

ANTI-POVERTY STRATEGIES OF NEPAL : REVIEW AND ANALYSIS

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1. INTRODUCTION

The main objective of this paper is to review the anti-poverty strategies of Nepal, to highlight some of their shortcomings, and to outline their preconditions for a successful anti-poverty strategy. The paper is divided into six sections. It begins with a discussion of the concept of 'poverty'. The inter-Asian country commonality of poverty is discussed in section 2. Section 3 presents evidence on Nepal's rural poverty. The existing anti-poverty policies of Nepal are critically reviewed in section 4. Section 5 tries to outline the preconditions for a successful anti-poverty strategy and their implications for government policy. The last section provides concluding observations.

1.1 The Concept of Poverty

The term "poverty" has been much of a rhetorical one used over and over again by a galaxy of experts yet a clearcut conceptual definition continues to elude us not because researchers have not tried but more so because of its confusing and varied characteristics. Some have successfully tried to assess different approaches taken toward the conceptual definition of poverty as well as presented respective critiques on each of the approaches.¹ Sen (1981) has assessed poverty through three approaches: (1) biological (2) inequality; and (3) relative deprivation. Besides, he goes on to provide an expose' on the delicate issues of value judgement, policy definitions and standards and aggregation problems besetting clearcut and holistic definition of poverty.

Sen views poverty as a matter of deprivation. The recent shift in focus

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¹For detailed presentation on concepts of poverty, see Sen (1981, pp. 9-23).

especially in the sociological literature - from absolute² to relative³ deprivation has provided a useful framework of analysis. But relative deprivation is essentially incomplete as an approach to poverty, and supplements (but cannot supplant) the approach of absolute dispossession or deprivation. The biological approach⁴ relates to this irreducible core of absolute deprivation, keeping issues of starvation and hunger at the centre of the concept of poverty. This approach, though it has been much maligned, deserves substantial reformulation but not rejection. As regards the inequality approach, poverty and inequality relate closely to each other, but they are distinct concepts and neither subsumes the other (Sen 1981, p. 23).

It has been viewed that the exercise of identification of the poor can be either based on a standard of minimum needs, or on the method of "aggregation". Of the two, the adoption of minimum needs exercise rules out over "aggregation" one since the latter requires some method of combining deprivation of different people into some overall indicator. And this exercise of relative scaling of deprivations is more arbitrary.

According to Sen (1981, p. 23) there is a good case for viewing the measurement of poverty not, as is often asserted, as an ethical exercise, but primarily as a descriptive one. What is important is that 'policy definition' of poverty requires recognition and appropriate treatment of ambiguities and arbitrariness encountered while in the exercise of describing the predicament of the poor in terms of the prevailing standards of 'necessities'.

One should be cautious about the fallacy that often creeps in the discussion of rural poverty. Conceiving the rural poor casually as 'small farmers' contributes to the continued neglect of those in the lower strata who are much poorer and in many countries far more numerous. Since we believe that any effective strategy of rural development must take explicitly into account the poor majority, we focus

²It has to do with translation of starvation, malnutrition and visible hardship into a diagnosis of poverty without having to ascertain first the relative picture.

³In an objective sense, it relates to situations where people possess less of some desired attribute, be it income, favourable employment conditions or power, than do others (Wedderburn 1974, p. 4; quoted in Sen 1981).

⁴This relates to the requirements of survival and captures malnutrition as one of the most important aspects of poverty.

on the landless and the near landless-those groups who are below the category of the small farmers.⁵ Nevertheless the small farmers development programme could be expected to have a limited trickle-down effect to the benefit of the strata below them.

To conclude this section, it would be worthwhile here to present a few lines on the argument for a policy definition from the report 'Poverty amid Plenty' of the United States President's Commission on Income Maintenance (1969) as quoted in Sen (1981, p. 19): "If Society believes that people should not be permitted to die of starvation or exposure, then it will define poverty as the lack of minimum food and shelter necessary to maintain life. If society feels some responsibility for providing to all persons an established measure of well-being beyond mere existence, for example, good physical health, then it will add to its list of necessities the resources required to prevent or cure sickness. At any given time a policy definition reflects a balancing of community capabilities and desires".

2. ANTI-POVERTY POLICIES IN ASIA

2.1 Poverty in Asia

Approximately 350 million people live in absolute poverty in South Asia and an additional 168 million in the same condition in East and South-East Asia; this comprises respectively some 60 and 29 per cent, or a total of 89 per cent of the World's poor, according to the UN/ESCAP Study "Poverty, Productivity and Participation" (1985, p. vii).

The awesome phenomenon of poverty has overshadowed all other development issues in Asia. While there is continuing reference to other parameters such as degrees of urbanization, industrialization and per capita income, the touchstone of success or failure of a political system has become its efficacy in alleviating the ravages of poverty, increasingly expressed in quantitative terms, a recognition of the fact that the previously enshrined proxies for progress (GNP etc.) have ceased to enjoy the pre-eminence they had in the early post-colonial development theory and strategy (op. cit., p. vii).

While in some countries the impact of poverty is localized in some regions, in others it is pervasive. Impoverishment is directly linked to the accelerated

⁵See Rahman (1986, pp. 33-35) for more elaborate presentation.

Table 1. Per Capita GNP, Rural Population & Incidence of Poverty: Nepal & Selected Asian Countries

Countries	GNP per Capita ^a	Rank order of GNP per capita	Rural Population ^a 1984		Estimates of incidence of rural poverty	Rank order in poverty incidence
			million	% of total		
Bangladesh	130	8	80.4	82	67.90(1977-78) ^b	8
India	260	6	461.7	75	50.82(1977-78) ^c	6
Indonesia	540	3	119.2	75	56.00 (1976) ^d	7
Nepal	160	7	14.9	93	42.55 (1986) ^e	4
Pakistan	380	4	65.3	71	39.80 (1979) ^f	3
Philippines	660	2	32.6	39	47.50 (1975) ^g	5
Sri Lanka	360	5	12.6	79	26.00 (1983) ^h	1
Thailand	860	1	41.0	91	34.30 ⁱ	2

Source: a. World Bank. "World Development Report 1986". Estimates for 1985.

b. Based on data from Ahmad and Hossain (1985, p. 70). Estimate based on 2,087 daily intake (Kilo calorie). FAO recommendation at 2,332 calorie intake would result in 82.6 per cent rural poverty.

c. Based on data from Sixth Five Year Plan (1980-85) of India, p. 51; quoted in Bandopadhyay (1985, p. 103).

d. Based on data from White (1979, p. 94).

e. All-Nepal average estimates quoted in from HMG's basic needs outline (1986). NPC (1978) earlier had estimated rural poverty at 41 per cent.

f. Household Income & Expenditure Survey (1979) data quoted in Ali (1985, p. 178).

g. Based on data from Manghas (1985, p. 213). According to Sophia Bodegon, poverty line presently is 60 per cent in the Philippines with the poverty threshold estimated at US\$ 160 (See The Times of India, p. 6, 6 March 1987).

h. Based on data from Wickramasekara (1985, p. 245).

i. Based on data from Mukhopadhyay in UN/ESCAP (1985, p. 5). Poverty estimates (combining both urban & rural areas) for the early 1980s.

Note: Incidence of rural poverty measured by the head-count ratio.

erosion of the asset base of the poorest within societies characterized by inequality. Excluded from the possibility of self-employment on their own land, the poor eke a meagre living out of peripheral, rudimentary, low-productivity employment, deriving woefully inadequate and irregular income. Insecurity and uncertainty characterize the daily lives of the poor (op. cit., p. 80).

Table 1 shows the rather high incidence of poverty in a number of Asian countries. The countries reviewed are: Bangladesh, India, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka and Thailand. Bangladesh, with estimated rural poverty approximately around 68 per cent as at 1977/78, tops the list of countries that have higher incidences of poverty. Even in the case of other countries where the incidence though appears comparably lower, increasing doubts have been raised that poverty is under-reported.

2.2 Asian Anti-Poverty Policies

Although most of the Asian countries do not have quantitative targets for the reduction of rural poverty, their development strategies nevertheless incorporate some anti-poverty policies.⁶ The poverty alleviation strategies of these countries under review could be classified into two groups:

- a) Policies that are directly oriented towards production and thus the process of income generation. These include:
 - i) Land policies: Tenancy and redistributive land reforms tried in various countries come under this group.
 - ii) Policies for increasing the asset-base and productivity of the poor such as: The Integrated Rural Development Programme (IRDP) in Nepal and India, the Small Farmers' Development Programme (SFDP) in Nepal, the "Grameen" Bank in Bangladesh.
 - iii) Area-based programmes: These relate to: Drought Prone Area Programme in India, Poverty Area Development Programme in Thailand and Remote Area Development Programme of Nepal.
- b) Policies that affect the flow of income or consumption to individual or household. These include:

⁶For more detailed analysis see R. Islam & E. Lee, "Strategies for Alleviating Poverty in Rural Asia" in ILO-ARTEP, 1985, pp. 1-27.

- i) Employment creation schemes: Rural Works Programme in various countries, the Food for Works Programme in Bangladesh, the People's Work Programme in Pakistan, the National Rural Employment Programme and Employment Guarantee Scheme in India are examples of this kind of programmes;
- ii) Other target group oriented programmes: The Food Stamp Scheme⁷ in Sri Lanka, school feeding programmes in some countries and similar other programmes can be classified under this group.

3. EVIDENCE ON NEPAL'S RURAL POVERTY

There are two important questions in the attempts at analysing rural poverty:

- a. Has there been an increase or decrease in the proportion of population and households living in conditions of poverty ?
- b. What has been happening to the living conditions of the poor ?

3.1 Rural Poverty in Nepal

Nepal had an estimated GNP per capita of US\$ 160 in 1985 (World Bank 1986), a level below which only four other countries fell. The first available data on poverty dates back to the 1976/77 survey of National Planning Commission⁸ (here onwards referred as NPC survey) which had estimated 41 per cent of all the rural households below the poverty line.⁹ The recently published HMG's outline of 'Programme for Basic Needs' put this figure at 42.55 per cent (see The Rising Nepal, 16 December 1986). The full comprehensive and final report is still awaited.

Available data point to a situation of widespread absolute poverty that is rural based (rural areas account for 93 per cent of total population; see table 1, p. 4).

⁷This scheme which replaced the food rationing scheme in 1979 grants food stamps (that have a certain cash value and are encashable against a specified range of commodities) to eligible households (consisting of five or less members and receiving an income of Rs 300 or less). See P. Wickramsekara in ILO-ARTEP, 1985, pp. 266-280.

⁸National Planning Commission. 1978. A Survey on Employment, Income Distribution and Consumption Patterns in Nepal. Kathmandu, Nepal.

⁹See table 2 for detailed data on rural, urban and region-wise incidence of poverty.

Table 2. Regional Distribution of Households with Incomes Below Rs. 2.0 Per Capita and Per Day or Rs. 60.0 Per Month.

(poverty line in percentage, income in Rs.)

Region	All households below the poverty line	Annual per capita income
Eastern	49	971
Central	35	988
Western	33	929
Far Western	48	880
Rural	41	950
Urban	22	-
All Nepal	40	1038

Source: National Planning Commission (1978).

3.2 Evidence on the Magnitude of Poverty

The NPC survey remains an important source of data. The survey has estimated rural poverty at 41 per cent and urban poverty at 22 per cent and that the all-Nepal average is 40 per cent (see table 2). This is on the basis that Rs 2.0 is the required minimum daily per capita income needed to ensure productive survival. Worth nothing here is the argument (Ligal 1980, pp. 36-38) that prior to the survey, the minimum monthly income per capita needed to satisfy adequate requirements of food, clothing and shelter was estimated at Rs 88.29, almost 47 per cent higher than the figure of Rs 60.0 estimated by the survey as the minimum income required to pass the poverty line. The difference between these two estimates is not so great if it is considered that prices have increased substantially since NPC took the survey. As a check, if a mere 15 per cent price rise is assumed and adjusted in the basket of goods used by NPC to calculate the poverty line, the poverty line would increase to about Rs 69 per month, this would still be 28 per cent lower than the income calculated above (Rs 88.29) required for satisfaction of basic needs requirements of privately consumed goods.¹⁰

Ligal (1980) interestingly notes that this provides a strong basis for arguing that the NPC has underestimated the extent of poverty in Nepal and that

¹⁰See Ligal (1980, pp. 14-38) for a more detailed treatment on identification and quantification of basic human needs in Nepal.

the proportion of households below the poverty line is substantially higher than the 40 per cent it calculated for the whole of Nepal.

3.3 Poverty and Income

3.3.1 Poverty distribution:

As against the backdrop of 40 per cent of all households estimated below the poverty line for Nepal as a whole, the region-wise poverty figures (see table 2) furnished by the NPC survey reveal highest incidence of poverty (respectively 49 and 48 per cent) in the eastern & far-western regions.

Further, the core of the poverty problem in Nepal lies in the hill region, where the majority of the population live. The ARTEP survey¹¹ data, nevertheless revealed that the terai, with a substantially higher per capita income is also characterised by a higher degree of inequality than the hills.

Going by the NPC survey data estimates, the incidence of poverty is high indeed. To illuminate further, let us assume that the price of basket of goods (used by NPC to calculate the poverty line) remains constant and then calculate how many people would be under the poverty line. Available estimates reveal Nepal's rural:urban population ratio for 1984 (World Bank 1986, table 31, p. 240) at 93:7 and total population in tune of 16.1 million as at mid-1984 (ibid, table 1, p. 180). Against this background, as many as 6.1 million of rural populace and 26 thousand of urban population would be below the poverty line.¹²

If we use the data from the outline of basic needs programme (1986), 42.55 per cent poverty would result in an even higher number (6.8 million) of people below poverty line.

If the arguments (Islam 1983, p. 174; Ligal 1980, p. 38) that poverty is under-estimated are credible, the situation is still more alarming.

3.3.2 Income inequality:

Nepal's problem of poverty seems to have been aggravated by the combination of low average income and a high degree of inequality in the distribution of income.

¹¹The ARTEP survey 'The Challenge for Nepal', (Bangkok, 1974), p. IV-9; as quoted in Islam (1983, p. 174). According to the survey, per capita GDP in 1970/71 was as follows: Terai, Rs. 1,228; hills Rs. 529; and mountains Rs. 426.

¹²Refer to table 1 for rural population estimates; and table 2 for percentage estimates on rural and urban poverty.

Islam (1983, pp. 171-174) analyses the magnitude of income inequality in rural Nepal by using data from NPC survey of 1976-77 and ARTEP survey of 1974 (though it actually covered the year 1973). Comparative data on it is provided in table 3.

The ARTEP data do not reveal the real magnitude of the degree of inequality for several reasons: (i) the survey covered only eight districts (four each from the hills and the terai) and the sample size was rather small; (ii) the survey did not cover the far western development region which is poorer compared to the other regions of Nepal (see table 2); and (iii) the results are tabulated separately for the hills and terai. A combined tabulation for national figures would have probably resulted in a higher Gini Coefficient because of the exacerbating effects of regional inequality.

As regards the NPC data; it is probable that the NPC data also understated the degree of inequality, because of the doubtful quality of the income data. A comparison of average income and expenditure figures for various economic classes gives one enough reason to suspect that the income figures for the upper income groups have been understated considerably.¹³

Table 3. Indices of Income Inequality for Rural Nepal
(percent)

	<u>NPC Survey</u> 1976-77	<u>ARTEP Survey, 1973</u> Hills Terai	
Income share of the poorest 40% of households	8.69	13.9	10.7
Income share of the richest 20% of households	59.72	49.0	56.3
Income share of the richest 10% of households	46.73	32.1	38.5
Gini coefficient	0.59	0.43	0.51

Sources: Islam (1983, p. 172). The figures in the first column have been calculated from NPC Survey (1978). The figures in the last two columns are from ILO-ARTEP (1976, table 2.4, p. 19).

¹³See Islam (1983, p. 183) for further elaborate treatment of this argument.

In light of these arguments, one can draw the following conclusions from the data presented in table 2. First, a very high degree of inequality in income is indicated for rural Nepal no matter which index we use. The Gini coefficient calculated from the NPC survey data is higher (0.51) than that calculated for other Asian countries¹⁴ (e.g. Philippines, 0.46 and West Malaysia, 0.50) known to be characterised by a high degree of inequality in income. Secondly, the ARTEP survey data reveal that the terai with a substantially higher per capita income is also characterised by a higher degree of inequality than the hills.

3.3.3 Poverty and inequality:

Available evidence indicates: (1) the increasing trend of incidence of poverty in rural Nepal; (2) stagnation of the economy, particularly of agriculture (vital to the Nepalese rural economy); and (3) continued inequality in the distribution of income (probably even deteriorating). Thus, the observed trend in poverty in rural Nepal could be attributed to the result of stagnation at a very low level of income coupled with undiminished (and probably growing) inequality in the distribution of income.

The often observed decline in yields of major food crops (resulting in stagnation of agriculture and decline in per capita food production) and the worsening of the distribution of landholding (resulting in an undiminished inequality in income) together with other forces (e.g. demographic pressure, indebtedness and usurious money lending, mortgaging of land, acute poverty leading to distress sales, etc.) appear to have been in operation in rural Nepal. All these have worked towards the marginalisation of the poor and landlessness¹⁵ of the marginal farmers.

Further, the decline in the real wages of agricultural workers (as a result of declining agricultural productivity) must have contributed to worsening of the pattern of income distribution and an increase in the incidence of poverty. In such a situation and in the absence of a compensating increase in the availability of employment, the real income and living conditions of agricultural

¹⁴Quoted in Islam (1983, p. 174, footnote 27).

¹⁵Total landlessness is estimated under 10 percent in the hills and about 25 percent in the terai. Moreover, the below subsistence farm households constitute a majority of the population, and what is more, the share of the bottom 40 percent in income and land holding has dropped substantially (UN/ESCAP 1985, p. 22). See Islam (1983, pp. 181-183) for further reference.

labourers¹⁶ must have declined.

Hence, an increasing proportion of the rural population may have been driven towards conditions of poverty. The fact is well argued by Islam (1983, p. 178) that when the burden of overall stagnation is not shared equally by all groups and the upper income group appear to enjoy some improvement, an increasing proportion from the lower end of the scale is automatically compelled to join the ranks of the poor. And this has probably happened in rural Nepal also.

3.4 Poverty, Per Capita Food and Income

There are large inter-regional (mountains and hills vs. the terai plains) differences; the per capita availability of land and food are precariously low (or even has declined) in the hill area (where close to 60 per cent of the people live); and the ratio of urban to rural incomes is 10:1. Furthermore, while the per capita income has remained more or less stagnant, the average availability (which hides the more severe deprivation of the poor) of per capita food is substantially below nutritional requirements (UN/ESCAP 1985, p. 22).

An interesting explanation can be borrowed from Islam (1983, p. 169): 'The NPC survey data of 1976/77 yield a more plausible level of per capita income. The estimate of Rs 1,038 is 86 per cent of the per capita income from national accounts of that year. Even according to these figures, however, the shortfall from food requirements is staggering. If we convert the minimum required expenditure per capita (for 1975/76) into a per household figure and compare it with the distribution of household income (for 1976/77) showed by the NPC survey data, the bottom two-thirds of rural households in Nepal would appear to have been suffering from a deficiency in calories. In fact, the lower quartile of the households had an income which is less than half the minimum required'.

The gravity of the problem of poverty implied by the figures presented in the preceding paragraph is underlined by the fact that even if we were to assume that the entire income was used for food consumption many households would still not meet their food requirements. On this assumption an average rural household in Nepal would require an annual income of more than Rs 3,500 in 1975/76. According to the NPC survey data of 1976-77, nearly half the households in rural Nepal had an income which was lower than this level.

¹⁶The real wages of agricultural workers have been dropping and in terms of kilograms of rice, are lower than those in other poor countries such as Bangladesh (UN/ESCAP 1985, p. 22).

3.5 Other Issues

There are several other socio-economic indicators e.g. health, education standards and etc. that also point to the existence of widespread poverty. Although information is lacking on the distribution of these basic services, the average levels can provide some indication of the access of the poor to such services (see table 4).

Table 4. Selected Basic Indicators of Nepal

Life expectancy at birth (years), 1986	52
Infant mortality per thousand live births, 1986	112
Population per Doctor, 1986	24,554
Hospitals, 1986	89
Hospital beds, 1986	3,767
Adult literacy (percentage of total population) ¹ , 1986	30.1

Source: Central Bureau of Statistics. Statistical Pocket Book 1986.

1. Quoted from NPC. September/October 1986. 'Comments on the Performance of Development Project Undertaken in FY 1985/86' (mimeograph in Nepali).

Though the life expectancy at birth in 1986 was 52 years; it probably was lower for the poorer people. Similarly, the infant mortality rate for the poor must have been higher than the average of 112 per thousand. This still high mortality rate could be partly explained by the food deficiency and the increased vulnerability to diseases that arise from this. Apart from malnutrition, the fact that an estimated 21.8 per cent of the rural population had access to safe drinking water in FY 1985/86 (NPC 1986) and that modern sanitation is almost non-existent are important contributory factors to the high incidence of several diseases and ill health. Also woefully inadequate are curative and preventive medical services. To illustrate this statement, there are only a total of 3,767 hospital beds (estimates for 1986) for a population of about 1.6 million (estimates for mid-1984). In 1986, there was only one doctor per 24,554 of the population (see table 4). Against the backdrop of such an extreme inadequacy of medical services, one can easily surmise the degree of access of the poor to such services. To add to it, the fact that the rate of adult literacy estimated at 30.1 per cent in FY 1985/86 indicates that majority of the rural poor must be illiterate.

4. ALLEVIATING RURAL POVERTY IN NEPAL: CRITICAL EVALUATION OF RELATED POLICIES

This section endeavours to review and critically appraise Nepal's poverty alleviation strategies that have been introduced in some form or other in different plans and programmes. Nepal's economic policies as well as plans in the recent past have increasingly focussed on basic needs approach to development thus indicating (directly or indirectly) some kind of poverty alleviation schemes. However a more specific and coherent anti-poverty policy so far remains elusive.

4.1 National Plans & Programmes: Poverty Alleviation Policies

4.1.1 Development plans:

Looking backwards for poverty alleviation policies in evolution of Nepal's development planning, one is drawn towards the Fifth Five-Year Plan (1975 - 80). It was this plan which initiated the target of providing the basic needs of the people as the objective of the ultimate development efforts. However, poverty alleviation strategies were given a more significant boost in the subsequent Sixth (1980 - 85) and Seventh (1985 - 90) Five - Year Plans with clearly reiterated objectives of increasing the rate of growth of production, enlarging opportunities for productive employment and fulfilment of the basic needs of the people. In this paper, we would limit ourselves towards analysing the poverty focussed policies of the current seventh plan.

Seventh Plan: Major poverty related policies: There are seven areas of focus:

a. Regional balance: The programme places increasing stress on the development of hills and mountains and the western and far-western region, and implies higher investment for poverty impacted areas.

Countries such as Nepal and Thailand have drawn up detailed time-sequenced procedures for dovetailing local plans with those of progressively larger geographical units (UN/ESCAP 1985, p. 34).

b. Minimum needs approach: This lays emphasis on satisfying the basic needs of the entire population, defined quantitatively in terms of: (i) Foodgrains, (ii) clothing; (iii) fuelwood; (iv) drinking water; (v) primary health care and sanitation; (vi) primary and skill based education; and (vii) minimum rural transport facilities. The basic needs approach to poverty alleviation¹⁷ would

¹⁷For an brief expose' on this, see Adhikari (1987).

be analysed in sub-section 4.3.

c. Decentralization: Focus has been laid on effecting a fundamental decentralization of the administrative and planning and implementation functions down to the district and village level; and on eliciting people's participation.

His Majesty's Government (HMG) conceives of decentralization as the most important single measure of its new approach to poverty focussed development. This is because local planning would be only a technical exercise or a charter of demands if it was not matched by effective political and economic decentralization and creation of elected local bodies with administrative and financial powers. Decentralization is indissolubly linked to a policy of regional balance and it is expected to give a political push to an other-wise purely economic policy (UN/ESCAP 1985, pp. 34-35).

d. Small Farmer's Development Programme (SFDP): Emphasis has also been laid on SFDPs for continued support for all-round development focussed on the poor through increased participation of the small and marginal farmers. SFDPs are evaluated in sub-section 4.6.

e. Infrastructure building and agricultural production: Infrastructure needs at the local level will be planned in detail as a part of the decentralized planning process and wherever possible employment generation objectives¹⁸ will be given primary importance. Further emphasis will be laid on small development project geared towards production.

f. Rural industries: Employment, market, skill and investment¹⁹ considerations converge to make a highly decentralised, labour intensive low-cost industrialization the ideal policy for Nepal.

For more effective implementation of this policy, it is essential to have the active and collective participation of the poor in all phases of the programme from planning to implementation to monitoring and evaluation. This has been evident from the lessons of experience in the Nepalese case. Rural industrialization, if followed step - by-step could be an indispensable component of the anti-poverty strategy without which productive employment for the poor is an impossibility (UN/ESCAP 1985, pp. 68-69).

¹⁸The elimination of poverty is planned to be attained through creation of employment opportunities.

¹⁹For an analytical presentation on industrialization, employment and investment, refer to UN/ESCAP (1985, pp. 68 - 73).

g. Ecological balance and community forestry: HMG has taken a pioneering step in turning over existing forests to the people, to be owned and managed by the Panchayat. The plan calls for several programmes geared towards a major reversal of the ecological degradation, with full participation of the people. The programme will provide food and fodder and also generate considerable productive employment.

Analysed in totality, the comprehensive effort stressed in the Seventh Plan exemplifies an implicit repudiation of the past approach to development. In terms of major objectives of the Plan, prominent emphasis has been laid on the gradual elimination of poverty through the creation of employment opportunities, but explicit targets for poverty reduction are indeed lacking in the plan. That has led to the feeling that the poverty alleviation targets are largely national and depend on a belief that the overall development strategy will lead to some (unspecified) reduction in poverty. It is also equally striking that most of the plans of Asian countries²⁰ including that of Nepal mention reduction in income inequality as an objective, but there is no specific mention of targets and instruments for achieving this.

Similar views are held by some studies in anti-poverty policies. The lack of specific poverty related targets in Nepalese plan and programmes (Banskota in ILO/ARTEP 1985, pp. 160-161), could be on account of the political convenience of vague and general targets. In this regard Banskota (1985) critically notes that: 'Nepalese plans have focussed more on growth in terms of target setting, and these have never been met. And the absence of anti-poverty targets means the lack of preparedness on the part of the planning body to provide more effective policy inputs based upon a comprehensive analysis and understanding of rural poverty'.

4.2 Budget & Anti-Poverty Supportive Measures

Nepal's 1986-87 budget has earmarked a sum of Rs 112.2 million for the rural development schemes²¹ e.g. Integrated Rural Development (IRD) projects, Intensive Hill Development Project and Integrated Hill Development Project. Of the total, Rs 87.89 million and Rs 24.31 million respectively have been allocated

²⁰For a cross-country analysis on anti-poverty policies in the Asian background, refer to Islam & Lee in ILO/ARTEP (1985, pp. 1-27).

²¹Budget allocation figures for such schemes compiled from HMG Ministry of Finance, Income-Expenditure Outlay Estimates for FY 1986-87, (mimeograph in Nepali), 1986.

for such programmes at the district and central levels. The budget has been of vital assistance and supportive in maintaining the momentum of anti-poverty programmes. It is, however, difficult to assess the extent of the utilization of the funds earmarked in the budget. Equally difficult to assess is the benefit accruing out of rural development projects in total.

There is a further problem. The financial implications of an expansion in the coverage of such IRD programmes often becomes prohibitive such that their continuance, even on the current small scale, is often dependent on an inflow of foreign resources. Budgetary constraints can in fact prove to be binding on such programmes, as has been experienced in some countries (Islam & Lee 1985, pp. 26-27).

4.3 Poverty Alleviation: Basic Needs Approach

Having been increasingly concerned to accord special priority to low income groups to improve the condition of the rural poor, His Majesty's Government on 15 December 1986 published an outline²² of a programme to provide all the Nepalese people with the basic (e.g. food, clothes, shelter, education, health and security) in conformity with the Asian Standards by the year 2000 A.D. This was in accordance with the directives of His Majesty the King as contained in the Royal Address of 16 December 1985.²³

Since the final draft of the basic needs report is still being awaited, this sub-section will deal briefly with major contentions of the outline. This new programme has set a target for making available the per capita calories requirement of 2250 providing to each Nepali a minimum of 11 metres of cloth annually, making housing facilities of 30 square metres of ground area available to each family, imparting primary education to all children between six and ten years of age, and making the adult literacy programme more effective, bringing down the population growth rate to below two per cent and raising the average life expectancy of the Nepalese people to 65 years.

²²See HMG (1986); The Rising Nepal, 16 December 1986 for news coverage on the outline.

²³See The Rising Nepal, 17 December 1985.

In order to fulfil the minimum basic needs in Nepal, it is necessary that the low income group of 42.55 per cent of the population who live below the poverty line enjoy 23 per cent of the National Private Income (from the present 12.6 per cent) by 2057 B.S. The outline has re-vitalized the concern toward the betterment of the rural populace. It must be remembered, however, that the poverty line at 42.55 per cent leaves us pondering that it is probably underestimated.

4.4 Economic Programme

It is justifiable here to devote few lines on HMG's Economic Programme of 1985-86 which quite strongly emphasized the basic needs strategy. The strategy was explicitly stated in one of the programme's major objectives which read: to implement with top priority the programmes ensuring minimum basic needs to the people such as food, clothing, shelter, education, health and security. Trying to assess the impact of the economic programme on poverty alleviation efforts is difficult. After being launched with much vigour and enthusiasm the programme of late appears to have moved out of the limelight.

4.5 Tackling Rural Poverty through Rural Development Projects

Integrated Rural Development Projects (IRDP) have a vital and positive role to play in the pursuit of anti-poverty programmes. At present there are eight IRDPS (i.e. Rasuwa-Nuwakot, Kosi Hill Area, Sagarmatha, Rapti, Karnali-Bheri, Mahakali, Dhading and Seti), one Integrated Hill Development Project and one Intensive Hill Development Project functioning in Nepal.

The IRDPS have been viewed (Banskota in ILO-ARTEP, 1985, p. 163) as vital in increasing the central level commitment to rural development in terms of more funds, manpower and institutions. However, an appraisal of IRDPS reveals a need for redesigning them to support the agricultural growth process and to offer a balanced package of asset creation and wage employment. Manrai (1986, pp. 643-644) observes that the IRD programme needs to be strengthened and linked more integrally with the local level planning to improve its effectiveness. The project/cluster approach and a more objective identification of beneficiaries also need to be built into the system. The need for redefining²⁴ IRD programmes is also endorsed by the UN/ESCAP study (1985, p. 88).

4.6 Banking Approaches to Alleviating Poverty

Bank supported schemes contributing to poverty alleviation efforts can be categorised into three groups: Small Farmer's Development Programmes (SFDPs)²⁴

²⁴Refer to point no. 9 under sub-section 5.3.2 of section 5 for such a re-definition.

be categorised into three groups: Small Farmer's Development Programmes (SFDPs)²⁵ administered by Agriculture Development Bank; and the Intensive Banking Programmes (IBPs), and the Cottage and Small Scale Industry (CSI) Project under Nepal Rastra Bank.

4.6.1 Small Farmer's Development Programme:

Originally inspired and supported by FAO and initiated by the Agricultural Development Bank (ADB/N) of Nepal, the objective of the SFDP was to mobilise locally available resources to meet the needs of the rural poor. Dealing with small and marginal farmers who are usually excluded from credit and development, SFDP utilises an effective method of reaching these farmers through a group organization process. Within a span of eleven year, SFDPs have expanded tremendously throughout the country. By the end of fiscal year 1985/86, the number of SFDPs²⁶ totalled 250 covering all the 14 zones of the country. Through the formation of 3300 groups, SFDPs have served a total of 54,155 small marginal landholding and landless people. The SFDP programme of Nepal is acknowledged for its contribution to group formation and social development.

However, some major problems facing the programme have been traced out²⁷ such problems having been identified by farmers (both participants and non-participants still unclear about the SFDP's objectives and purposes; (b) complicated loan procedures and short loan repayment period (c) lack of co-ordination amongst the service delivery institution; (d) substantial pressure from the rich to prevent small farmers from participating in the programme.

However, the importance of SFDPs is that the provision of resources to the water and nutrient starved agricultural sector of Nepal through disadvantaged groups (like the small farmers) can have favourable impact on the poverty situation.²⁸

²⁵For detailed treatise on the programme, refer to Agriculture Development Bank, 1981, Proceedings of Workshop in Small Farmer's Development and Credit Policy, Kathmandu.

²⁶Figures derived from ADB/N, Information and News Quarterly, p. 6, November 1986 - January 1987, vol. 1, no.3.

²⁷See Nepal Rastra Bank, An Evaluation Study of Small Farmer's Development Projects of Nepal (1982, pp. 139-145).

²⁸Banskota in ILO-ARTEP (1985, p. 174).

4.6.2 Intensive Banking Programme (IBP):

Initiated in 1981 under the aegis of Nepal Rastra Bank (NRB), the commercial banks are required to finance and participate in the programme by investing at least 8% of their total outstanding loans and investments in the IBPs. Designed and tailored to formulate and implement a well coordinated programme (that stresses more on project viability than collateral requirements), IBP constitutes the integral part of the priority sector. IBP could become more instrumental as a rural financial tool since it extends credit also on group guarantee basis to those unable to offer any tangible collaterals. Its efficiency however depends on the degree of proper co-ordination with different line agencies for support services, that form the core of such programmes.

4.6.3 Cottage and Small Scale Industry (CSI) Project:

The CSI project initiated in 1982 under Nepal Rastra Bank has been strongly supporting the role and place of decentralized industrialization in poverty eradication by disbursing loans to cotton textiles, wool, metal, forest - based, agro-based and other industries. The project, thus, has been of vital assistance in generating productive employment through opening up of such industries. Annual loan disbursement of CSI project²⁹ for respective fiscal year was as follows: FY 1982/83, Rs 11.1 million; 1983/84, Rs 35.3 million; 1984/85, Rs 50.4 million; and 1985/86, Rs 72.7 million.

4.7 **Other Policies**

We now briefly touch upon the sajha co-operatives and land reform programmes which have poverty focussed characteristics.

4.7.1 Sajha Cooperatives

The co-operative movement launched more than two decades ago is another institutional step aimed at gradual alleviation of rural poverty. Its major objectives are: to increase the national income level of farmers through the adoption of improved farming practices; provide loan facilities and agricultural inputs to small farmers at the village level; and to mobilize and utilize rural savings in developmental activities. But the cooperatives was unable to make any significant dent on efforts at combatting rural poverty. In order to make sajha programmes more efficient, several recommendations are on record: (i) in areas where Sajhas are viable, participation of small and marginal farmers should be

²⁹Figures supplied by the Industrial Credit Division of Development Finance Department, Nepal Rastra Bank.

increased through a mass motivation programme; (2) sick saahas should be closed down to prevent any further loss to the government; and (3) a few marginal and small farmers should be selected from a ward and provided with loans on certain local profitable schemes (Hamal et. al., 1987. p. 14).

4.7.2 Land Reform Programmes:

The Land Act of 1964, the most comprehensive land reform programme in Nepal, was entrusted with the task of improving the standard of living of the actual tillers through equitable distribution of cultivable land. In order to energize the existing programme toward poverty alleviation efforts, following recommendations have been noted: (i) the present land reform programme with respect to the land ceiling and the systems of confiscating and distributing land should be modified to make them more effective; (ii) readjusting the present land ceiling according to agricultural productivity; (iii) the distribution of confiscated land should be based on sound economics or according to a farmer's willingness to cultivate (ibid, pp. 13-14).

5. THE PRECONDITIONS FOR AN ANTI-POVERTY STRATEGY AND THE POLICY IMPLICATIONS

This section seeks to present some pre-conditions for an anti-poverty strategy and then discuss their policy implications for alternative anti-poverty strategies.³⁰ The approach taken is to outline different case studies as well as the ideas of different writers on poverty and basic needs. These are examined in the context of Nepal's current anti-poverty policies.

5.1 Preconditions

The pre-conditions³¹ for an anti-poverty strategy are:

- 1 A programme focussed on the poor: This implies that development strategies be more need-oriented³² than market demand oriented. Further, development

³⁰Sub-sections 5.1 & 5.6 are extensively based on the arguments presented in the UN/ESCAP Study (1985, pp. 74-79).

³¹Citation 30 above, pp. 74-75.

³²A need oriented strategy involves three steps: the target groups to be defined, population below the minimum human needs to be estimated, and necessary instruments of implementation to be defined (Haq 1976, pp. 68-69).

planners should set their targets for meeting basic human needs through increased focus on institutional reforms and setting up of new institutions to reach the poorest sections of the society;

2. A commitment to agrarian-land reform: Quizon and Binswanger (1986, p. 130) more or less share this view by observing that one of the major avenues for substantially affecting incomes of the poorest group, the rural poor, are direct income transfers or land redistribution;
3. Provision of income generating assets to the poor;
4. Encouragement of group formation and collective endeavours;
5. Creation of an institutional base for administration of the programme, with particular emphasis on the re-orientation and strengthening of the banking system;
6. A genuine programme of decentralization of power to popularly chosen local bodies and a social process to ensure people's participation;
7. Assurance of minimum consumption needs of food, health, education, housing etc. This precondition is equally supported by Haq (1976, p. 43). Thus, the basic minimum needs of the poor should be taken into account while planning national production targets; and
8. A systematic process of local level planning dovetailed with national planning to give coherence to various sub-programmes, ranging from income generation to employment creation, linked to productivity enhancing asset formation.

The remoulding of institutions is primarily a question of re-orienting the attitudes of those who operate them. Sensitization of the officials through exposure and training is the most crucial element in the social process. The detailed working of some of the most important components of the social processes and their inter-relationship can best be illustrated through examples.

5.2 Implications

Having summarised the essential social preconditions of the alternative

strategy, we will now touch upon the implication³³ of the approach for the two prime actors in this undertaking: humans in terms of the fuller development of potential through education; and nature, in terms of the impact of the strategy on ecology.

5.2.1 Education:

The near total exclusion of the poor from education is a major disability to these people and a formidable barrier both to their active participation in social processes and mastering of skills necessary for productive application of technology. In Nepal, attempts to establish the basic infrastructure for primary education, the skill development programme, are all efforts to correct this imbalance. In this background, the basis should be formed for national plan to prepare those now 'uneducated' to participate fully in the process as conscious, informed, technically competent members of society. Not to aim for such a strategy would force the mass uneducated rural poor to a 'mind-constricting existence' which is the real tragedy of 'poverty' as debilitating as the deficiency of calories (UN/ESCAP 1985, pp. 76-77).

The poverty of the order which prevails in Asia severely restricts the choice of the majority to pursue fuller lives. So, if education and participation could lay the foundation of greater consciousness and competence, the poor would have the possibility of making some life choices, freed of deadening drudgery and overwhelming manipulation (ibid, p. 77).

5.2.2 Health:

There has been a significant change in perspectives in the field of health in the recent past, moving away from the curative focus of a medically oriented view to a broad preventive approach, characterized as primary health care which considers health as an outcome of multi-sectoral efforts. With the primary health care approach, health has assumed importance for poverty eradication and has become much more closely integrated with education, agriculture, water supply, and most important, with a participatory development approach.

5.2.3 Ecology:

It has been suggested that a coherent anti-poverty programme for Nepal should encompass the ecological aspect as well since the poor have been eking

³³The preconditions and implications of a high productivity anti-poverty strategy have been analysed (see citation 30 above, pp. 76-79).

out an increasingly precarious living, putting in more and more labour on less productive land, impoverishing themselves further and endangering the ecology of entire region.

The alternative anti-poverty strategy should be built through the adoption of a proposal³⁴ for a macro-level (national) policy and micro-level (village) re-arrangement of the livelihood pattern on the following ecological setting. The elements of this might include:

1. Programme for utilizing the full potential of the terai plains through substantial land reforms, and provision of institutional conditions and investments;
2. As next step, establish a reliable/trustworthy system of public food distribution giving food security to the people in the hills;
3. Given food security, people in the hills and mountains could be gradually persuaded to deemphasize low productivity agriculture;
4. Horticulture and forestry based deep rooted tree culture (instead of shallow rooted crop agriculture) to be encouraged in the hill region;
5. Emphasis on decentralized industries (producing for local consumption and external sales) based on mini-hydro electricity generation, could absorb an increasing amount of labour;
6. Using mountain areas for livestock production, supplemented by cottage industries and limited commercial forestry;

The above could be of vital assistance in integrating poverty alleviation with ecological soundness and stability.

5.3 Synthesis: Anti-Poverty Strategic Elements

Now this sub-section attempts to synthesize the strategic elements of an anti-poverty strategy rooted in an alternative approach to development. The

³⁴Citation 30 above, pp. 78-79, for a comprehensive treatment of the proposal.

strategy is drawn up primarily to suit Nepal's inherent socio-economic setting, but it is of relevance to most of the Asian economies.

5.3.1 Basic policy considerations:

The alternative strategy for poverty eradication is an attempt to remould the existing anti-poverty programmes by a fuller development of the potential inherent in them, thereby transforming them into a holistic alternate development strategy encompassing both productivity and participation. The strategy is based on the following principles:³⁵

1. Eradication of poverty is to be the goal of the entire development planning effort and not just of a few special programmes. This strategy rejects the isolated approach to the poor.
2. No anti-poverty programme should bypass the issue of land reform. Instead, it is essential to provide each family (in groups): (a) plot of land in which the family's food requirement can be grown; and (b) a share in the wasteland where income-generating biomass plantations can be established.
3. The employment generation programme should enable the poor to use their labour for their own direct benefit; to produce their food, or to grow the biomass.³⁶
4. The alternative strategy is premised on activities of high and increasing productivity, in agriculture, subsidiary occupation & biomass production and industrialization, with matching investment provisions.
5. Emphasis on revitalizing banking system to have a clear productivity orientation and well redefined concept of development banking.
6. Poverty eradication is a long-term programme and all short term measures must be originally linked to the distant vision. The short-term and long term aspects of the anti-poverty programme may be visualised in terms

³⁵For detailed treatise on the principles; refer to citation 30 above, pp. 83-84.

³⁶Biomass relates to food, fodder, fuel and fertilizer. See citation 30 above (pp. 65-67) for a fuller analysis on biomass production for employment and energy.

of physical infrastructure,³⁷ resources,³⁸ employment and consumption goods³⁹ (op. cit, p. 84).

7. Embodying security and equity in a programme based on the above underlined policies towards creating the basic conditions for the active participation of the poor in the entire development process. Without the necessary pre-conditions, however, the institutions and processes would remain, lifeless and mechanical.

5.3.2 Specific policy considerations:

Efforts will be made here to trace out some of the major direct, and intermediate measures as well as programmes of broader implications.

1. **Basic food needs:** The foundation of the proposed anti-poverty programme is the provision of self-help based food security to every poor family, regardless of its income earning occupation. Though difficult to assess its applicability in our context, it is nevertheless interesting to note down the proposal of a study (op. cit; pp. 84-85) that every family be provided with an equivalent of 0.2 hectare plot of fully irrigated land capable of year-round crop production. The proposal stresses that with extremely intensive cultivation, this small plot of land is capable of providing the family with (a) adequate amounts of foodgrains; (b) vegetables; and (c) fodder for animals.
2. **Biomass farming:** For the landless, this could be a good source of land-based productive employment. New technology of quick growing tree species has opened up new vista for the utilization of waste lands and denuded forest lands, which are generally in the public domain. It is proposed (op. cit, p. 85) that a 10 hectare unit may be entrusted to 10 landless families

³⁷It relates to roads, land shaping, major irrigation works etc.

³⁸They can be energy sources (e.g. forestry, biogas, solar energy etc.) developed on a massive scale or raw materials for infrastructure and industry, such as structural materials (bamboo), biomass for chemical conversion.

³⁹These consist of: intensification of cropping to enhance employment opportunities; production of supplementary foods (e.g. soya beans) to support a nutrition programme; and light industry to provide employment and consumption needs.

collectively, with some stipulation of reasonable rent to be paid to the community after the plantation starts yielding income in a period of 3 to 4 years.⁴⁰

3. Maximizing employment in agriculture: It is essential that a balanced, integrated programme, should do the utmost to increase the productivity and labour absorption capacity of the entire village economy, while at the same time pressing for a more equitable distribution of the benefits.
4. Infrastructure for increased agricultural productivity: Two of the most crucial factors (contributing to increased productivity) constitute irrigation and drainage that can be undertaken with labour intensive methods. This can be turned into a real opportunity for the poor by giving them not only wages but also a share in the expanded asset base.
5. Development of renewable sources of energy: In order to free the rural populace from the present energy scarcity and open up the possibility of a qualitatively different future, primary emphasis needs to be laid down on the fullest development of renewable sources of energy⁴¹ (which are available in abundance in rural areas) as an entry point to the future.
6. Decentralised industrialisation: The industries could come to the rural poor with the development of renewable sources of energy, since the possibilities of new technologies supported by abundant energy supplies can provide the rural poor with productive employment and as well free them from the limitations of agriculture.
7. Participatory planning: Proposals 1 to 6 hinge on detailed, local level participatory planning, implementation, monitoring and evaluation - a continuous process. The institutional mechanisms for this vast democratic exercise have already been created in the existing poverty focussed programmes in most of the countries including Nepal, though there is emerging need for fostering conscious, collective participation of the poor.

⁴⁰The proposed plantation unit has been conceived as a bankable project that could be treated as a banking investment. For arguments on this, refer to citation 30 above, pp. 85-86.

⁴¹It broadly consists of biomass, solar, mini-hydro, wind etc.

8. Investment needs and self reliance: The high productivity, modern technology based alternative strategy described here, whose goals far transcend the minimalist existing anti-poverty programmes, requires considerable investments, and for countries like Bangladesh and Nepal, substantial amounts of external assistance. The choice before the national planners and international community is to continue low levels of charity forever or to invest sufficiently in a viable programme to eliminate the poverty issue once and for all (op. cit., p. 88).
9. Redefinition of integrated rural development (IRD): Integrated rural development could only be considered successful when, paradoxically, the middle word loses its present connotation! This logic comes from a study (op. cit., p. 88) which argues for redefining the concept of IRD which is in danger of shrinking to denote mere inter-sectoral coordination.⁴² Such redefinition is proposed to include:
- | | | |
|--|---|--|
| Integration of sectors | : | normal but expanded concept of IRD |
| Integration of rural and urban areas | : | rurbanization |
| Integration of the 'included' and the 'excluded' | : | equity for poor and women |
| Integration of people and government | : | participation |
| Integration of the present and the future | : | an organic linkage between measures and long term vision |
10. Direct attack on the dependency of the poor on the non poor: The poorest of the poor often tend to remain poor because of their non-involvement in various economic activities leading to development. Non-involvement has its root cause in (a) non-percolation (growth opportunities do not reach the poor) and (2) non-participation⁴³ (the poor do not come forward to take advantage of the opportunities). Strategic tackling of this issue requires: (1) identification of point of exploitation and plugging them by suitable measures; (2) providing social security measures; and (3) helping the poor to organise (Hirway 1986, p. 648).

⁴²See sub-section 4.5 of section 4 for critique on IRD programme.

⁴³A study has traced out several reasons for this (1) ignorance about the programme, (2) inhibitive in taking part owing to cultural barrier; (3) lack of required support from related line agencies; or because (4) barricaded from taking part by the influential non-poor (Hirway 1986, p. 647).

11. Perceiving rural poverty: It would be worthwhile to conclude this section with the views of Chambers (1981, p. 1) that, 'there are major obstacles to perceiving the nature and the extent of rural poverty in developing countries. These obstacles originate not only in the nature of rural poverty itself, but also in the condition of those, not themselves of the rural poor, who do or more significantly, do not perceive that poverty. The argument has implications for all rural development programmes and projects, and for the training of staff. The conclusion is that reversals of current positions and practices are required if the obstacles are to be surmounted, if the nature and extent of rural poverty are to be truly appreciated, and if future actions are to be tailored to the actual needs of the rural poor'.

6. CONCLUDING REMARKS

There is much national and international rhetoric about the alleviation of poverty. What the situation reflects is that there is inadequate specificity of allocation of resources and a conspicuous lack of integration of these rhetorical programmes into the structure of the plan. This is so in many of the Asian countries. Often the financing of these anti-poverty programmes is left largely to foreign aid—a fact that attests to the ceremonial content of these anti-poverty proclamations. Moreover, explicit time frames are rarely introduced. There is a general consensus that a greater internal mobilisation of resources and greater use of explicit time frame in planning for poverty alleviation is essential. This paper has made an attempt to cover the available evidence on anti-poverty programmes and analyse the development alternatives and policy implications. In this perspective, two broad lines could be identified⁴⁴ for future research in the field of monitoring poverty and evaluating anti-poverty policies: (1) descriptive statistics and (2) analytical issues. It was suggested that disaggregated rather than summary indicators should be used. Emphasis was placed on building profiles of the poor in terms of income or expenditure, measures of the quality of life (e.g. literacy, infant mortality etc.), indicators of working conditions (e.g. wage rates), and the satisfaction of basic needs.

There is often scepticism about the subjective or attitudinal measures of the incidence of poverty. In this context, the limitations of survey research for generating data on income and expenditure and the usefulness of anthropological

⁴⁴The contention here is that poverty should be looked at from a nutritional as well as a social point of view (see Işlam op. cit., p. 299).

methods and longitudinal surveys would have to be examined as well. In the similar vein, it is worth commenting on the importance of monitoring the impact of poverty on projects intended to benefit primarily the poor. On this, the need for developing proper indicators for monitoring purposes and for generating information on such indicators need to be assessed. Finally, studies⁴⁵ suggest that research on poverty should be 'class based', in other words, it should concentrate on particular identifiable groups, such as, landless labourers, non-agricultural specialized workers, food-deficit farmers, etc.

Observed and available evidences on rural incomes in Nepal reflect on the high levels of poverty. Moreover, considerable doubts have been increasingly raised by researchers as to whether the extent of poverty has been underestimated by NPC survey. Though comfortingly, the basic needs outline has come into the scene with 42.55 per cent people estimated below the poverty line, there nevertheless emerges the need for a comprehensive national survey on employment, income distribution and consumption patterns. The rationale for such a survey stems strongly from the need for a more accurate update on the incidence of poverty through more realistic estimates on Nepal's employment, income distribution and consumption patterns. This would greatly assist the national planning machinery to provide more effective policy inputs for more specific poverty related targets in Nepalese plans and programmes.

Lastly, while analysing the choice of soft options (for tackling poverty) for planners of the developing countries, Haq's (1978, p. 65) following comment is still thought provoking: 'Many of the technocrats and policy-makers in these countries have by now persuaded themselves that there is nothing new about the objective of a direct attack on mass poverty since this has always been the cornerstone of their development planning. They also seem to believe that there is nothing more to learn about the dimensions and nature of mass poverty and they are merely assumed that the rest of the world is discovering poverty at this late stage. And yet, they are tragically wrong, since they are not even at the threshold of the new policies which are required to tackle problems of poverty directly. The objective of poverty alleviation in these cases is merely a thin veneer on top of the traditional development strategies'.

⁴⁵Islam (op. cit., p. 299).

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