful ‘elites’, and the existence of various gender and caste-based conflicts. Their study looks specifically at three generic themes that reflect the tell-tale signs of ‘elite’ dominance: (1) Inferiority, or under-privilege, based on illiteracy, gender or caste status; (2) Vulnerability, which they define as the inability to access forest resources, based on powerlessness; and (3) lack of Transparency, i.e., lack of trust and information-sharing in relation to group rule-making, management of funds and general operations. The poor in general, and women in particular, are multiply disadvantaged, vis-à-vis literacy, division of labour, access to land tenure, etc. (ibid.:7), all of which affects how the community members perceive access/lack of access to essential knowledge and information. As Lachapelle et al note, ‘Unfettered access to information is a necessary component of democratic governance…’. The intentional withholding of information, they point out, only reinforces domination and the complicity of exclusion (ibid.).

A few observations from community members give some of the flavour of the problems that most poor and vulnerable people face. For example, a Blacksmith (Dalit caste) man told them (ibid.:5-7):

‘I don’t understand anything about these things. There is nobody who would come here and tell us about these things. We felt that we are also a backward class. It’s natural that big men will try to suppress small men... It seems my lone voice or my two or three brothers’ voices cannot make any difference... they [Executive Members] don’t care for us. [Therefore] it is unwise to show concern from our side.’

Members of the executive committee repeated the Blacksmith’s self-assessment, then illustrated a perception of hierarchy based on caste that ‘explains’ the exclusion of Dalits:

‘The blacksmiths belong with the illiterate, lower caste. They don’t know the benefit and what the forest provides to us. They lack such knowledge.

‘The people from the lower caste don’t know how and what to speak in a crowd.

‘They don’t know the meaning of the forest... They don’t know how to use it, how to conserve it... They cannot contribute anything.’
Similarly, a woman of the generally more privileged Chhetri caste explains why she is unable to participate in meetings since (the researchers interpret her to say) ‘it would interfere with the tradition of the village’. As a result, she characterizes women in general to be ‘backward’:

‘...I alone cannot go [to the meeting]. If this is the tradition of the village and I go alone, then people will start talking. I have to respect the village tradition, don’t I? This is why women are backward.’

CFUGs typically have strict rules about harvesting forest resources, usually set down by members of the executive committee with little (if any) consultation with the general membership. The rules may, for example, exclude village Blacksmiths from accessing certain species of trees necessary for making the charcoal necessary to pursue their profession, and may restrict all group members from collecting fuelwood at specific times of the year (often for long periods of time, to allow regeneration). To wealthier villagers, those who tend to dominate CFUG operations, these rules are not very harsh, as they are not dependent on particular tree species for their livelihood, and they often have their own private on-farm sources of fuelwood. Such rules, however, are hard on those villagers without alternative means. The difference in both power and access tends to divide and to exclude. As one resource-poor villager said to the researchers:

‘[We inquired with the Executive Committee] ‘Why can’t we use forest products? Why is the forest not open for members?’ ...The discussion should not be limited within the executive committee members. They should also take advice from us too, but they are not behaving themselves so. ...Most of the people [in this part of the community] are not literate and are poor: People from the other side are clever, just like political leaders. Whoever goes into power will rule the poor.’

Regarding lack of transparency, trust and information-sharing within CFUGs, the researchers recorded the following observations on the disposition of membership fees and the maintenance of power among the elite leadership:

‘How can we trust such a committee? ...We inquired about our 50 rupees. We asked, ‘where did our 50 rupees go? Where is it deposited?’ ...After that, accounts were not shown to us and the whole thing was dismissed.’

‘I would [have gone to the meeting] if they had informed me. Whenever they [Executive Committee] need to take money, they will let us know. Once we give them money, then they don’t inform us of anything. ...How can we take part when we don’t know [about the meeting]. They do elections within their family circle. ...It is their strategy to elect their own people.’

By comparison, not all CFUGs operate on such an exclusive basis. According to a recent study by N.P. Timsina (2003), at another location in the hills, members of the Leatherworker caste (Sarki, another Dalit caste) indicate that they are reasonably satisfied with the access to resources allowed them as members of their local CFUG (2003:5):

‘We attend the meetings and assemblies related to forest management. We send our children when we are busy. In assembly, issues are discussed like how to protect forest, how and when to distribute the forest products. We are getting benefit from forest. We get grasses for two months in a year and some firewood. We know all the committee members and discuss with them...’

On the issues of transparency, trust and information sharing, they say:

‘We also participate in programmes like drama organized by FUG committees. We feel that we are being included in social activities in our village...’

Timsina goes on to point out the relatively positive and inclusive approach of the CFUG from which the Sarki Leatherworkers, above, were speaking. The CFUG in which they are members, with other social groups, is one that ‘organizes various programmes, such as street drama, to raise the awareness of forest users [i.e., members of all social strata] about their rights and responsi-
bilities to use and manage forest resources, and discussion about village activities to be carried out. The Sarki take part and are able to put their point across in the discussion fora.’ He notes, however, that at most meetings the discussions are dominated by elites and that while ‘Here a lower caste is represented on the FUG committee, …they have no such representation on any other village institutions…’ (ibid.:6, emphasis added). There is apparently little transfer of this modicum of inclusion of the less privileged in the CFUG to the wider social arena. The elite still dominate.

In a series of articles based on three years research on community forestry management in the mid-hills of Nepal, Dev et al (2003), suggest one possible way out of the dilemma of social exclusion. Many CFUGs are quite large, with membership that encompasses whole ‘communities’, representing hundreds of households, multiple caste and ethnic groups and the whole spectrum of economic class (from the rich to the ultra-poor). They suggest shifting group decision-making to the hamlet (tol) level of the community.

In support of this idea, they observe that social inclusion and equity exist where transparency and inclusive decision-making are found. To achieve social inclusion and empowerment, ‘users must be aware of their rights and the proper processes, and the elected representatives must ensure that users are kept properly informed’. And, while village elites tend to dominate CFUG executive committees, ‘This apparently gloomy picture may seem inevitable due to the socio-politics in rural Nepal where, until recently, feudal patronage prevailed’ (Dev et al 2003:53). Paraphrasing the authors, there is plenty of room here for optimism, however, for it seems that while it is true that the more wealthy and powerful do tend to assume dominant roles in groups, in recent years they do not necessarily represent the traditional feudal elites who dominated community politics and resource management in the past (ibid.).

Transparency and inclusiveness in decision-making, and communications among members, is most difficult to achieve in large, heterogeneous CFUGs. Groups can find it difficult to operate efficiently and equitably where large assemblies are the norm. Where ‘Distances between users may be many miles, …they may not even know each other, leading to practical difficulties and poor social cohesion.’ Development groups are, in effect, ‘created communities’, they remind us, and, in reality, true ‘communities’ exist at the level of the tol. A tol is a small hamlet or neighbourhood that is a part of a larger ‘community’ like a ward or VDC. Where inclusiveness and transparency suffer in larger groups, and the interests of the poor, marginalized and powerless people are often lost among other agendas, tol-level community affairs, by comparison, are easier for everyone to deal with, and potentially more inclusive. Many members find it difficult to speak up in large assemblies, when there are upwards to a hundred people present. This is especially true for women, Dalits, the ultra poor of all castes and ethnic groups, agricultural labourers employed by the elites, as well as anyone who is indebted to a moneylender who is also a member of the group (ibid.:54). But, at the local tol level, their involvement is easier and their ‘voice’ is more likely to be heard. Therefore, Dev et al suggest redesigning and reorienting group decision making procedures downward to the level of the tol. It is there that more inclusion is bound to occur, and the elite are less likely to dominate to the exclusion of their near neighbours.

Elite dominance is based on power, and power rests with the privileged, the literate, the landed, the wealthy, and the men. What is needed, both Dev et al and Lachapelle et al conclude, is a ‘new paradigm’ of forest management, one that redresses the inequities of both the existing laws and regulations and the informal social norms that guide behaviour. Lachapelle et al write that ‘Ultimately, the potential for complementary social identities and innovative arrangements rest on many actors that may not be completely ameliorated through the workings of decentralized policy initiatives and democratic reforms inspired and implemented at the national level. While these

235 At the opposite end of the spectrum, the ‘voice’ of local group members is also more likely to be heard in the district, regional and national arenas when groups form federations or cooperatives. See Chapter 2 of this study for a discussion of inclusion and empowerment at this higher level of discourse.
policies are most likely created with good intent, they may also contain unexpected consequences including maintaining or reinforcing power asymmetries within communities or impeding genuine empowerment’ (Lachapelle et al 2004:9). They point out that policies that focus on empowerment typically do not begin to address the complex power relations that exist in Nepalese communities, and that in future, recognizing and understanding the informal institutions and local potentials for empowerment, such as through tol-based organizations, is essential if more robust forms of more inclusive, ‘democratic’ forms of local governance are to emerge.

Observations

1) **Exclusion**: This case study describes mixed stories of social inclusion, though most of the literature supports the case that ‘elite dominance’ is most common.

2) **Transparency**: What do we mean by transparency? Both the elite members and the Blacksmith were ‘transparent’ in describing relationships between the rich and the poor, both tell more or less the same story. So transparency in of itself is not the issue; rather, it is how relationships play out in real life.

3) **Policy**: Regarding a CFUG supported the government agency in association with a donor project or an NGO, the issue is about whether the group was sponsored in order to support development in a fair and equitable way. Forest policy is vague, at best, about equity, so there is no issue. But, when the CF development programme is interpreted to promote socially just development, then clearly this has not happened in many situations.

4) **Policy**: There is apparent over confidence in the top down policy-led development planning approach. As Lachapelle et al note in their article: ‘While these policies are most likely created with good intent, they may also contain unexpected consequences including maintaining or reinforcing power asymmetries within communities or impeding genuine empowerment’ (2004:9).

5) **Sponsorship**: Some of the studies cited that deal with the outcomes of CFUGs appear to present their analyses as if the outcomes were unexpected. With so many donors and foreign consultants advising government and projects, why has it taken so long for these types of finding to be made known more widely in Nepal? The international literature was reporting such things on a generic level since the 1990s (see Gujit and Shah 1998a,b on power, conflict and process, and ‘the myth of community’).

5) **Social Mobilization**: Lachapelle et al conclude their study with this sensible observation (though the data to substantiate it in their study are not strong): ‘We argue that …As collective groups become more skilled and confident, they can begin to challenge power asymmetries and subvert underlying social structures. Since issues such as caste and gender traditions on which Nepalese society function are centuries old, changes may occur very slowly. While collective organising can generate a tremendous amount of energy, this energy must be channelled carefully so that it leads to constructive change rather than destructive violence’ (2004:11).

### CASE STUDY 3
**Evolution of the Irrigation Users Federation: Making the Farmers’ Voice Heard**

Farmers in Nepal have been taming irrigation water by their own efforts for 600 years or more. For example, there are very old farmer managed irrigation schemes (kulo) still functioning, run by farmer groups in Jumla District (e.g., ‘Raulaiulo Kulo’ in Mahat VDC and ‘Giddi Raj Kulo’ in Hauku VDC; Devkota and Pradhan 2002). By contrast, the Department of Irrigation (DOI), originally known as the Pani Adda (Canal Department), was only established in 1952. Local farmer managed irrigation schemes (FMIS) are indigenous and abundant, operating nearly three-fourths of all irrigation schemes in the country. The remaining and generally larger systems are owned and operated by the DOI, and are managed by more recently developed (government sponsored) water user associations (WUAs). Additionally, a number of the indigenous FMIS groups have been reorganized to formally become WUAs. Irrigation policy requires this if any FMIS seeking any kind of government assistance.

Nearly 20,000 surface irrigation systems are documented in Nepal, with an almost equal number of farmer groups managing them (both indigenous and sponsored). They are spread widely across Nepal, in mountain, hill and lowland terai districts.

Irrigation is accorded a high priority for public investment as a prerequisite for farmers’ adoption of modern agricultural input packages. The government’s initial efforts after 1952 were directed towards developing new and complex large-scale schemes solely managed by government authorities. These schemes suffered from poor performance, however, due to lack of local institutional support for effective operation and management. Starting the late 1980’s, the government shifted its emphasis to participatory improvement of existing irrigation systems, recognizing that most of these systems had long-standing and well-functioning local management systems. Shifting irrigation management responsibility back to the local water users (under contract to the DOI) reflected a major policy change under the Irrigation Act of 1992. (See Part I, Chapter 2 for a synopsis of the history of irrigation groups and policy development.)

In recent decades a number of government sponsored irrigation schemes have been developed with donor assistance. They include the Irrigation Management Project (IMP), the Irrigation Sector Project (ISP) and Second Irrigation Sector Project (SISP), the Irrigation Line of Credit (ILC) programme, and the Nepal Irrigation Sector Project (NISP), assisted by USAID, Asian Development Bank, (ISP and SISP), and the World Bank (both ILC and NISP) respectively. These programmes have positively influenced the government in promoting the inclusion of women, Dalits and Janajatis in group membership, according to various irrigation policy provisions. These include the Irrigation Act of 1992 (amended 1997), the Water Resources Regulations of 1993, the Irrigation Regulations of 1999, the Irrigation Policy of 2003 and the Irrigation Regulations, 2004.

Until recently it was the responsibility of government to formulate irrigation policy and implementation practices, with no farmer involvement except at the very local level. Following the Irrigation Act of 1992, attempts were made to hand over management responsibilities of the Agency-Managed Irrigation Schemes (AMIS) to the capable WUAs. During 1992-1995, the branch canals of large AMISs such as Khageri, Panchakanya and West Gandak irrigation systems in the terai, were turned over to local WUAs. In the process, however, transparency suffered as construction contractors and government officials alike misappropriated the budgets, and peoples’ participation appeared only on paper. These and similar problems prompted WUA leaders nationwide to federate into a strong institution in order to exercise their voice in government policy development and practice. In 1978, a supporting association, the FMIS Promotion Trust, was founded. It serves as a professional network of interested professionals in the irrigation sector in support of FMISs (and now of WUAs).

In 1999, the National Federation of Irrigation Water Users Association of Nepal (NFIWUAN)
was founded and registered at the Chief District Office in Kathmandu under the Organization Registration Act of 1977. The FMIS Promotion Trust (FMISPT) now assists NFIWUAN, as well. (See Box.)

NFIWUAN aims to represent all irrigation water users in Nepal in influencing government policy decisions, in order to achieve sustainable development, better water management, and to raise the quality of life of farmers. The organization is oriented towards both safeguarding the farmers’ water rights and the inclusion of women, Dalits and Janajati ethnics in the WUAs of FMISs and AMISs. Since its founding, NFIWUAN has established its 65 district units and has federated a total of 2,139 WUAs. It has been instrumental in voicing irrigation water related issues both to the WUA and their members, and to the DOI. As an umbrella organization, NFIWUAN is also actively involved in providing training to its member WUAs and in sensitising the membership by providing information on irrigation policies, rules and regulations. When the WUAs encounter any problem, such as water rights, they immediately communicate them to the federation through their district unit and, in turn, the federation opens a dialogue with the concerned authorities for solutions.

NFIWUAN leaders were closely involved in the policy formulation for the new Irrigation Act of 2003. Through a long but amicable process of advocacy and dialogue, they promoted the incorporation of various clauses in the new Act, including:

- empowerment of WUAs to collect and use local irrigation service charges,
- compensation for farmers’ land lost due to new canal construction,
- WUA group ownership and management of trees and their utilization on canal banks,
- authorization for WUAs to take up construction contracts (amounting to NRs 1,300,000, up from a previous cap of 500,000 rupees), and
- the rule that 33% of the WUA executive committee must be women, plus encouragement of reasonable proportion of Dalits and Janajatis.

In support of social inclusion and empowerment, NFIWUAN has provided its member groups with special training in Women’s Leadership Development, Leadership Development Among the Underprivileged, Gender Relations, and Training of Trainers. It has also worked with other social inclusion advocacy NGOs for training its members, including WATCH Nepal, Freedeal, SPACE Nepal, Care/Nepal, and with the DOI’s Human Resource Development and Training Division. These trainings include Rights-Based Training and Advocacy for Good Governance, Institutional Development and Management, Environmental Conservation, Proposal Writing, Networking and Advocacy, and Refresher Training of Trainers. It is premature, yet, to assess how successful these trainings have been in assuring social inclusion and empowerment, but indications are that they are effective.

Box V-3. The Farmers Managed Irrigation Systems Promotion Trust

The Farmers Managed Irrigation Systems Promotion Trust (FMISPT) is a non-profit, non-partisan, non-governmental professional organization legally registered under Nepal’s Association Registration Act, 1978. Its specific objectives are to:

- provide Farmer Managed Irrigation Systems (FMIS) increased recognition for their organizational and management performance and indigenous innovations,
- recognize the value of the FMIS in the wider context and sharing of information about their institutions,
- bring them into the global stream of creativity, well-being and self-governance in a way that makes themselves aware of the value and uniqueness of their own institutional assets,
- disseminate the knowledge on FMIS through seminar, workshop and contribution in academic papers, and
- develop human resources through applied research and training in FMIS.

Currently, the Trust is giving technical and financial backstopping to the National Federation of Irrigation Water User Associations, Nepal (NFIWUAN), has organized seminars, produced reports and motivated good performing FMIS by awarding them with due recognition. The Trust has recently supported NFIWUAN in making an inventory of FMISs.
The Trust is governed by a 7-member Working Committee, which is formed by the General Assembly. Members have donated money to NFIWUAN and have opened a Revolving Fund.

**OBSERVATIONS**

1) **Federation:** Federation of WUAs into the NFIWUAN has provided an effective vehicle for expressing the voice of groups and their members, nationally. In further support of citizen voice, the federation maintains amicable relationships with government authorities, so that both sides respect and support each other.

2) **Inclusion:** The inclusion of 33% women membership on WUA executive committees, along with a reasonable proportion of Dalits and Janajatis, is mandated under the Irrigation Act of 2003. On closer inspection, however, the data reveal a general under-representation of these vulnerable and marginal people in WUAs. At the federation level, however, NFIWUAN has 39% women representation along with some Dalits and Janajatis on its executive committee. The federation leadership is sensitive to the issue of inclusion and are encouraging social inclusion, empowerment of women and the underprivileged, and rights-based advocacy in WUAs through its district units.

3) **Social Mobilization:** Donor-assisted irrigation projects have been instrumental in institution-alising some key concepts such as farmers’ participation, taking up local canal construction and maintenance contracts, and encouraging and enabling social inclusion (mostly of women) on WUA executive committees. These sorts of provisions have improved the relationship dynamics between the government and local farmers, and have given the farmers more voice in irrigation policy and its implementation.

(The actual outcomes regarding distribution of benefits to different social groups under the WUAs and the activities of NFIWUAN would require further investigation before an opinion can be formed about other ways that effective social inclusion takes place in irrigation user groups.)

**CASE STUDY 4**

**Integrated Pest Management/Farmer Field Schools (IPM/FFS): Joint Line Agency/NGO Sponsored Groups**

**SOURCES:** Close familiarity with the IPM-FFS programme by one author (Biggs; see: Westendorp and Biggs 2003), and focused research commissioned for this study (Rana 2004), with additional reference to Bartlett 2002, National IPM PCU 2001, Neupane 2003, Ooi 2004, PPD 2002, REGARD-Nepal 2002, Röling et al 2000, TITAN 2002, Upadhyaya 2003, WE (World Education) 2000 and 2002a,b, TITAN membership records and interviews with PPD officials.

In 1998, the Plant Protection Directorate (PPD) of the Department of Agriculture initiated the National Integrated Pest Management (IPM) Programme in Nepal (in association with the U.N. FAO Programme for Community IPM in Asia). In addition to the government part of the programme, the INGO World Education was contracted to assist the programme in the field, especially in training and management, through a number of local NGOs sub-contracted for specific support to farmer groups. The methodologies for establishing, implementing and monitoring the programme are participatory analysis, experiential learning, followed by reflection and action on a group basis. Since the IPM programme started, Farmer Field Schools (FFS), the programme’s group-oriented delivery mechanism, have been held in 55 districts, to remarkable success.

Each FFS group has between 20 and 30 members who meet once a week from the time of planting to harvesting (a period of three to four months). These groups observe crop and field conditions in their own fields and undertake experiments with different pest management
practices, crop varieties, water management regimes and plant nutrition. After completing a Field School many groups decide for themselves whether to continue meeting.

An impact survey of FFS crop production among participating farmers has estimated that average farm yields have increased by 20% and farmer incomes by 18%. The survey took increased self-confidence, understanding of agro-ecosystems and increased activism at the community level by FFS participants as indicators of empowerment. A second phase to the project was started in 2003.

**Issues of gender and social inclusion**

During the IPM programme’s mid-term review (2003), the initial focus on rice farming raised concerns of ‘elite capture’. It was noted that the less poor farmers have more time and are in a better position than the poor to experiment and take risks. Meanwhile, the supporting NGO helped focus the programme on increasing the participation of women and disadvantaged groups, primarily through the application of Gender Analysis Matrix tool. Using this tool, the issue of female participation in the agricultural field was closely examined. It has been used to help develop women’s leadership capacity, improve their presentation skills and enhance their confidence to participate in public meetings, and has brought about greater resource sharing between men and women in agricultural work. As a result, women’s participation in FFS has increased from 30% of total group membership in 1998 to 40% in 2002.

Regarding the involvement of other disadvantaged groups, the Inception Report of the National IPM Programme-2 specifically mentions ‘small-scale and near-landless farmers, including a high percentage of especially targeted women farmers’ as the target beneficiaries and goes on to list gender sensitivity and improvement of food security as of special considerations. Despite this, the project agreement document between HMGN and FAO does not have a specific gender or disadvantaged group action plan. Though comments from the mid-term review appear to have been heeded on paper, there are no specific plans for how to turn well-meaning phrases into reality on the ground.

It was recognised early on that the poorest ethnic groups participating in a pilot FFS programme were believed to be more risk averse and frightened of changing their traditional practices. They were further handicapped by their poor understanding and inability to express themselves well in the Nepali language (especially the Janajati ethnic groups in the terai). The mid-term review, however, indicates that despite an inherent potential to reach poorer farmers, this potential was under-emphasised by the national IPM programme.

**Current status and influence of IPM groups**

The IPM programme has been incorporated into the *Tenth Five-Year Plan/Poverty Reduction Strategy Paper* and is part of the Agriculture Perspective Plan Support Programme (APPSP). To date, at least 20,000 farmers, including 4,500 women, have completed a season-long IPM/Farmer Field School training. The participants have subsequently formed associations that are registered with the District Agriculture Development Office (DADO) in ten districts. The number of registered groups numbered over 400 in 2001. In addition, the majority have also been registered as local NGOs, with one also registered as a cooperative. The National IPM Programme-2 will convene a Farmers Congress during 2004 where they intend to establish a central-level National IPM Farmers Association.

In 2002, an association of IPM Trainers (TITAN) was established. It currently has 239 members of whom 40 (17%) are women. It aims to promote and sustain quality IPM training using the FFS approach. TITAN members have conducted training in 23 districts and have been contracted to provide training elsewhere in Nepal (on a Coffee Promotion Project) and overseas (for CARE/Bangladesh and FAO/Kyrgyzstan). Group training is sustained through membership fees and a 10% charge for overseas consultancy contracts.

TITAN includes only a few qualified women IPM-FFS master trainers. Their numbers are...
restricted due to cultural prohibition against women of some ethnic groups interacting with males outside the immediate family (particularly in terai communities). To overcome this barrier the IPM programme has increased the number of women farmer trainers and have utilised female alumni of previous schools.

**OBSERVATIONS**

1) **Gender**: Clearly the programme has put major emphasis on including women; 40% of the trainees have been women. This is a major achievement. In addition some of these women’s groups have gone on to form associations and cooperatives. Even if there is no ‘elite capture’ here, there is an issues regarding the preoccupation with gender issues to the exclusion of other social issues. There appears to be little focus on methods to assure the inclusion of ethnic minority groups.

2) **Gender**: The use of women farmer trainers and female alumni of previous schools to supplement the training cadre should help to strengthen their skills and the capacity of other rural Nepalese farmers, especially women. This method of trainer-recruitment can also be used in various socially conservative areas of the country, such as the districts of the Far West Region, to gain greater women’s confidence, participation and empowerment in this and other agriculture programmes.

3) **Livelihoods**: While the programme plans called for specifically targeting small scale and near landless farmers, including women farmers, and for encouraging gender sensitivity and improvement of food security, without implementation mechanisms and monitoring plans such intentions and target groups may not be reached.

4) **Collaboration**: Collaboration with the INGO World Education and through it with local NGOs has added extra breadth to the programme by allowing it to reach communities beyond the reach of government services. It is understood that the majority of these continue to implement FFSs, even under the current conditions of insecurity and conflict. The involvement of local NGOs has enabled the programme to be implemented in numbers in excess of the resources available to the line agency. This has helped to improve the livelihood assets far beyond the immediate impact areas of the government programme.

5) **Social Mobilization**: The IPM-FFS participatory analysis and action methodology could easily be mainstreamed throughout the DOA as its principal extension tool. But caution is advised, for while developing a standard national package the very basis of the participatory method could easily be weakened or lost. The method must remain an empowering tool rather than beginning to resemble the classic training and visit (T&V) extension service system (the ‘default’ model in the minds of many Ministry of Agriculture staff).

6) **Social Mobilization**: The unexpected growth of IPM associations, cooperatives and federations is perhaps one of the most interesting new developments taking place in Nepal. It would be interesting to see how these associations are serving the interests of their members, and how the government, donor and NGO policy and practice is changing so as to ensure that marginalized groups are making the full use of these types of institutions.

7) **Linkages**: In future, following the lead of programmes in other sectors, linkages should be explored between IPM-FFS and other empowering methods such as non-formal education (adult literacy), participatory variety selection, community-based seed production, and more in-depth participatory planning exercises.
CASE STUDY 5
Social Exclusion to Bikas (‘Development’):
A Drinking Water Users Group


During the decade of the 1990s a Rural Water Supply and Sanitation Project (RWSSP) was implemented with donor assistance in six districts in the hills and terai of Lumbini Zone in Nepal’s Western Development Region. During the RWSSP’s second phase (1996-99), local level water user committees (WUCs) were created for purposes of water supply system implementation and management. The objective was bikas – ‘development’, locally ‘perceived to be a commodity that comes from outside and is in perennial short supply’ (Sharma 2004: 104). In one example from a hill village called Jhirbhanyang, inclusion in the WUC was simultaneously open for some and closed for others. In this case, the wealthy, ‘high caste’ residents of Jhirbhanyang wrested control of water from the residents of one nearby community and denied it to the resident of another, in ways that both reflected and reinforced social exclusion. It served, that is, to strengthen existing and establish new social and institutional transactions based upon pre-existing social structures. In short, it encouraged one privileged group to consolidate entitlement to a valuable resource, water, to the exclusion of others.

The denial of membership on the WUC to villagers from the latter village, called Tallo Tole (majority Dalits) –

‘speaks of bikas converging with existing ritual, social and economic bases of social stratification. As a consequence of project intervention, not only have the people of Tallo Tole continued to remain low in the caste hierarchy and poor in material means, they had less bikas compared to the high caste, relatively affluent, and now more bikasit (‘developed’) Bahuns [Brahmins, of Jhirbhanyang]. Thus bikas ended up becoming one more criterion in social stratification – one that increasingly correlated with existing caste and class distinctions’ (Sharma 2004, emphasis added).

The establishment of WUCs to oversee the implementation and management processes ‘seemed to have envisaged the emergence of new leadership in rural areas’. It also pre-supposed a relatively high level of education (hence, high socio-economic status) among the executive committee members, given that they had to deal with group agendas, decision-making, the exercise of executive authority (e.g., signatures on documents and management of group accounts), as well as to maintain official relationships with a range of outsiders.

‘Those in leadership positions in forums such as the WUC would thus be familiar with what WUC activities would entail through prior exposure elsewhere… [They] would have had high school or college education, [and would be] politically astute due… to [prior] socialization in politics in students’ unions and teachers’ associations. They would have an idea of what life is outside the village and be able to deal with district officials and others. . . This degree of sophistication would have made them articulate in the speaking and writing of the language of bikas’ (Sharma 2004).

To be able to speak, write and act out ‘the language of bikas’, the WUC leaders naturally came from well-off households, had more time to pursue ‘community’ activities and could exercise a great deal of power and authority over the less advantaged. The group’s chairman and secretary, for example, had to spend considerable time meeting with other community members, regularly visiting district headquarters and periodically meeting with project staff. From their perspective, such onerous responsibilities apparently precluded the involvement of women, Dalits and the poor, all disadvantaged and relatively powerless, who were burdened with domestic chores, were
typically uneducated and had little knowledge or experience in dealing with outsiders and officialdom.

**Observations**

1) **Inclusion**: A common criticism of user groups is the ‘elite capture’ syndrome, where the most privileged social groups seize control of access to valued resources to the exclusion of others with less privilege and power. This case study is not only an example of elite capture, but it points out how the existing social structure influences group formation and behaviour and, more significantly, how group behaviour reinforces and may even strengthen the predominant social structure.

2) **Policy**: Significantly a lesson for actors in policy processes and development practice is the fact that in communities such as these, where this type of social process takes place, development (bikas) means not just maintenance of the status quo but also the promotion of new institutional innovations that further exclude marginalized groups. Hence, the language of ‘development’ means different things to different actors.

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**CASE STUDY 6**

**Developing Social Inclusion:**

**Health Services and Community Empowerment**

**SOURCES**: First-hand familiarity and involvement with the project (Messerschmidt); see Robinson et al 1997, and Justice et al 1994.

From 1988 to 1995 Nepal’s Ministry of Health ran a project in the western hills called the Nepal Health Development Project with financial assistance from the Canadian International Development Agency and technical assistance from Calgary University. The project was active in five VDCs of the mid-western hill district of Surkhet. The combined population of the project area was 35,000, of mostly small farmers and agricultural labourers.

In communities of the five VDCs, the project sponsored community organizations in which the villagers joined together on the basis of neighbourhood and specific interests including health development, women’ issues, literacy, village banking (savings and credit), and community forestry. The groups met regularly at the local level and shared their development objectives at the VDC level. Access to the groups’ community development activities and benefits was assisted by local NGOs, and the inclusion and participation of the most vulnerable and disadvantaged people, especially women and Dalits, was encouraged.

As the project matured and ‘worked itself out’ of the communities, the various groups began relating with one another across the VDCs to form a local ‘peoples organization’ for mutual support and sustainability. These legally recognized self-help community organizations established cooperatives, through which external funds were accessed and collaborative village development activities were organized and implemented. They also advocated for community interests with government agencies, such as the Department of Health Services. Experience showed that it took up to three years per community to reach this stage of self-assurance and citizen voice.

The positive and inclusive results experienced by one community group in Babiyachaur village, shows up on the following chart prepared by the villagers during the project’s 1994 participatory evaluation. The results demonstrate some of the positive effects of socially inclusive group activities among village women and the least privileged castes:
An Exploratory Study of Gender, Social Inclusion and Empowerment in Development Groups in Nepal

Before the project

- Women not permitted to attend group meetings
- Ordinary people (especially Dalits) not accustomed to talking with outsiders
- Moneylenders charged up to 60% interest per annum on loans
- Ordinary people did not know about banking
- Most people used a thumb print to sign their names
- No vented stoves
- No more than 4 latrines in the village
- No irrigation ditch for kitchen gardens
- Tailoring done only by the Damai (a Dalit caste)
- Little contact with government and non-government service agencies

After the project

→ Mostly women participated in group meetings
→ All people felt comfortable to talk with everybody
→ Villagers developed their own savings and loan scheme with low interest rates
→ Village banking groups formed and managed by the local groups
→ Ninety percent of the group members could sign their names
→ Over 200 households had vented stoves
→ Fifty latrines built for household use
→ Kitchen gardens ditched and irrigated
→ Anyone interested in tailoring could take training
→ Villagers actively advocating for services from government line agencies

Observations

1) **Social Mobilization**: The village participants recognized the need to organize on the basis of settlement groups, including women and other vulnerable and underprivileged groups.

2) **Gender**: Women gained considerable self-confidence, and were empowered to became the most active members of the groups.

3) **Service Delivery**: Literacy and village banking were primary goals, in tandem with improvements in technical knowledge and shared expertise.

4) **Livelihoods**: Tangible benefits to family health (e.g., vented stoves and latrines) were an incentive to participate and stay with the programme.

5) **Inclusion**: Empowerment and inclusion are not created over night, but take several years to develop.

CASE STUDY 7

Sustainability Despite the Conflict:
Mobile MCH Clinic Groups

**SOURCES**: Commissioned study (Devkota 2004) based on direct field observation and unpublished documents review.

For 22 years, from the mid-1970s, the international NGO Save the Children US (SC/US) worked closely with the District Public Health Office in Gorkha District, central Nepal, to establish mobile clinics to provide primary Maternal and Child Health (MCH) care services in the VDCs. By 1997, the year SC/US withdrew from Gorkha, 22 clinics had been founded, each with a VDC-level MCH Clinic Management Committee to manage and monitor the clinic programme. Until they left Gorkha, the SC/US supplied medicines and other supplies, and supported the clinics’ operational costs through the local committees. By 1994, a cost-sharing system had been estab-
lished whereby mothers attending the clinics with their children paid with contributions in grain (in lieu of cash). Their contributions served the women as a sort of ‘insurance’, in the form of an emergency fund loan available when patients needed further treatment at a more distant, higher level tertiary health facility.

With seed money supplied by the SC/US project, each VDC-level clinic established a revolving fund to cover operational costs. Based on contributions and low registration fees, many of the committees continued functioning until the intensity of the Maoist insurgency created severe disruptions and forced many of the clinics to close. At present nine of the original 22 clinics is still operating, however, despite the conflict.

The Raniswara Ghumti MCH Clinic is one that has continued to operate. Its management committee was registered in 1995 with the district administration office, under the Organization Registration Act of 1977. On average 300 women attend the clinics each month, typically from the most poor. The clinic actively operates in four villages of the VDC with, on average, a total of 300 women attending the clinics each month. Financial support to the clinics comes out of registration and check up fees from women who attend the clinic each month, and with a modicum of financial assistance (until recently) from the local governing body.

The management committee overseeing the clinic is headed by several local social leaders (currently six men and one woman of privileged castes), who have a strong sense of ownership and commitment. (The committee is open to women, all castes and ethnic groups, and has included Dalits in the past.) Their success, despite difficulties encountered under the conflict and the community’s relative remoteness in the central hills, is attributed in part to their transparent operations and to the raised awareness and empowerment of local women, many of whom have attended non-formal education (literacy) classes. Given active community support and good leadership the Raniswara Ghumti MCH Clinic remains strong and viable, despite the conflict.

**Observations**

1) Sponsorship: Outside sponsorship established the scheme. Over the years the sponsor and local people developed institutional methods for ensuring local sustainability. These methods, which have included methods for local funding are robust, and are sustaining the group through the current conflict period.

2) Inclusion: Local elite has been involved throughout, and are still heavily involved. Perhaps it is time for more attention to be given to finding ways in which people of less privileged positions can be key decision makers in the management of the groups.

3) Inclusion: The case illustrates that groups executive committees dominated by elite men can serve the interests of poor women. It would be interesting to see if there are plans in place to enhance the role of poor women in top level decision making processes.

4) Sustainability: Transparency in the group’s operations were noted as a key reasons for the sustainability of the group.

**CASE STUDY 8**

**Defying Death from Complications at Childbirth:**
**Empowerment through a Safer Motherhood Peer Group Process**
A donor-sponsored reproductive health project, working with the government Department of Health Services, has contracted local NGOs in its nine district to carry safe motherhood messages on the danger signs and risks of complications in pregnancy and childbirth to rural women, and to assist in increasing women’s access to essential obstetric care. One of the most effective ways to spread the safe motherhood message to rural women is through local women’s organizations, especially the project’s ‘safe motherhood groups’.

The vitality of the mother’s groups and the project’s success in increasing women’s access to obstetric services show up in annual monitoring surveys, with significant results:

- Women who are poor, uneducated, marginalized, and young, face a multitude of barriers and delays in accessing and taking advantage of health care services. Furthermore, many of them are multiply disadvantaged and excluded – being women, poor, and members of ethnic, caste or religious minorities. Among most women, such topics as sex and sexuality, pregnancy and childbirth, are traditionally avoided, a behavioural pattern commonly attributed to *laj*, a reluctance to speak about such things. *Laj* has two facets: the disempowerment of women generally, and personal shyness or feelings of shame. As members of safe motherhood groups, however, many women are trained among their peers to confront these issues, and evidence is mounting that female awareness and self-confidence are rising. Recent monitoring surveys indicate that many women now have the self-assurance they need to share what they have learned in trainings among group members and with family members and to talk more openly about pregnancy-related matters, especially with husbands and mothers-in-law.

- Many community groups are helped by mobilizers, such as the village-based Female Community Health Workers and Maternal and Child Health Workers. The first monitoring surveys indicated, however, that occupational caste (Dalit) women, even if members of such groups, were often left out of access to obstetric services at the time of childbirth, both in health facilities and at home. Group activities, however, are empowering and within the past two years subsequent surveys show that Dalit group members have begun calling on the health worker and volunteers (sometimes both, together) to assist them during delivery. Previously, virtually none of these health workers, typically privileged caste women of the community, would enter a Dalit house for any reason. Now, many of them describe regularly providing these services in Dalit homes. They even acknowledge cutting the cord of the newborn, and taking tea from the grateful family member after delivery – acts that are deeply associated with ritual pollution.

- In Nepal, the maternal mortality ratio (MMR) is one of the highest in the world, and well over 90% of projected need for essential obstetric services is currently unmet. Poor access to services is usually attributed to socio-economic and culture-mediated ‘delays’ and ‘barriers’, and projects tend to respond reactively to these negative factors. The typical delays are: deciding to seek care, reaching appropriate care, and receiving care once there, and the typical barriers listed are lack of knowledge, traditional beliefs and attitudes, financial and transport constraints, and lack of available services, poor of quality services and/or insensitivity to women’s needs on the part of service providers. The project’s

236 The project uses a key informant monitoring survey instrument, which directly involves group members and individuals.

237 Nepal’s official MMR is 539 per 100,000 (HMGN 1997), though more recent estimates put it higher; e.g., 740 per 100,000 in 2000 reported in the latest *Human Development Report* (UNDP 2004, and WHO 2004) and as high as 830 according to the *Population Reference Bureau* (PRB 2002). (These figures compare with only 12 deaths per 100,000 in the United States.) For all of South Asia, only Afghanistan’s MMR is higher than Nepal’s (WHO 2004).
mother’s group activities work directly to overcome these constraints often in pro-active ways.

For example, most safe motherhood groups have established emergency funds for use when complications arise and pregnant women have to be taken to a health post or hospital for help. Transport schemes have also been developed, with stretchers, baskets, bicycle rickshas, ambulances and other means of conveyance available to group members and others in need, regardless of caste, ethnicity or level of poverty. In the past, villager women were resigned to their fate due to childbirth complications, and many died for lack of access to services. Now they realize that they ‘do not have to die’ for lack of money or transport to a health facility.

In some instances, it is the group women, themselves, who are at the forefront in influencing community members to establish emergency fund and transport systems, who help plan how to operate them, who conduct awareness-raising activities on safe motherhood and reproductive health for others (including youth), and who are influencing family members to allow their take their wives or daughters-in-law to join groups and to take them to appropriate health facilities when obstetric complications arise. These innovations build directly upon the gradually developing empowerment of women in groups (see Box V-3).

• Despite group trainings to raise their self-confidence and encourage women to become active in safe motherhood groups, many of the most disadvantaged women (the most poor and illiterate) remain reluctant to speak out in groups where men are involved. When engaged in women-only groups, however, they become much more involved and empowered (see Box V-3).

• Many pregnant women seek help from traditional healers (dhami-jhankri), traditional birth attendants (suden, chamain) and other knowledgeable local women (janne aimai, gurama), especially when suffering long labour. Those women and those among the traditional helpers who have joined mother’s groups, however, have gained considerable knowledge about pregnancy danger signs and complications, and know when outside help is needed. Referral to health care facilities is now commonplace, and while the women still seek local help, the more complicated cases are more likely to be referred, after applying spiritual healing water and oil, and reciting mantras.

<table>
<thead>
<tr>
<th>Box V-4. Group and Family Involvement</th>
</tr>
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<tbody>
<tr>
<td>A recently married Muslim woman in a terai community had two miscarriages, a condition of concern to her husband and family. She wanted to join the local safe motherhood group in her settlement, but her sceptical husband and conservative mother-in-law would not allow it. Out of concern for their neighbour, her friends in the local SM group prepared an orientation on safer motherhood to which they invited the young woman and her family members. During the orientation, they referred to her particular case, which made a positive impression on them. She was then allowed to join the group to learn more about safe motherhood. When she became pregnant again her family was more supportive. This time they made sure that she had pre-natal checkups and when it came time for delivery, her husband borrowed from the group’s emergency fund and sent her to a nearby hospital in India where she bore a son. Thereafter, the husband himself took responsibility for the group emergency fund and made it available to others in the community. He is now exceptionally helpful and a strong advocate of group membership, proper pre-natal care, and expansion of the emergency fund.</td>
</tr>
</tbody>
</table>

Source: Thomas et al 2004 (Box 2.3)
Box V-5. Women’s Group Voice in the Village

In a village in Nawalparasi a pregnant woman suffering from prolonged labour was taken by her family to a private practitioner. The local practitioner misinterpreted the seriousness of her complications and held her too long in his clinic, refusing to refer her on to the district hospital for EOC. She died, and the following day the woman’s group in which she was a member, angered at his incompetence and neglect, rallied outside his clinic and demanded that he leave the community. Ultimately, under pressure and shame, he closed the clinic and moved away.

Source: Thomas et al 2004 (Box 2.2)

Observations

1) Gender/Empowerment: Women are empowered amongst their peers in a group process, with pro-active responses and innovations in place of only reactive concerns to break down the culture-based delays and barriers.

2) Gender/Empowerment: Women are gaining voice and agency and are increasingly able to make decisions by and for themselves, thus changing some behavioural norms in the society. They are especially empowered when engaged in women-focused groups.

3) Culture: Tradition is not ignored, but traditional practitioners are involved in referring difficult or complicate cases to established health facilities. They are further encouraged as a result of the respect for their non-harmful traditional practices in place of considering all that they do as dangerous and detrimental. Thus, ways have been found to incorporate traditional helpers, especially in the process of referral of cases to allopathic health services.

4) Social Mobilization/Inclusion: Family members, especially husbands and mothers-in-law as customary decision-makers, are being drawn into the empowerment process by being included, themselves, in the process (and not characterized simply as ‘barriers’ to change). At the same time, their wives and daughters-in-law are gaining self-confidence to make life-saving decisions on their own.

5) Monitoring: It is important that sponsored groups, like these, are monitored, so that social mobilizers and development agents in projects and programmes can learn from the results.

CASE STUDY 9
Elites and Dalits: Empowering the Ultra-Poor

SOURCES: Commissioned field observations by Liesl KC and Bhimsen Devkota (debriefing notes 2004), and assessment by the author (see Thomas, KC, Messerschmidt and Devkota 2004, and Messerschmidt et al 2004). See also Heaton 2003.

The Musahars are a Dalit caste residing primarily in the eastern Nepal Terai (and adjacent districts in India and nearby Bangladesh). Musahar living conditions are substandard in all ways: illiterate, with little access to education, and being landless they are dependent on seasonal wage labour at minimum pay. They traditionally work in the fields of others for tilling, planting, weeding and harvesting the crops, for which they are paid in kind (grain) equivalent to a day’s low wage for men and less than one-third of that for women working alongside them. The name ‘Musahar’ reflects this caste’s practice of killing and eating field mice (musa, ‘mouse’ + har/harnu ‘to kill’). While working in the fields, they dig up underground mouse middens and, besides eating the mice, they harvest and eat the grain stored there by the rodents. Most Musahar reside in hovels on barren lands adjacent to the fields on which they work, or on nearby commons (roadsides, river or canal banks, etc.). Theirs is a difficult life, and they have been historically excluded from most social services and other benefits because of their ‘untouchable’ caste status.

Until recently, government agencies and development activists alike, in all sectors, have tended to overlook, bypass or ignore Musahar communities. Lately, with the rise of social service minded
NGOs, encouraged by the goals of the nation’s Poverty Reduction Strategy Plan (HMGN 2002) and with modest financial assistance from various international organizations, some civic minded and socially responsible individuals working in local NGOs have begun to develop programmes to assist poor Dalits communities, to help them rise out of abject poverty, ignorance and powerlessness. These are the ‘ultra-poor’ whom development policy makers and planners so often say get ‘left out’ as beneficiaries in policy implementation and development practice.

In 2003, the members of one small NGO in a Terai town near the Indian border decided to do something for the ‘upliftment’ of a nearby Musahar community. The NGO staff was comprised of privileged caste men and women, and one Dalit man. When they visited a village of 42 exclusively Musahar households, they were told that no children there attended school, that child marriage and early and frequent child-bearing were common, that the village men were totally dependent for work on uncertain seasonal labour, that no one had ever joined a community development group, and that only one woman had ever been to the district hospital. The cost of service (for a pregnancy related complication) was so high that the family is still paying it off over four years later. Although they lived within a few minutes walk from the hospital and a nearby health post, the villagers did not use them because, they said: being illiterate they are ignorant and ‘know nothing’ about them, being powerless they have no agency nor voice with which to express themselves, and being poor they have no financial means to pay for the services or medicines nor the ability to borrow from friends, relatives or traditional moneylenders. For childbirths at home they call upon untrained, traditional birth attendants (sudeni) for help, they said; and for medical services in general they rely upon untrained, poorly skilled, itinerant doktars (dangerous quacks) who prey upon their ignorance. Until two years ago, when one of the NGO facilitators first entered this village during a polio eradication campaign, no one there knew of the existence of the nearby health post. It was also then that the leaders of the NGO began thinking about how they could work with the Musahars.

The villagers said that ‘Nobody comes here, and nobody has ever asked what our problems are’. Reflecting on that, the NGO facilitators point out that ‘The poor are not poor in and of themselves. Their poverty is created, and it is important for them to become self aware in order to eliminate poverty from within the community’.

When they began working in the community, the NGO facilitators and the village women and men, together, came up with a novel empowerment program:

First, the residents were organized into two savings groups, each representing a half of the settlement. One goal decided upon was for each woman to save 10 rupees a week in a fund that could, in time, be loaned out to members for small investments or emergencies.

This was a entirely new concept for the villagers − the first to directly involve Musahar women in decision-making and pro-action, and the first to challenge householders to earn cash enough to save. They asked, how could they earn the necessary cash to join the savings group?

The solution arrived at was for village women and men, themselves, to become petty entrepreneurs. This is accomplished in several unique ways:

- by purchasing fish on credit from local fish pond operators to sell in the market,
- by raising and selling vegetables grown on leased farm land,
- by making and selling straw mats,
- by marketing snails (a delicacy) collected in the rice fields during the rainy season,
- by taking low status jobs as sanitation workers (cleaning toilets and septic tanks), and
- by becoming ricksha drivers and, in time, ricksha owners.238

238 Earlier, the NGO helped some villager to invest in water buffalo rearing. But, the scheme failed because the Musahars were so poor that they had no land on which to raise and graze the animals, and given their caste no one of a more privileged caste would purchase the milk.
The latter innovation is especially empowering for the village men and, by extension, their families; it enables Musahar householders to acquire their own productive assets. The NGO began by purchasing 13 bicycle rickshas and signed up village men to drive and, eventually, to own them. To join this income-generating scheme, the men agree to several binding conditions. (1) On average, a ricksha driver makes around 100 rupees per day at the rate of one rupee per minute, out of which they must pay off the price of a ricksha by instalment, depositing 25 rupees each day from their earnings.239 (2) Each ricksha-wala also agrees to buy his wife two saris. In the past, a typical village woman bathed only once a week or less, modestly, in her only sari. Being so poor, these women had no other dry clothes to change into. With two saris, the women can bathe more often, thus raising their personal standards of hygiene. (3) Furthermore, the men agreed to use some of their daily earnings to feed their children two nutritious meals per day: ‘green leafy vegetables’, in their words. (4) All children in a ricksha driver’s household over the age of six must be enrolled in school. Finally, (5) they each agreed to assist their wives to come up with the 10 rupees per week needed to invest in the group savings and loan scheme.

This Musahar community development program is quite new, but the initial results are encouraging. The ‘upliftment’ (empowerment) of members of the community is progressing. In the first month of the program the number of Musahar children attending school jumped from zero to 40, and has not declined. The wives are proud to have at least two saris to wear and to bathe more frequently. Household nutrition standards have risen. And the villagers have begun accessing the nearby health facilities when needed (for example, when complications arise in childbirth, thus reducing the frequency of deaths due to complication during and after delivery).240 The two savings group funds are steadily growing and they expect soon to be able to provide small loans to the members.

Observations

1) **Social Mobilization/Inclusion**: This group of socially responsible individuals in the NGO have countered the typical ‘elite capture’ syndrome that so often pervades group development activities (and often dominates discussions about what ‘inevitably’ happens in development practice to the poor and powerless). Instead, they demonstrate a kind of entrepreneurship-based ‘elite service’ to the poor, addressing two pressing needs: poverty alleviation and empowerment of the underclass. The more privileged in the society have used their own entrepreneurial skills to assist the poor to become small entrepreneurs in their own right.

2) **Sponsorship**: Not all privileged caste persons (‘elites’) are interested in establishing NGOs only as a source of employment and to ‘capture’ the funds that government and donors provide. Instead, the so-called ‘high’ and ‘low’ caste partners in this village have found ways to ‘drink water together’, as the saying goes. Thus, this program is not an act of ‘charity’ by the privileged for their own patronizing objectives.

3) **Social Mobilization**: The case study takes place in a totally homogeneous Musahar community, in which there is no competition with other castes. Most examples of ‘elite capture’ occur in mixed caste communities where the socially dominant faction (usually male) often take over the programme.241

4) **Livelihoods**: The village adults are encouraged and enabled to engage in micro-enterprise development and new forms of service to others (outside of agriculture, and beyond uncertain wage labour), a welcome break from the old patron/client serf-like dependency relationships under feudal landlords.

5) **Livelihoods**: As the savings funds grow, group members will be able to take out loans for

239 On average, a new ricksha costs 8,000 rupees. Because there is no road into the community, the vehicles are stored nights inside the NGO office compound. The NGO’s Dalit secretary manages the group’s finances.

240 One Musahar elder said that in her lifetime more women died in childbirth than she could count. Today, maternal mortality is virtually nil in this community. (See also Case Study 6 on Safer Motherhood Groups).

241 See Case Studies 2 and 10 for examples of ‘elite capture’.
small investments, or for emergencies, at a low 2 percent rate of interest that they have set themselves, thus avoiding the exorbitant rates charged by money-lenders. Furthermore, the loan amounts are so low that they are of no interest to the more well off villagers and elites around them who, otherwise, might want to ‘capture’ them.

6) **Livelihoods**: By increasing and solidifying their livelihood opportunities, the men of the community earn enough as being ricksha driver/owners, and both the women and the men by engaging in other petty business enterprises, to feed their families better, put their children in school, save for the future, help raise personal standards of hygiene and access public health facilities. In the language of business, the plan agreed to by the ricksha-walas was economically viable in the local context, with conditions mutually agreed upon about how profits should be used and loan repayments made. It was also designed to cultivate social responsibility among all involved.

7) **Social Mobilization**: The poorest of the poor are able to successfully develop their own entrepreneurship skills and save money, with the right motivation and with sensitive and appropriate opportunities. The results are both individual and community empowerment.

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**CASE STUDY 10**

**Challenging Social Exclusion by Forced Eviction and Economic Deprivation: Squatters’ Groups and Federations**


In recent years, Nepal has seen a major increase in internal, rural-to-urban migration and settlement. Many of the migrants are poor or landless people in search of economic opportunity or are fleeing from conflict or natural disasters (flood, landslide, earthquake). Many are encouraged by unscrupulous politicians who promise land for votes. Because they are without documentation of property ownership, the landless have difficulty establishing citizenship. It is estimated that there are over 20,000 squatters and other landless peoples living precariously in 70 settlements within the three districts of Kathmandu Valley (Kathmandu, Lalitpur and Bhaktapur), with thousands of others in the urban and semi-urban centres of other districts (e.g., Kaski, Rupandehi, Banke, Bardia, Morang, etc.). Squatter (sukumbasi) settlements are totally inclusive of the poor and landless from virtually every caste and ethnic category of Nepalese society.242

Several decades ago, when internal migration was only a trickle, early squatters sought land to buy or rent, on sites that usually had basic amenities (water, sanitation, electricity) and public services (schools, health facilities, transport). More recently, however, as internal displacement has dramatically increased within Nepal, urban migrants have been settling on public land such as river banks, roadsides and other open spaces without title. At first they live in temporary huts, converting them over time into small houses as they are able to afford building materials (tin, bricks, concrete blocks, etc.) for improvements. They seek jobs that city dwellers disdain, as garbage collectors, itinerant garbage pickers and recyclers, ricksha-walas, street peddlers, small shopkeepers, etc.

The greatest fear among squatters is forced eviction. This fear has encouraged them to seek ways to raise their collective voice against expulsion and to seek essential services and their rights to shelter. Awareness of the rights of the landless was significantly raised in the wake of national

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242 Squatters’ communities also attract impostors, who feign landlessness in order to make gain at the expense of others. The exact number is not known, but could be as high as 40% of the total.
Movement to Restore Democracy in 1990.

**Squatter Groups and Federation**

In 1997 leaders from several *sukumbasi* settlements in Kathmandu, seeking a forum to advocate for their rights ‘to live with dignity’, founded the Society for Preservation of Shelters and Habitations in Nepal (SPOSH-Nepal).²⁴³ At first, SPOSH only campaigned for squatters rights. In time, however, its members began assisting new settlers in other ways, including the formation of settlement groups called unit committees (*ekai samiti*). Thus, group development process ran in reverse of the usual order: first, the national association was founded, then the local groups were organized, followed by district level committees. In 1999 SPOSH was registered under the Organization Registration Act of 1977 as a central federation of dispersed settlement units. Over time, as more unit committees formed and federated, mid-level district committees (*jilla samiti*) were formed (see Figure V-1). The SPOSH executive committee consists of five regional representatives (all male),²⁴⁴ three from eastern and two from western districts of Nepal.

**Figure V-1. Formation Timeline of Nepal’s Squatters Federation and Groups**

1st: SPOSH-Nepal, operating since 1997, federated in 1999

(Nepal Basobas Basti Samrakchan Samaj). (The Society of Women’s Unity, Nepal (NMES) was federated in 2000.)

2nd: Squatter settlement unit committees (*ekai samiti*) formed (groups).

3rd: Mid-level district committees (*jilla samiti*) formed with elected representatives from local unit committees.

To date, 18 district *sukumbasi* committees have been formed across Nepal, with others coming on line in the near future. When new unit committees are formed and wish to join the federation, SPOSH staff conduct an orientation meeting to inform them about the benefits of federation, the federation structure and function, and membership rights and responsibilities. SPOSH staff are regularly joined in these meetings by women from a sister organization called the Society of Women’s Unity, Nepal (*Nepal Mahila Ekata Samaj*), or NMES.

²⁴³ *Nepal Basobas Basti Samrakchan Samaj*. Initially, the members of SPOSH-Nepal attempted to register themselves using the term ‘*Sukumbasi*’ (‘Squatters’), but the government refused to authorize that name.

²⁴⁴ While the SPOSH Executive Committee has always been comprised of male leaders, there is no formal provision to exclude female members.
Savings and Credit Groups and Cooperatives

The Society of Women’s Unity, Nepal (NMES), an all-women’s squatters organization, was formed in 1998 by wives of SPOSH leaders and others. It was registered as a federation in 2000 in association with the Ministry of Women, Children and Social Welfare. The main purpose of NMES is empowering women through the formation of savings and credit groups in the settlements, each of which is encouraged to join one of three mid-level microfinance cooperative societies, each of which is officially registered under the Cooperative Act of 1991 (see Figure V-2).

To date, there are over 2,000 individual sukumbasi members in the savings and credit (S&C) groups, the majority of which (over 1,800 members in 150 groups) belong to cooperatives. The ethnic and caste distribution in the credit program is: 39 percent Newar occupational caste groups, 8 percent other Newar Janajati, 35 percent other Nepalese Janajati, and 21 percent Brahmin/Chhetri castes. Some S&C groups are mixed caste, but there are several that are single caste inclusive; e.g., four groups in a cluster of six settlements in Lalitpur District are all Dalit women.

By 2004, the S&C group cooperatives have banked a total of over two million rupees. With the savings they are now able to purchase the government land that they are squatting on.

Figure V-2. Organizational Structure of SPOSH, NMES and Local and District Units

The three cooperatives are called: Pragati Mahila Utthan Saving and Credit Cooperative, Gyan Jyoti Mahila Utthan Saving and Credit Cooperative, and Nava Deep Jyoti Mahila Utthan Saving and Credit Cooperative.
Since their founding, both SPOSH and NMES have been assisted financially and legally by a Kathmandu-based NGO called Lumanti Support Group for Shelter. Lumanti was founded in 1993 as a multi-purpose organization dedicated to the alleviation of urban poverty through the improvement of shelter conditions. ‘Shelter’, in this context, means the whole living environment, and Lumanti’s work includes shelter upgrades, micro-finance, children’s education, good governance, gender equity and human rights advocacy including shelter rights.

Lumanti works in 68 slum and squatter communities throughout Kathmandu and Lalitpur Districts, and at Thimi in Bhaktapur District. It currently facilitates three programs: (a) the Urban Community Empowerment Programme (supported by Action Aid/Nepal), (b) the Water and Sanitation Programme (supported by Water Aid/Nepal), and (c) Support for Displaced Poor Urban Communities (supported by Ockenden International of the UK). Lumanti is well known locally, and internationally, for its advocacy work assisting Nepalese squatters. It maintains close ties with the Asian Coalition of Housing Rights and Slum Dwellers International. Four of its most important functions are: (a) advocacy for Nepalese squatters rights, (b) assistance to group members in starting savings and credit schemes, (c) working with group members to advocate against forced eviction, and (d) assisting squatter groups to federate and join cooperatives. By developing solidarity through federation, the squatter groups increase their public ‘voice’. Simultaneously, women group members outside of the Kathmandu Valley are also encouraged to form savings and credit groups, to support economic opportunity. The same process of group formation at the various levels is followed nationwide.

In 2004, at a joint meeting of SPOSH, NMES and Lumanti, the following set of objectives were agreed as the main purposes of the Nepal squatters’ movement:

- Uplift the living standards of the urban poor.
- Advocate on behalf of landless and squatter people and create pressure to the government on the rights to land and shelter.
- Empower women through education and savings and free them from social exploitation.
- Initiate self-awakening and support leadership development in the groups to make the landless people self-reliant and develop self-help.
- Uplift the society morally and achieve rights to live with dignity.
- Prevent and reduce social evils and eliminate all kinds of discrimination within groups.
- Obtain citizenship card with the recommendation from the organization.
- Obtain basic needs like safe drinking water, sanitation and education in the settlements.
- Expand the organization nationwide.

**Challenges**

Poor landless squatters face exclusion based on forced eviction by government authorities. In the past, the government has not recognized the rights of squatters and has not treated them as citizens, as they lack legal documentation of property ownership. By failing to show citizenship or property ownership, squatters have been denied their essential rights and access public services and amenities. In the absence of legal documents, squatters are vulnerable to being conned by politicians with promise of land and documentation. Some squatter groups have begun supporting political parties, which has had a divisive effect in some settlements.

Lumanti plays an important role in assisting SPOSH and NMES as federations of squatters’ groups. They are the only Nepalese NGO working directly with squatters and landless people in the urban areas. It has good contacts internationally, exchanging views and building solidarity with similar groups elsewhere in Asia and in parts of Africa. Through its wide contacts, the

246 Lumanti’s executive membership is comprised of 6 Newars (4 female, 2 male) and 1 Brahmin (male).
leaders of the Nepal federations have gained confidence, energy and new skills through international training programmes that help them, in turn, to better organize and strengthen local communities.

Together, SPOSH and Lumanti have established an Urban Poor Community Support Fund (UPCSF), in Kathmandu and several other municipalities. The purpose of the fund is to provide credit to squatters with which to buy land or secure shelter, to enable them to live with dignity. To date, the government has contributed nothing to this cause. In order to be able to access the credit, the potential beneficiary groups need to demonstrate their credibility and credit-worthiness, which they accomplish through participation in the groups’ S&C programme. The federation contributes money to the UPCF Fund and sits in the board, with an equal voice in decision making.

Lumanti’s association with Slum Dwellers International (SDI) and with its current leadership has important impact on the future the squatters federation and groups. The secretary of SPOSH has recently been nominated to the position of vice president of SDI, which gives the federation a measure of voice on the international scene, and more visibility at home in Nepal.

Observations

1) Inclusion: The concept of ‘exclusion’ here is rooted in the underprivilege and powerlessness of landlessness (and only tangentially with caste, ethnicity or gender).

2) Social Mobilization: The development of groups and federations does not always follow a set pattern. In most instances, local groups are formed first, followed by federations or cooperatives. In this case, however, the federation (SPOSH) came first, and when its leaders saw the need they proceeded to encourage group formation at the settlement level, followed by intermediate associations at the district level.

3) Empowerment: The group-based movement to escape from the type of exclusion suffered by Nepalese squatters is led by men advocating for human rights through SPOSH and by women working for empowerment through income-generating activities in NMES. The two together make a powerful combination. Also note that the male and female leaders are working together, seemingly without overt pre-occupation with gender issues.

4) Linkages/Sponsorship: These two squatters’ organizations are strengthened through the assistance of Lumanti, a national NGO led by concerned and socially responsible citizens (‘elites’). Lumanti’s leaders have helped raise the image of squatters’ rights in Nepal to regional and international attention. While their role can be interpreted as a kind of ‘elite service’ in support of squatters’ rights, and while it involves some financial assistance through ancillary projects, both SPOSH and NMES are ‘locally owned’ and are neither dominated nor directed by outside sponsors.

5) Sponsorship: International exposure has emerged (with NGO help) and is having a significant influence SPOSH’s cumulative voice and prestige as a national squatters’ rights organization and movement.

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**CASE STUDY 11**

**Government-Assisted Inclusion: Collective and Individual Empowerment through Production Credit (PCRW Groups)**

In *The Status of Women in Nepal* (1980), Bennett and Acharya demonstrated the relationship between a Nepalese woman’s ability to earn an outside income, and the elevation of her social status within the family and community. Using this study as a springboard, PCRW (Production Credit for Rural Women) was launched in 1982, designed as a joint venture between HMGN and UNICEF to empower women and improve their social status through economic opportunities. PCRW methodology focuses on group formation, group savings, and credit extension on group collateral to engage women in income-generating activities and poverty alleviation. This group platform is also used towards achievement of community and social development activities, increased adult literacy, health and gender sensitivity, child survival, and various other topics.

Two of the original PCRW districts are Jhapa and Kavre. Examples from both of these districts – (1) Ganga’s Story and (2) Kanchi’s Story, demonstrate the opportunity PCRW and the Women’s Development Office (WDO) have created, through peer support in groups, self-awareness and confidence through participation in social development activities, and non-formal education, to empower themselves collectively as well as individually, and to extend the benefits of the group processes to other family members and excluded communities.

**(1) Ganga’s Story**

The story of Ganga takes place in Anarmani VDC, in Jhapa, in the far eastern region of Nepal, one hour drive from the district capital, Bhadrapur. Jhapa is mostly flat, with middle hills only on its northern border. It is a highly accessible district due to its position along the main east-west highway of Nepal. Jhapa is also known for its fertile soils and high agricultural productivity, though land is owned predominantly by rich, privileged caste landlords, who reap most of the profits and maintain a tremendous gap in terms of income and education between themselves and the poor tenants who work their fields.

In 1985, staff of UNICEF and the Women’s Development Office (WDO) identified several communities in Jhapa to participate in PCRW activities. Groups were formed based on a household poverty survey, but they initially received insufficient support and many collapsed. Those that were able to hold together federated in 1998, and were in the process of registering as a cooperative in 2001. The federation leadership made a collective decision to take over responsibility from the WDO of identifying new members and forming new groups, basing their decisions on compatibility, poverty level and confirmation of trustworthiness from other members, making sure to include ultra-poor and marginalized community women.

Ganga, an extremely poor Brahmin woman, joined together with three friends in a PCRW group in 1998. Ganga was married when she was eight years old, and has raised seven surviving children. Neither she nor her husband had any education, nor did they own any land, and in order to clothe and pay for school supplies, she sold tea from a shop near the highway. At the time that she joined the women’s group, both Ganga and her husband had been in separate bus accidents; he suffered a broken back, and Ganga a broken shoulder. They were desperate, as they could no longer able to do physical labour to feed their family and pay for medical expenses. Rather than sell their lives to the moneylenders, Ganga was encouraged by a friend to join the group and take a loan to establish a real tea shop near the gate of the Eastern Regional Road Department headquarters.

Her shop, which remains their only source of income, has boomed. Now, aside from tea, they cook meals for many of the single male Road Department workers and for bus drivers. ‘My husband helps me with all the business chores, from making tea to washing dishes, while our children are in school or at work,’ Ganga says proudly. ‘The best thing, though, is that since joining the group I have not had to do any menial housework such as washing other’s clothes, to obtain a loan. I have not had to beg and cry, and when I get sick my ‘sisters’ come and inquire about my health. I feel like I belong to another family.’

Ganga has attended several non-formal adult literacy classes as a group member, and she and her husband have both attended a gender sensitisation class. ‘That training was great!’ her husband
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says. ‘I found out that I could help out more with household chores (without shame), and by doing so I could contribute to bring more ‘peace’ to the family.’

‘The trainings have done more than just bring ‘peace’ to the family,’ Ganga adds. ‘I now know how to work smoothly and learn with other women. I have even learned how to sign my name – at age 47. What a moment it was when I realized I didn’t have to thumbprint documents anymore! It gives me great joy and a sense of pride. If adult literacy classes were to be offered in this area, I would make the time to go and learn a few more words.’

Ganga’s story demonstrates clearly the individual and family benefits of group membership. However, the more dramatic example is that of the federation’s collective support for Ganga and her family when her daughter was murdered by her husband in 2001. This example of the power of group solidarity to stand up to corruption and change social practices is indicative of local change occurring across Nepal.

In early 2000, before anybody knew what was happening, Ganga found out that her very young daughter, Ambika, had eloped. ‘My husband and I tried pretty hard to break up the marriage because we didn’t think it seemed right. We don’t even know how they met.’ Because it had been a ‘love’ marriage, there was no dowry, but a year after their elopement the boy began making demands for one. Ganga and her husband, living hand-to-mouth themselves, were unable to provide what he demanded, and when he became frustrated that he didn’t receive it, he doused Ambika in petroleum and set her on fire.

When fellow members of the federation heard the story, they immediately raised funds amongst themselves to hire a lawyer, knowing that Ganga would never have been able to do so on her own. Then, during the trial, the group members took turns attending court, making their presence felt in numbers, and ensuring the legal prosecution of the husband. They succeeded, and he was convicted. When he tried to buy his way out of prison, the group members again rallied and descended upon the jail and the police station in mass, refusing to allow his release. They succeeded. ‘I don’t believe he would have been prosecuted and put into jail if my ‘sisters’ hadn’t helped me and hired a lawyer. Now that he is in jail I am at peace. My daughter is gone but I must keep on living and be happy that her murderer is behind bars and can’t hurt anybody else’s daughter.’

Ganga says that if she could tell other women about the women’s group, she would tell them that it brought her peace and security, and a sense of belonging and self-worth. ‘Before I was ignorant and fighting all my fights alone. Now I work with my sisters, I attend trainings, I take out loans, and when I have difficulties like when my daughter was murdered, my ‘sisters’ are there to support me. I was a poor woman, a ‘nobody’, before, but now I belong to a much bigger and supportive family and I know that I am somebody who counts in society. The women’s group has given me back my pride,’ she says with a radiant smile.

(2) Kanchi’s Story

Kanchi’s story takes place in Panauti, a VDC of Kavre District, in an area of fertile fields in the middle hills of the Himalayas. Most of the population is engaged in farming rice, potatoes, onions, ginger, garlic, corn, and tomatoes, which they sell to the nearby markets of Dhulikhel, the district capital. Other local occupations include animal husbandry, and seasonal labour. Despite relatively easy access to urban markets, many of the residents of Panauti do not own their own land and remain far below the poverty line.

In 1989, after conducting a household survey to identify poverty levels, UNICEF established the first Micro-Finance groups in Panauti. In 1996, after several failed attempts, the fledgling ward-level committees registered as a federation, calling themselves the Gauri Shankar Grameen Women’s Development Multipurpose Cooperative Limited. The federation brought together 78 individual women’s groups of around 5 members each, with the group acting as collateral to access loans for income-generating endeavours.

Though the cooperative as a whole suffers from poor leadership, political infighting, an over-
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concentration on loans as opposed to social and community development, and an over-
representation of privileged caste members, some members have taken the principles of PCRW
beyond the project expectations, and have achieved significant gains in empowerment and
poverty alleviation. This is especially true for the ultra-poor, who, having nothing more to lose,
have taken greater risks with greater benefits than the more privileged and economically advan-
taged members who neither needed to take the risk, nor change their status through income-
generating opportunities. For the extremely poor and marginalized, however, empowerment on an
individual level has inspired internalisation of the concept of group savings and collective
community and social development, which they have in turn shared and spread amongst more
needy, targeted populations.

Kanchi Sarki, a woman of the Dalit shoemaker caste, joined a PCRW women’s group in 1991. In
a PRA exercise in 2001, she was identified by her peers as one of the group members who had
benefited the most from her participation in the group. At the time that she joined PCRW, she and
her family were squatters (*sukumbasi*), living in a shack (*chapro*) made of bamboo mats attached
to the animal shed of a fellow villager. Kanchi’s husband, she says, was family’s primary wage
earner, ‘making shoes, farming other people’s land, and as a labourer, and I ‘ate’ from what he
brought home, which was not much. He was the income earner and I accepted that. I didn’t know
how I could change our situation.’ Kanchi’s husband also had alcoholic tendencies and often
drank up their income. They were so poor that Kanchi recalls how she used to sew burlap bags
together to clothe their children.

Kanchi joined the group so that she could access a loan, inspired by the success stories imparted
by the Women Development Officer who visited her. She used her first loan to buy two pigs, and
in four months they produced nine offspring, which she sold for considerable profit. Soon she
learned that she could breed pigs up to three times a year. She repaid her first loan, and with the
profit she bought a little over one *ropani* of land. No longer afraid, Kanchi took a second loan to
invest in potato cultivation on her new land. Again she was successful, and with the profits she
was able to build a house for her family. Today this house, though small, is spotlessly clean and
stands apart from those of her neighbours. It is a home built with pride by a woman who came
from nothing and was able to build up her livelihood, her confidence, and her self-esteem.

Kanchi is an example of individual empowerment, where collective, group empowerment has not
been as successful. She believes that she has benefited more than other women in the group
because ‘people who start from nothing can better appreciate what they gain than those who start
with something’. Her drive and determination are remarkable, and she regularly uses herself as an
example when encouraging other women to become engaged in their own poverty alleviation and
social upliftment, finding that personal testimony works better than an outsider trying to
‘convince’ women to make a change. Her philosophy is: ‘If you walk, walk with your own feet. If
you see, see with your own eyes. If you eat, eat to fill your own stomach. In this way you do it for
yourself, and you don’t wait for somebody to do it for you. Look at us (Dalits), out here on the
edge of the village, and look at what we have done. With my profits from pigs I have been able to
buy land, build a house, educate my children, marry my son and daughter, and enable my young-
est son to participate in sports. Pigs are not the cleanest or best animals to have, but they have
been good to me and brought good things to my family.’

After several years as a group member, Kanchi decided she wanted to do something more for
other poor Dalit women like herself who had few opportunities. So she brought the concept of
group cooperation, solidarity and savings back to her community, mobilizing 39 Dalit women to
join together in an informal women’s savings group called Namuna Samiti (‘Example Commit-
tee’). By teaching her friends what she had learned through her involvement in PCRW, each
member of the new group is now contributing at least Rs. 50 per month towards a group savings
fund, and in the first year they collected Rs. 20,000. ‘We feel empowered to be saving our own
money. We don’t want to fall behind other (more privileged) women in our village, so twice a
month we get together and talk about issues of unity and support. Being the smallest (least
privileged caste) people in the village doesn’t matter. These are the same hands that can milk a
cow and cultivate land and earn a living’, she says. In the first year of its existence, Namuna Samiti organized neighbourhood clean-up campaigns, and made plans to build a communal water tap. Kanchi has used her contacts with the WDO to solicit help in account keeping and to help organize trainings on the proper care of pigs, toilet construction, sanitation, health, and more. Namuna is, indeed, an example for others of the force of group empowerment of the poor and disadvantaged women and their families.

**Observations**

1) **Empowerment/Gender**: In Ganga’s Story, her statement that participation in the local PCRW savings and credit group has ‘given me back my pride’ is very powerful. It carries the message that pride and self-esteem had been taken away, that there was nothing neutral about her previous social experiences, and that with a little encouragement and perseverance she earned a new self-identity.

2) **Federation**: It is important that new innovations came from within the group (but with PCRW help and inspiration). Ganga’s Story tells of the federation fighting legal battles in the face of negative social behaviour within the dominant culture. The women used the power of the group, and of the law, in an effective way. Such positive ‘spill overs’ are, perhaps, more important than the programme’s savings and credit programme. If no other message comes out of such accounts, it is that women gain a great deal of pride and self-confidence through participation in such programmes.

3) **Livelihoods**: In Kanchi’s Story, following her successful investment in pigs and her climb out of poverty and powerlessness, Kanchi helped her friends and neighbours create their own independent group, with its own rules and procedures, robust enough to thwart ‘elite capture’ by more privileged and powerful women. This is a good example of institutional innovation created through the leadership of otherwise marginalized village women.

4) **Sponsorship**: PCRW was a classic sponsored project, like so many in the 1980s based on the worldwide promotion of micro-finance, which was became part of the development orthodoxy of that time. (Much of it was based on the widespread publicity of Bangladesh’s Grameen Bank and other high visibility saving and credit schemes, dating to the 1970s.) It was the then ‘new’ mainstream orthodoxy, one of the predominant development themes of the day.

5) **Leadership/Outputs**: As with many such programmes, the overall outcomes of the PCRW programme is mixed. Amongst that mixed set of outcomes are these positive examples, which provide opportunities to development practitioners. The examples of Ganga and Kanchi illustrate there were at least two situations where there were totally unpredicted positive outcomes and spill overs. Here are two village women who are leaders in their groups and communities in different ways. There are lessons here to be used in development, especially if such ‘leadership’ role models can be used to promote and facilitate social inclusion and empowerment among other women.

6) **Sponsorship**: It is clear that the staff of the WDO office, through which PCRW was managed, inspired these village women to take a chance on empowerment. These are cases where government staff have exhibited leadership and initiative. The Women’s Development Officers involved played particularly important roles in both examples. They showed good leadership as government servants (against complaints that government employees have no incentive, are not committed, etc.). The role of UNICEF, as the sponsor behind the programme, was also thoughtful and productive.

7) **Social Mobilization/Gender**: There are several lessons in both examples for development planners and practitioners about how to develop groups that are prone to being subverted through elite dominance. The fact that Kanchi Sarki’s new group was homogeneous – all Dalit women – is an important aspect of its ‘success’. Another is that both examples describe viable enterprises on the part of the women (e.g. Ganga’s economically viable tea shop, and
Kanchi’s economically and socially viable pig production and marketing). A key lesson in Ganga’s Story is that not only women, but the men and family were involved in the solution to her problem, reflecting community empowerment in the broadest sense.

8) Leadership/Empowerment: Are the two strong women leaders, as well as the staff of WDO and the lawyers who took up the case, being used elsewhere as examples of people who are showing how social conditions can be changed? If this has not happened, then viable and relevant local opportunities have been lost, for here is a case study that cannot be simply dismissed as ‘anecdotal’, but which exists as a powerful and effective example of how local people, so often seen as underprivileged and powerless, have become ‘agents for social change’.

### CASE STUDY 12

**Women’s Empowerment: WEP Village Banking and Literacy Groups**

**Sources:** Close familiarity with WEP (Messerschmidt) and comparative studies by KC (2001), correspondence and reports from project officials (Odell 2000, Odell and Odell 2002), and review of critical evaluations (Ashe and Parrott 2001, Bahns 2003 and Silwal 2003), see also www.pactworld.org.

The Women’s Empower Programme (WEP) for literacy and village banking (savings and loan) was begun in 1997, sponsored by the U.S. Agency for International Development. WEP was implemented in 21 districts of Nepal’s lowland Tarai. It was managed by Pact (an international NGO) with assistance from The Asia Foundation/Nepal and, in the field, by 240 local NGO partners selected for their proximity to the groups and their commitment. The programme focused on: literacy, microfinance, and rights, responsibilities and advocacy, designed to raise the status of women.

The microfinance component, combined with literacy training, provided the base for an especially empowering village savings and loan group programme. Village banks are different from some other micro-finance programme, in that village bank are totally self-contained. Loans are only made from savings that member have previously made. The group members determine interest rate.

The WEP process of group formation and sustainability was unique. Groups had between 25 and 30 members each, working under a facilitating local NGO. Group members paid for their own training materials. A literate member or community volunteer helped participants learn to read using a series of local designed and illustrated WEP booklets dealing with microfinance and business. The material started with literacy and numeracy skills and reviewed the principles for developing strong groups. To accelerate initial skills development, group members met frequently (often daily) at the start, for about three months. After basic literacy was acquired, they met less frequently and moved on to the next booklet, on forming a village bank. It included advice on savings schemes and financial management. Village banking groups then moved on to a booklet on successful lending and bookkeeping. A management committee was set up to record attendance, financial transactions and bank account records. Now each group began making loans to individual members from its savings fund. Loans were made with 50% or more of the group’s funds, for up to 16 weeks duration, with dividends paid from interest earned at the end of each 16-week loan cycle. Further learning in the groups focussed on entrepreneurship skills: how to set up a sound business enterprise, innovative product ideas and market opportunities.

Table V-3 shows results of WEP’s group development work, after only two years of operation.

In addition, further technical/economic transactions include the these (with some overlap):
• **WEP enlisted 125,000 women organized into 6,600 groups**, two-thirds of which were savings groups on the way to becoming independent village banks.\(^{247}\) Another 500 groups had already become village banks and two to three times as many more were slated to become village banks by the end of the funding period (June 2001). And yet another 80,000 women were on the waiting list to join the programme. Some NGO partners had already begun expanding the programme beyond the number of groups supported by the INGO (Pact), underwriting the costs of the expansion of the programme to groups that they had organized previously that were demanding to be part of WEP.

### Table V-3. WEP Empowerment Indicators of Progress After Two Years

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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>(1) Increased spending on family well-being. Average woman has:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision of literacy services:</td>
<td>No literacy interventions introduced:</td>
<td>Empowerment Literacy programme introduced:</td>
<td>Women in Business series introduced:</td>
</tr>
<tr>
<td></td>
<td>32,500 women pass literacy test (baseline survey)</td>
<td>93,000 women pass literacy test</td>
<td>123,000 women pass literacy test</td>
</tr>
<tr>
<td>(2) Initiate collective actions for social change</td>
<td>44,000 collective actions for change</td>
<td>53,000 collective actions for change</td>
<td>104,000 collective actions for change</td>
</tr>
<tr>
<td>Provision of economic development services:</td>
<td>No economic interventions introduced:</td>
<td>Women in Business series not yet introduced:</td>
<td>Village banking in process:</td>
</tr>
<tr>
<td>Village banking</td>
<td>111,000 women saving</td>
<td>129,000 women saving</td>
<td>129,000 women saving</td>
</tr>
<tr>
<td>Micro-enterprise</td>
<td>20,000 with loans</td>
<td>17,000 with loans</td>
<td>58,000 with loans</td>
</tr>
<tr>
<td></td>
<td>20,000 in business</td>
<td>19,000 in business</td>
<td>82,000 in business</td>
</tr>
<tr>
<td></td>
<td>4,000 meet earning target</td>
<td>10,000 meet earning target</td>
<td>74,000 meet earning target</td>
</tr>
<tr>
<td>Total savings</td>
<td>$250,000 savings</td>
<td>$750,000 in savings</td>
<td>$1.6 million in savings</td>
</tr>
<tr>
<td>Group loans circulated</td>
<td>$433,000 in group loans</td>
<td>$250,000 in group loans (estimate)</td>
<td>$1.4 million in group loans</td>
</tr>
<tr>
<td>Micro-enterprise earnings/sales</td>
<td>$72,000 micro-enterprise earnings/sales in previous 6 months</td>
<td>$600,000 micro-enterprise earnings/sales in previous 6 months</td>
<td>$4.8 million in micro-enterprise earnings/sales in previous 6 months</td>
</tr>
</tbody>
</table>

- **Over 90% of the WEP women participants passed the literacy test**, in a country where the literacy rate of women is somewhere between 14 and 20% (depending on the source), with a test that was considerably more demanding than the government standard.

- **WEP experienced a dropout rate of nearly zero**. Dropouts are an endemic problem of literacy and village banking programmes worldwide. In WEP, however, the dropout rate was negligible (c. 4%). When a woman left a WEP group (e.g., to get married and move to another village) another local woman, often a member of her family, usually replaced her. The tendency was for village banks to increase in size over time.

- **High average savings per woman and per WEP group**. Each participant was saving $13 per year (about ¼ of the annual per capita income in rural Nepal). The average group held $242 (just over the national annual per capita income for rural and urban Nepal). 1,000 groups had saved US $350 or more and approximately 100 groups were managing loan portfolios of over $1,000, about 50 of which had savings of $1,500 or more.

\(^{247}\) The remaining groups were associated with Grameen replication projects and cooperatives providing them access to external loans. It was not expected that these groups would evolve into village banks, although a number of groups expressed interest in becoming independent village banks that manage their own savings.
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- **More than 50,000 WEP women taking loans** for productive purposes from their group funds and repaying them at market (non-subsidized) interest rates; the outstanding loan balance per borrower was US $40. Most loans were paid back on time and while there was some delinquency, virtually no loans were considered uncollectable. Overall, 100% of loans made by groups had been repaid.

- **82,000 WEP women (66%) operating micro-enterprises.** This number had quadrupled in 18 months, indicating that the WEP education process encouraged women to start their own small businesses. 248

- **Micro-enterprise sales under WEP in the second year approached US $5 million.** This was nearly an eight-fold increase since the start of the programme. The average woman in business had generated sales of almost $60 from her micro-enterprise during a six-month period (a 100% increase over 18 months). 74,000 women had met or exceeded WEP income targets for their enterprises, up from 10,000.

- **WEP achieved these results for less than $1 per woman per month,** showing that new jobs for the poor can be created for as little as $20-30 each. Including all start-up, curriculum and development costs, WEP’s first 3-year programme was projected to cost around $30 per woman; expansion of the model would cost as little as $8-10 per woman. Significantly, some scaling up is now taking place with zero ‘project costs’, as some ‘leadership’ women are forming new village banking groups on their own.

Specific social/institutional transactions under WEP include these (with some overlap):

- **Women participating in WEP initiated over 100,000 collective community and advocacy activities,** most commonly: visiting local government officials, group gatherings, organizing mass rally, door-to-door campaigns and labour contributions.

- **WEP helped develop and build the capacity of over 200 local NGOs.** Local NGO partners identified and formed women’s groups, hired empowerment workers, provided technical support, learned to file programme and financial reports, and learned entirely new and sustainable modes of operation around literacy, economic participation and advocacy. (Early in the programme, some problems occurred with a few NGOs; but, the programme directorate sorted them out, dropped the poor performing NGOs and selected and oriented new ones to take up the task.)

- **WEP empowered many women to increase their levels of household decision-making.** After one year of field implementation, a survey revealed impressive increases in women self-confidence in household decision-making and financial affairs. In three years, 89,000 women increased their decision-making roles concerning family planning, marriage of their children, buying and selling property, sending daughters to school, family health and nutrition, and participation in community affairs. It is always hard, however, to attribute direct cause and effect in social contexts. In this case, the conflict in rural areas and the lack of jobs for young men were also factors in explaining why male household members were leaving the village and more roles were being taken up by women. (To some extent the WEP programme was an incredibly timely programme in the history of Nepal, as it helped provide rural women with the skills and confidence to take on these new roles – a right programme in the right place at the right time…).

The WEP programme did not specifically target the poorest women, but attracted moderate to poor women of various castes, Janajatis and Dalits including Tharu ethnics and Muslims. Any interested women could join provided she was at least 18 years old, a local resident with good

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248 Most micro-finance programmes require borrowers to be in business at least six months, often a year, before taking a loan. While many women had raised animals or were engaged in agriculture before they enrolled in WEP, few had done so as a business. Very few were engaged in trade before joining WEP (baseline survey).
moral standing, was willing to meet and save regularly and establish a business, and lacked access to other credit sources. Savings were mandatory, and collected weekly, providing a basis for credit allocations to members at low 2% interest rates (compared with up to 60% charged by traditional money-lenders).

A survey determined that WEP had a very even distribution of women from all local castes. While some moderately well-off women joined, over the course of the project there was a perceptible shift in number of participants from better-off to poorer women. This occurred because WEP was a savings-based programme (unlike most other micro-finance programmes that are credit-based); the amounts saved were relatively small, and the micro-enterprise activities focused on small loans to support small ways to earn money; so small, in fact, that the moderately better-off women were not as interested as poorer women who had no other options and saw it as their ‘only hope’. By the end of the project (considering replacements and new groups), more poor women were included in the programme than at the start.

**Observations**

1) Economic Viability: One of the reasons for the success of the scheme rests on the soundness of the underpinning economics of the situation. These are stand-alone financial institutions. They have to be economically viable. The reason why they are successful economically, however, is because of the ‘rules of the game’ by which they govern themselves. Consequently, the deeper reason for success of this WEP programme derives from their role of serving social purposes rather than strictly, or only, financial ones. Positive social relationships between group members are crucially important in village banking, and in savings and credit schemes in close-knit rural communities. They cannot be evaluated without understanding and assessing the specific social processes involved.

2) Empowerment: Women’s empowerment in terms of decreased dependency and increased self-confidence became a hallmark of success in WEP. Participating women were able to enhance their status in both the family and community, highlighting the programme’s adage that ‘dependency is not empowerment’.

3) Leadership/Empowerment: Evidence from other community-based user groups (community forestry, irrigation, etc.) indicates that literate women trained in village banking have been actively recruited to their executive committees. In one study, user group leaders said that they encouraged women to manage their group’s finances because they were responsible, honest and transparent, and (unlike men) had no political ambitions (Messerschmidt 2002).

4) Sponsorship: WEP in Nepal has received international acclaim and awards as a successful women’s empower programme. As such, one would think that it would have been hailed as a flagship programme of the funding agency (USAID). The fact that this did not take place is an interesting observation. During the lifetime of WEP, it had its serious detractors within the agency, and in Nepal the veracity of the very positive evaluation by Ashe and Parrott (2001), for example, was questioned. More than one recently arrived senior development staff of the agency has indicated (to the author of this case study) that they were not briefed on the remarkable success of the WEP programme, even within little more than a year after its termination. That WEP was not funded for a second phase by its sponsor was due to a combination of personal animosities and a shift in agency priorities away from women’s empowerment toward private sector development, and other changes in development aid objectives. (The way personal behaviour and changes in donor priorities effect definitions of ‘success’ is important to the study of group-oriented development.)

5) Livelihoods: Given the rising empowerment of women, their enhanced voice in household decision-making and their increasing participation in user groups, there are moves in several
sectors (e.g., forestry, irrigation) to register membership in groups with the names of both husband and wife as co-household heads, thus providing a more co-equal voice to women. There are also moves to increase the mandatory percentage of women participants on user group committees from as low as 20% in some instances to 50% participation. Some of this change in behaviour can be attributed to the empowerment of women that has come about through the WEP programme.

6) Social Mobilization/Sustainability: The village banking/savings and loan groups can be seen as long term sustainable programmes because now it is reported that hundreds of new savings groups have been established by women from existing groups, independently, with no project or other external support.

7) Empowerment: One of the problems of many micro-finance programmes is that they suffer from ‘elite capture’. What is significant about the current design of this programme is that there is a type of self-election mechanisms that results in new village banks focusing even more on the financial needs of the ultra-poor. Interestingly, these new innovations occurred from within, as the project evolved.

8) Sustainability: At a time when many of the main donors in the country, such as the World Bank, are giving so much support to the government’s Poverty Reduction Strategy Paper (The Tenth Plan, HMGN 2004), where women’s empowerment figures so significantly as a major goal, it is puzzling that this ‘successful’ project (by so many social development and economic criteria) is not more often cited and learned from.

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KEY LITERATURE ON SELECTED TOPICS

This list of key references is based on the publications and documents accessed for this study. The number of citations per topic indicates the relative availability of the literature.)


GROUP-BASED SOCIAL MOVEMENTS / WOMEN (see ‘Gender’)


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This list of references and documents is by no means exhaustive, but it provides some of the main references available to serve as entry points for pursuing more in-depth studies of development groups and for accessing more detailed background information. Note that the bulk of the literature is in English, because (right or wrong) the bulk of the Nepalese development discourse in English and, to some extent, has to be in English as development is often about interacting with the English language.

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