

Nepal's leasehold forestry for the poor: Looking at the unintended consequences

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Abstract

Based on case studies on nine leasehold forestry groups in two locations in Gorkha and Tanahun districts of Western Nepal, the paper argues that LHF is an initiative with good philosophy but that implementation does not necessarily conform to the intention. While the endeavor is seen to have been instrumental in contributing towards environmental recuperation and uplifting of rural income, it is often accompanied by clear degree of unintended consequences. The problems may be seen in terms of sub-optimality in environmental recuperation, in potential unsustainability and in social inequity. It is speculated that, as the situation stands today, unintended negative outcome might outweigh the positive one. The reasons for the anomalous outcomes are attributed both to field level intervention and the policy, which tend not to fully understand the dynamic as well as contestable nature of human-resource interaction. Suggestions are made in favour of an 'infusion' of Community forestry and the Leasehold forestry in a broader framework of poverty alleviation initiative. This would involve intervention as a facilitative process through which people with indigenous use rights are sensitized and brought forward who put 'their heads together' in sorting out how they intend to deal with the twin resource conservation as well as poverty alleviation issues.

Background

Forest Act 1992 provides for allocation of nation's *government forests* into a number of categories. Those are: *Government managed forest*, *Community forest*, *Leasehold forest*, *Religions forest* and *Protection forest*. The first four are tenure-based classification in which the government may decide to respond to the interests of the parties concerned and allot them with use rights as per agreement reached. Protection forests, unlike the rest, are actually the management regime than the tenure type, which would simply suggest that the concerned forests remain environmentally sensitive requiring a protection oriented management regime.

While the forestry legislation makes no further sub-classifications within the forest categories, leasehold forests are the exception. Forest Rule 1995 clearly differentiates the general types of lease (which may be allotted to an individual, an industry or a corporate body) with a lease meant for the people below the poverty line (LHF for the purpose of this paper). The latter would receive priority over the former.

Community forestry (CF) is accorded the highest priority both by the forestry policy (HMG 1989) and the forest law (HMG 1992). The policy makes a provision for handing over entire forests in the hills to the local communities 'to the extent that they are willing and capable of managing them'. CF policy, in particular, has been very popular amongst the donor communities and that numerous projects have been involved in facilitating handover of the National Forests to community forestry user groups (CFUGs) and in their subsequent management.

LHF, though receives policy priority over the general leasehold type, is superseded by CF, the top priority programme on the whole. A large number of donor agencies are stimulated to provide support to the programme, which tend to see the programme as a means to rejuvenate the hill forests thereby also fulfilling the forest product needs of the local communities. In recent years, the programme is considered to have great potential for local community development and for improving livelihoods in the local level. Surprisingly enough the donors in general are not supportive enough to the LHF endeavour despite its concerns over the poor. They go as far as implying that LHF is a superfluous policy. Perhaps the only major exception has been the Hills Leasehold Forest and Forage Development Project (HLFDP) (IFAD 1990). The project ran through the loan assistance from IFAD over seven years since 1993 and ever since is being continued in some form through internal resource of the HMG. The LHF process essentially consists of forming small leasehold groups (5 to 10 members below poverty line), leasing out small patches of degraded forest lands (5 to 10 ha) to them and help raising their income essentially from forest produce and livestock based development. Policy priority over CF would mean that only lands not claimed for CF might be leased-out as LHF. A thirty-five days public notice is essentially the official means intended to sort out the potential claims.

HLFDP had started small but rapidly extended its activities to 10 and lately into additional 16 districts (the later districts are being covered by HMG's own resource). It, in effect, is running almost parallel to CF under independent project support. The project so far claims to have handed over 7,377 hectares of degraded forestland to 1,729 groups consisting of 11,756 families. 139 inter-groups and eighteen co-operatives are reported to have formed as an institutionalization endeavour of the said initiatives (Norman et al 2003).

LHF: a controversial issue

LHF has remained a controversial issue since inception. Its proponents (these are essentially LHF project and some senior government officials) argued that the approach would provide answer to ameliorating the environmental conditions and also improving the poverty situations of the people depending on them. The CF lobby (this is basically a vast number of CF projects running into the country), on the other hand, grudging over the former and allege for having competed with it for inadequate district forest office (DFO) staff as well as the forest resource itself. There has been a virtual cold war between these two lobbies in practice if not always on the table. LHF personnel have of course argued that the two initiatives could complement each other and needed to run in an integrated way (Sterk 1997). There were also some field trials, which intended to find ways for integrating LHF with CF (Box and Singh 1997). This however would not solve the misunderstanding. The conflict heightened so much so that even a Memorandum of Understanding (MOU) had to be agreed upon between the parties concerned to ensure that one would not interfere with the other in the field (see for example, Schuler 1997). Tension in fact culminated into virtual standstill of the IFAD support to the project by 2000.

About this work

The philosophical stance of LHF that puts theoretical focus on the poor is clearly undeniable. CF, though is sentimental about the equity in benefit sharing, tries to cover interests of community in general where interests of the poor tended to be masked under a great deal of socioeconomic diversity. Given this reality one would be surprised to note why the foreign aided projects tend to stick to the CF and ignore or even antagonize the LHF. HMG has continued to show an official commitment to reduce poverty in its latest 10th periodic plan, which chose to adopt LHF as one of the powerful strategies to deal with poverty (HMG 2003). However it has so far found virtually alone to fund LHF and the donor communities are reluctant to provide any significant helping hand. Some important questions may be asked: Do the donors have hidden agendas about poverty? Do their interests lie on the rich than the poor? Possibly not (see for example Gilmour and Fisher 1991). But the question remains unanswered: why the donors do not have a solid positive gesture towards LHF? Defying a certain programme in favour of the one they are on board is certainly not justified. Probably more robust justification would be expected why one wants to reject an idea that expresses to have a concerted effort on the poor. Surprisingly enough such expectations are met neither from academics nor from the CF lobby. This study might be seen as an attempt towards that exploratory endeavour.

Based on case studies in 9 LHFUGs (4 in Gorkha and 5 in Tanahun districts) and their surroundings we argue that while the value of LHF in terms of its philosophical stance is commendable, it has darker side too. The darker side might weigh so much so that the programme may not run independently but that the whole programme thrust needs to be re-considered in a way that it is

infused with a more holistic endeavour that encompasses the elements of CF together with a number of poverty alleviation initiatives.

Cases

Gyanjha Pakha, Manakamana 8, Gorkha District

Important highlights:

Area introduction

- Dry slope facing south across Trishuli River on the other side of Mugling Bazaar.
- Settlers are mainly Magars and Tamangs who are scattered in small hamlets over the extensive slope.
- The nearest commercial place is Mugling bazaar
- The area is characterised by wide scale shifting cultivation in which poor HHs, in particular, grew maize and beans in a rotation of few years. The extreme slopes are occupied by bushy forests, which were used as common forestlands, which lately have been officially handed over as CF.

DFO involvement

- Ranger visited the place in 2048 to form a CFUG for a chunk of the forests. The process got actually impeded when the ranger changed his mind and, instead, started extension for LHF.
- The unhappy people got divided. The shifting cultivators were adamant for continued de facto private claims and some others in the community, to the contrary, argued in favour of incorporating those lands in their proposed CF (Upper Gyanjha CF).
- Concerned ranger used his 'veto' in favour of LHF. Several people had shown serious concerns but to no avail.
- The ranger rushed through the formality of a public notice, and did not give real time for a claim or a contest. Apparently he did this on purpose as he thought that a more serious investigation process might create a hurdle against LHF: an area in which he had already made up his mind.
- As no formal claim was received, the ranger divided the patches of the debated land to four LHF groups. Each of the groups had 5 to 6 members. Very stern objections were made until the last moment, particularly from those who practised shifting cultivation. However they were forced to withdraw when the ranger threatened them by saying that resistance to the initiatives would have legal repercussions.
- Subsequently the concerned patches of lands were handed over as lease-lands under the names:

- I. Keure Pakha (5.72ha 10 individuals)
 - II. Amala (3 ha: 6 individuals)
 - III. Vikas Gaira (6.72 ha: 8 individuals) and
 - IV. Wangrang (5.37.ha: 8 individuals).
- The leaselands have been divided amongst the individual leaseholders despite the fact that whole group was supposed to operate in a joint basis.
 - Only the areas not covered by the lease arrangements got ultimately handed over as Upper Gyanjha CF to 48 HHs. (18 HH got membership both in LHFUGs and CFUG. The rest got membership in CF alone). This happened as late as 2057 and the majority of the CFUG members grudge over the lease handover who thought that it was done unduly.

Activities of the groups

- Keure Pakha group is closest to road head and is considered a relatively active group. Several members of the group claim that their living standards have been improved through income generated from growing fruits and grasses. Fruits are sold directly for cash and the grasses enable them to keep more goats and cattle.
- Wangrang is farthest and a least active group. Here the members are said not to have been able to develop as per the lease agreement but have left the land virtually idle. Many members are allegedly stuck to the age-old practice of selling fuelwood in Mugling bazaar some times from the leaseland but mostly from CF.
- The other two groups are more in between Keure and Wangrang and the DFO staff are unhappy about their passivity.
- The more active groups tended to respond to the public demand and add some members in an informal basis.

Conflict

- Virtually all of the sites area is characterised by a widespread conflict.
- Conflict can be found in micro, meso and the macro level.
- The micro level conflict is essentially to do with the conflict within the individual groups. The conflict is often attributed to the behaviour of chairmen who are blamed to have lacked transparency and have failed to comply with the set norms.
- The meso level conflict lies in the inter-group level. Those relate to a) one group receiving more extensive area and/or more productive sites than the others b) a grudge over discriminatory treatment from the DFO who favours nearby sites and ignores the others
- The macro-level conflict crosses the boundaries of lease plots and their members but extends to a larger area around. Probably boundary of CFUG members (in this case the members of Upper Gyanjha forest who

- total 58 HHs) is the last limit up to where the controversy extends.
- The people from outside the group tend to see the leaseholders as illegitimate occupants, while the later tend to see the rest as uncooperative and invidious. People from outside contemplate their resentments through different angles.
 - The leaseholders are strongly criticised for having violated the basic principles of LHF. They see that the lease arrangements have provided the leaseholders with a 'licence' to be openly engaged in illicit activities. They claim that the leaseholders do not comply with the lease agreements but that they use those for illicitly cutting trees for sell and sometimes even go as far as growing maize and millet- an activity directly contradicting the lease philosophy. Many would say that the leaseholders are not only indulged in unauthorised activities within the lease-land but go as far as cutting the trees for sale of fuelwood from the adjoining community forests in the pretext of having done so from their own lease/private lands.
 - Ethical dimension further aggravates their resentments. They see that the concerned pieces of lands have actually been snatched from much poorer people, who until then had earned their livings essentially from the shifting cultivation and, instead, given the same to the more shrewd who were in-fact indifferent towards environmental conservation, any way.
 - A large section of people sees that lease arrangements are unfair. They argue that the lands should have either been a) left as such for production of staple by poor shifting cultivators or b) pulled to the CF so that it could be used commonly by all.
 - 2 ultra poor HHs (who could feed less than 4 months with relative comfort) and 11 very poor (can feed 6 months with relative ease) failed to get a membership. This clearly indicated a flaw.

Darre Pakha, Tanahun

Important highlights

Area Introduction

- The concerned slope is across Buldi rivulate just on the other side of Ghansi Kuwa near Damouli Bazaar.
- The slope resembles the Gyanjha slope in terms of aspect and dryness but differs in terms of land use and the settlement types. Here the slopes are more rugged and are essentially uncultivated unlike the former case where scattered settlements are found. Relatively dense

settlements stretch on the foothills, which used the concerned slopes in common for pasture and for forest products. Darre settlement lies roughly in the centre, either side of which live people of relatively higher castes.

- Darres are ethnic tribe who resisted malaria and have settled in the present place before rest of the castes joined in the area. Darres, though originally owned plenty of land and herds of cattle, were dependent upon the higher caste people and that their relations were of the patron-client nature.

Curtailement of Dare's use rights

- Darre village now consists of 71 HHs; majorities of them (51 HHs) are Darres.
- Historically Darre's used common land extensively for pasture, which seem to have been curtailed in two major strokes. First stroke came in 1950s when malaria was eradicated and the higher castes from uphill descended and started to settle there permanently. The second strokes emerged as late as 1992 when the DFO staff came to the place and urged the people to divide majority of the area amongst 5 groups (each group had 5 members) for the purpose of lease handover.
- Many were not sure about the implication of the LHF and tried to resist. The ranger remained adamant and pressed ahead with the handover.

Resource handover

- LHFUG handover was done under the name: Bhujeltar (a), Bhujeltar (b), Bhujeltar (c), Bhujeltar (d) and Bhujeltar (e) each with roughly 5 membership
- The area not covered by lease arrangements (8.4 ha) was handed over as CF
- Out of 71 HHs, 29 are members both in the CF and the LHF; the rest are a member just in CF (about 7 HH from the village managed to buy membership in a rich patch of forests. The rest too would like to join but could not afford the heavy fee).

Current scenario

- Conflict had actually arisen as the leaseholders tried to exercise their official rights by putting entry restrictions upon those who were not included.
- Eventually the ban was lifted in a way that rest of the people could also use the resource for various purposes.
- More restricted regulatory arrangement meant that the area has witnessed a relative change in the land cover where one could now see

- the growth of grasses and small plants.
- The DFO is not happy enough and would like to see that the leaseholders should have more restricted access to the outsiders.
- On the other hand people grudge over the act of the DFO, which had undermined this group and had concentrated its support on the adjoining groups which, they claim, are dominated by the elite.
- Some of the LHFUG members have joined into the co-operatives formed in the neighbour (Buldi co-operative).
- Wealth ranking done by the villagers showed that first 10 are poorest of all. Not any one of them has got a membership in LHFUG.

Consequences

Intended consequences

These consequences are visible even when looked less seriously. While some of the intervention sites have witnessed remarkable degree of environmental recuperation, the rest too do not present a gloomy picture. This is the case at least when the situation gets compared with the one that had prevailed. The leasehold land under Keure Pakha group and those under the Darre slope in general have shown marked degree of changes over what was the situation before. While the rest of the sites do not present an enthusiastic scenario, there is no evidence to suggest that the situation has actually worsened after the LHF handover.

- *The current leaselands used to be the shifting cultivation and was degraded. But now situation has been changed. The leaseholders grow a number of grasses and fruit trees and the landscape looks greener: Common voice, LHFUG, Keure*
- *Our leaseland used to be barren before they were leased out. It used to be the common pastureland where there was virtually no sign of trees. Now one can see a number of trees coming in. Situation is getting improved. Common voice, Darre LHFUG*

The social scenario too is not disappointing at least if viewed from the point of bringing some degree of change in the rural income. There is no evidence to suggest that living standard of those who have participated at the programme has actually worsened.

- *Before I had little option than to work as a wage labour to feed my family. However, my situation has changed so much. I grow fruits like*

pineapples and bananas and a number of improved grasses like stylo and molasses in my leaselands. These products, though often get stolen, still contribute significantly to my income. I have been able to keep a number of goats (had 19 but sold 11 and have 8 left) and... buffaloes. Goats are sold for meat and the buffaloes give milk, which are readily sold in Mugling Bazaar. Currently I daily sell 11 manas of milk in Mugling bazaar for Rs. 132/-. So I have no problem in feeding my family: Ser Bahadur, Chairman, Keure Pakha, LHFG

I grow grasses, pineapples and bananas in the lease land. Though these products often get stolen, not everything gets lost. I do not need much grass for forage as I have only goats and no buffaloes. So I can sell grasses for cash. Last year I sold grasses for Rs. 400, grass seeds worth Rs. 200 and bananas worth Rs. 500/-. LHF has definitely contributed to my income: Harka Bahadur Gurung, member, Keure group.

The sites those had received some NGO support are moving as far as forming leaseholder's co-operatives, which have extended their activities ranging from savings and credit schemes to mutual cooperation in the socio-economic matters. The observations thus are more or less in line with a number of studies or the anecdotal accounts which suggest that the project's involvement has, in fact, been instrumental in uplifting the socio economic conditions of the group members (Douglas and Cameroon 2000, Ghimire 2000, Thompson 2000, Mahapatra 2000) and help regenerate the environmental conditions (NFRI 2000, Ohler 2000, BODA, Nepal and GOEC Nepal 2002).

Unintended consequences

These relate to unintended consequences of actually well intended leasehold endeavour. It may be useful to look at these consequences as qualifications to the encouraging picture seen above. The problems are subtler in nature and may be visible only when looked more seriously. One might actually needed to be prepared to go beyond the limit of the official group so as to be able to appreciate the critical interface between the ones who have received the lease handover and those who perceived to be illegitimately excluded. We believe that this is where our study differs with other studies, which tend to focus themselves on the official groups and as a consequence fail to appreciate wider dynamics that have prevailed.

Environmental recuperation has two dimensions. First, recuperation is lower than the actual potential; second, its sustainability can be questioned.

Environmental recuperation: less than it's actual potential

It is clearly seen that LHF, though is able to contribute towards environmental recuperation, it is conspicuously lower than what could be the potential.

I could have easily doubled my income from the leaseland only if I had received adequate level of co-operation from my colleagues. Fruits get often stolen and they let their cattle freely stroll into my leaseland, thus affecting my production and hence the income. The morale of the intruders have been maintained owing to the fact that DFO has failed to take any action against them: Ser Bahadur, Chairman, Keure group.

The root cause of the problem can be seen in the conflict and controversies at the local level as well as in the intervention. The former may be seen at least in three different levels: micro, meso and macro levels.

The micro-level conflict relates to the intra-group situations. In the intra-group level, two basic types of conflicts are evident. First, the chairman of the group vs. the rest. The chair-person of the group tends to be blamed mostly for having a special relations with the DFO and to have used most of the support available from it to his own benefit or to that of his kin. This tends to be the situation in the sites like Keure where the leaseholders are ethnically diverse and the chairmanship is taken by relatively clever one.

The meso-level conflict would relate to the conflicts between the groups. Most of these conflicts have roots over the fact that common lands in the local level are limited and that many groups tend to compete for more extensive areas and better sites but that the interests of all groups are not necessarily met. Some groups may get better sites than the others may, thus leaving some groups dissatisfied.

Unlike the forgone conflicts, the macro-level conflict would extend to relatively vast geography and the people who live there. The conflict territory would not limit itself to intra-group or the inter-group level but would go as far as those who tend to have indigenous system of use rights over the land in question. This, in effect, would mean that the last frontier from which the conflict arises would extend to all of the CFUG which in fact tend to perceive that the concerned pieces of lands should have been used by all of them in common in contrast to the current handover where a segment of the community is privileged to control the resource.

In fact the policy seem to have foreseen the possibilities for the said type of conflict situations which clearly prescribes to follow certain processes with an objective that common aspiration of a large number of people having indigenous use rights (see for example Fisher 1990) does not get overshadowed by that of a section of the community. The policy thus would put a high value in consensus of indigenous users than in poverty situation per se. The implied

logic behind is that philosophy lacking a broad-based consensus would not work no matter how valid it could be in an ethical sense. This may be precisely the reason why CF has got a policy priority over the LHF where forest patches may not be handed over as a lease as long as claims exist in favour of CF from the larger section of the community. A mandatory 35 days official notice is essentially intended for sorting out potential claims. But it clearly appeared that notice takes official formality where the intention is normally limited to masking the actual claims rather than unfolding and resolving them.

Problems of even more fundamental nature exist. Whatever notices given, those are meant for looking at the potential claims over community forests. Those are not meant for individual claims like shifting cultivation and no wonder the field people even take any account of them. It is not hard to guess the reasons behind. Shifting cultivation is an illegal activity in the eyes of the law and the rangers have a good excuse to be abiding by it.

- *They (the rangers) came and escorted some people and asked them to take membership of LHF. Many of us did not know real implications of being a member and became reluctant. But they would not leave us. They proclaimed that LHF is a government programme and whosoever is approached must cooperate. In this process some were included but several others did not. Now we realise that those who took membership were lucky and those who failed to do so had suffered. They should have been able to make us understand better right in the beginning: Common voice, Darre Pakha*

The field-staff went as far as adjourning the CF handover process with intent to hand over the selected parts of the same as LHF. Thus the policy expectations that CF would get a priority over any type of intervention type had been breached. Apparently they chose to do this owing to official and unofficial incentives attached with the LHF.

Their (ranger's) emphasis was on the LHF who denied listening to the villagers' view which urged CF handover instead of LHF. We knew that everyone in the community could take advantage of CF, but were skeptic about LHF, which might be to the benefit of only a few. We believe that the reason behind ranger's affinity towards LHF is the foreign funds they could handle: Common voice, Darre slope

The rangers hardly let us know the real meaning of lease programme. They came to our village in one afternoon and left the place on the same day before dusk. Their intention was limited to forming a group than to understand our problems. They did not even issued any public notice. The notice remained in

their own 'pocket' but pretended that the notice was sign posted. No wonder any one did made any claims. The lands should either have been turned into CF for the use of everyone or should have been left for the use of the ones who practiced cultivation. We now tend to protest but they (leaseholders) stubbornly assert that they have already received a lease certificate. The current lease arrangement is very unfair: Common voice from Upper Gyanjha

The resource base in the locality is affected in two different respects. The holders of the leasehold tended to protect their own leaseland and put pressure in the adjoining forests, which might be a CF or a potential CF.

The leaseholders get undue benefits. They are given with the land, which once used to be cultivated by poorer people or used to be the common pasture. Now, they not only grab benefits from the leaselands, but that they do steal forest products from the adjoining community forests and sell them in Mugling Bazaar in the pretext of having done so from their leaseland. Eka Bahadur, Vice chairman, Upallo Gyanjha, CFUG

Ser Bahadur (the chairman) is shrewd enough. He managed to acquire leaseland on which someone else grew staple crops (under shifting cultivation) but managed to keep his shifting cultivation intact for his exclusive use. He can now produce staple food from his own land and he earns supplemental income from other's land (that he acquired as lease land). He is a rich man. He has been able to buy a land and construct a house in Mugling Bazaar: Chairman, Upallo Gyanjha CFUG

Naturally enough various forms of conflicts at different levels are bound to affect the leaselands as well. The conflicts associated in the macro-level tend to affect most of all. Why would any one co-operate in protecting the resource base, which was used by him/her since tradition, but has gone to the monopoly of someone else through some manipulative process? The conflicts both within the group and between the groups also are bound to have negative effects on the resource base by axiom.

Problems are seen also because of intervention. The four agencies that are supposed to cooperate hardly meet or interact. It is essentially the DFO staff alone who is, if at all, involved in the process. The others, in effect, are only the signatories for fulfilling the official process. The DFO staff too, tend to be target oriented whose concerns are limited to carrying out a work order from the headquarters than bringing a positive change in the environment.

The conflict at various levels does not mean that those remained totally unresolved. The meso as well as the macro level conflicts may have some chances to be resolved. The Darre case indicates that the people affected can

put pressure on the leaseholders. They are forced to negotiate in such a way that the restraints are relaxed in a way that people in general could use them if not exclusively, at least in some form.

Sustainability questioned

It may be pointed out that the problem is not limited to suboptimal outcome, there is considerable room even to fear that the sustainability of whatever accomplishments may not be ensured. The root of the problem may lie within the leaseholders and outside. Given that only a small segment of the community is handed over with the resource which once used to be a commonpool resource, one cannot say for sure how long the affected groups may have a tolerance over exclusive use by a small and frequently socio-economically weaker section. Thomas, Karmacharya and Karna (2003) correlate the lease arrangement with Ostrom's theory who saw that one of the character of the viable common property regime is 'excludability'. They found that the poor people in the leasehold group are powerless to exclude the rich people and hence typify a nonviable institution. While the said type of problem might have major roots in indigenous factor, problematic intervention is also a conspicuous problem. Interventions had failed to bring those people into confidence not necessarily because those were due to human errors but primarily because it had consciously played a manipulative role to make the things less transparent resulting into a clear degree of suspicion amongst those who were excluded.

Sustainability may face problem right from within the groups of people who are handed over with the lease, if not at present, at least in the long run. The chairperson of the group on behalf of an individual lessee officially signs lease contracts. There are certainly gray areas for the future. What happens in the event that i) S/he decides to move elsewhere temporarily or permanently? ii) the original family decides to split? Correcting these situations would require heavy field works on the part of the ranger and is not so easy to solve. First constraint may be the time and motivational factor. Budgets are not normally available for such incidental works and thus the work tends to unappealing. Second, lack of explicit policy arrangements would mean that the ranger cannot really press ahead with the corrective intervention even if he is prepared to do fieldwork in an unattractive field environment. The field has already encountered this type of problem but a failure to deal with the matter meant that the systems are running in an ad hoc basis. One can however assume that such ad hoc arrangements may not withstand the pressure of more serious conflicts which remains a social field reality. One cannot thus rule out the possibility of the same to face the fate of an open access resource.

Predicament is seen also in situations where the land gets divided amongst the lessee than being managed as a unit whole. Management as a unit whole is liable to a higher degree of ecological recuperation than would be possible

through division. The principles of 'whole is more than the sum of the parts' would apply. Management as a whole might have a potential for a higher level of ecological recovery through wilderness than would be possible through division where ecological recovery could be sacrificed amongst differing land use practices within a small unit of land.

Equity implications

There are two aspects through which equity implications may be judged in the field. Those are: i) Indigenous use rights ii) Sensitivity through which poverty may be judged

People tend to perceive that a system, which used to be under the control of someone but has gone for lease to someone else is unfair and hence inequitable. This is especially the case when the ones who traditionally controlled/used the resource were relatively poor and the lease allotments were made to someone more affluent.

Two types of perturbations of indigenous use rights are apparent: i) private and ii) community

The areas with shifting cultivation, as have been noted, were characterised by de facto control of private individuals who hitherto had brought those pieces of lands under cultivation in a rotational basis. LHF Intervention seem to have alienated these resources from those HHs and given to others, who might not be necessarily poor but sometimes even more wealthier than the original cultivators.

- *They had decided to pull the land for lease which I had recently bought from my neighbour (this was bound to be unofficial transaction as it related to shifting cultivation for which official transactions are not possible) I have been personally growing staples like maize and millet in a rotational basis, as others did. I tried to object the move as I had spent as much as Rs. 2,5000/- for buying the land. However they would not listen. They insisted that I instead could join the LHF group but may not show an objection over what they said is the government programme. When I learnt that I would no more be able to cultivate staple crops I required for my day to day use, I gave up the idea. The land thus fell in the hands of some one else and I remained out of the group. Lal Bahadur Thapa, Upper Gyanjha*

They have taken away my shifting cultivation in which I had been growing corn for my family. The land was actually my own land that was surveyed in my name as early as 1995 (BS) but failed to be surveyed in the latest government

survey in which they said I would be in advantage by deciding not to register. They said that I otherwise would be paying a lot of unnecessary tax. But now I regret. I should have chosen to register the land for my own security.

They had of course had asked me also to join into but had warned that that I cannot grow corn. What would be the use of land in which I couldn't grow corn? I live far away in Upper Gyanja. Growing bananas, apple and improved grasses is not feasible from so far away. Those get stolen. I would have been willing to join if they had allowed me to build at least a small hut for looking after what gets grown. Or else every thing gets stolen and what would be the use of taking membership? XXX Prem Bahadur ? Upper Gyanjha

The others are characterised by use of land as a commonpool resource either in the form of forestry or pasture. People strongly feel a sense of unfairness in handing over resource to some individuals when the same was being used commonly by so many. The resentments tended to proliferate even further in situations where lease arrangements are made with individuals whose financial situations were above local average.

Another equity related problem is seen in terms of failure of the programme to be sensitive about the actual situation of the poor. As obvious it is, a community consists of people of various socio-economic types ranging from relatively wealthy to average and the poor to ultra-poor. Given the limited resource at the disposal, it can be easily argued that ultra-poor needs to be the focus of the programme. However, this has not been the case. Poverty has actually been seen in absolute term rather than in a relative term. All people below a certain level of income are considered poor. This in effect would mean that the programme failed to select the most desperate members of the community. The reality could be still worse where even the most affluent people in the community might have got hold of leaselands by some unfair means.

Citing an analogy may be worthwhile. Does a philanthropic interventionist do a justice by concentrating on the half-fed individuals when there are others who are nearly starving? It may not matter much to the ones who tend to see poverty in absolute term as both of the individuals are not fed enough and are need of external support. It, on other hand, certainly matters a lot to the relativist who finds his first obligation to the most needy ones. The matter may have even greater sentimental connotations in situations like in LHF where both the 'half fed' and the 'nearly starving individuals' had been sharing the same piece of land for generations. However the resource, in actual practice, might have been allocated to the former for one other reasons (one of the reason is the policy which does not expect this sort of relativity based differentiation) and that the latter was bound to suffer greater than ever

before. Much worse might be the case where the resource are pulled away from the 'starving individuals' and given to wealthy.

- *I do not say that Ser Bahadur (A leaseholder) is a rich man from the city standard. But he owns a house in Mugling bazaar and has enough earnings to feed his family. He is certainly richer than we fellows who have a hand to mouth problem almost all the year round: A villager in Gyanjha*
- *My husband worked for the government and we have got a cement house here. Initially we feared that such qualifications would not permit us to take membership in the LHF. But finally we got a membership as some ways outs were found. Though our income was above poverty, the net savings were considered lower. We (thus) managed to get a membership: Urmila Khanal; Bagechour LHFUG member (group adjoining Darre Pandhera)*

Every-one whose annual income falls below Rs. 3,035/- (a new threshold poverty figure) qualifies a leasehold membership. The leasehold group thus is bound to have a conspicuous degree of diversity. People with virtually no income to those who are in the poverty-well being threshold fall within this limit. Besides, not all those below the threshold may have guarantee for an entry both owing to manipulations and for some other reasons. On the other hand similar reasons might cause the rich to acquire the membership. Still worse situation might not be ruled out. Land under customary use of ultra poor could be given in the name of a person who does not at all qualify.

I am British ex-army man and currently run a hotel in Mugling. While I am not officially a part of leasehold group, I grow grasses and fruits in the leaseland on behalf of my daughter in law who has joined her husband in the UK. Mahabir Gurung, Bhaludhunga LHFUG (Adjoining Keure Pakha LHFUG)

Greater lacuna is found when viewed at the fact that LHF does not have any consideration over the situation of those poor who fail to get the membership. A number of poverty alleviation programmes are directed to those who get hold of the leaseholders. The ones who failed to be a part of the group are ignored altogether thus causing them to suffer both in absolute as well as in relative terms.

I have enough to eat only for 4 months. We have no lands nearby which we could take as a lease. Government is indifferent to us in other respects as well. In case of the people who got the lease land, they have double advantage. They are benefited from the leaseland and they get support in host

Why things went wrong?

The cause of the problem may be broadly divided into two categories: a) intervention problem b) intrinsic problem

Intervention problem would relate to the activity at the district level and below where the staff, for one reason or another, tends to be too superficial in intervening. The DFO rangers tend to be target oriented whose concerns are mainly driven by number of formed leasehold groups or the hectares covered by such groups than a genuine poverty or empowerment concerns. CF is often superceded by LHF, despite the fact that contrary should have been the policy priority. Two reasons are apparent for this to happen: the first to do with incentives attached with LHF and second to do with complex process required by CF. LHF group size and area are normally only a fraction of CF groups and yet the budget allocations in the former tended to be much higher compared to the later and monitored little against the level of efforts the rangers invest in the field.

Intrinsic problem would relate to problem whose root cause tends to be more in the policy than in the field level. The policy tended to consider poverty as a static entity, which, in fact, is dynamic with enormous socio-economic bonds.

Socio-economic bond

The case studies clearly indicate that the rich and the poor are not segregated but are mixed in a certain geographic area. LHF meant exclusively for the poor thus seemed problematic when viewed over the fact that they are intimately mixed in certain areas and that their dependence on the common pool resource is intricately inter-linked (Acharya 1989). Besides, communities in a certain locality, irrespective of status, tend to have socio-economic bonds within. As a consequence picking up certain households for the purpose of LHF, though philosophically ideal, may be of a little practical value. The matter might become out of question particularly in situations where the intended HHs are geographically far removed from the leaselands that are being considered for the purpose of lease. Genjha case demonstrates that poor failed to join the group not necessarily because the rangers tried to ignore them. Instead, they themselves opted to stay out because joining into the group might require that they may have to move close to the leaseland which they could not do owing to the socio-economic linkages they had in their original place.

Based on case studies in some LHFUGs, Thomas, Karmacharya and Karna (2003-Draft) and Bhattarai, Ojha and Humagain (2003-Draft) argue that the poor HHs have failed to form a viable institution mainly owing to the reason that they

were unable to exclude the rich individuals from the resource. They link their arguments with the common property theory which suggests that excludability is one of the prerequisite for a viable common pool resource and that LHF lacked that character.

Use rights are complex

Clear problem lies in the policy which tend to see that the leaselands are independent of any form of indigenous use practices. Theoretically any piece of land may be handed over to any one irrespective of who had customary use right over the resource. The reality however is that the lands tend to have a certain form of use rights practiced either by an individual or by a communities of people. It is thus naïve for an interventionist to handover lands to a certain group by ignoring who held the use rights since tradition. One may put forward a logic that the allocations are made only after formal notice, which could eliminate all entailed problems. It may however be realised that people would not come forwards with claims so easily owing to its evolving nature (Baral 1999). This situation gets even worse where the rangers tend to be manipulative to disguise the claims whatever tended to emerge.

Some of course have tended to consider that only the degraded lands are considered for the purpose of LHF and hence the larger communities may not be so much interested for asserting any claims (Yadav and Dhakal 2000). However, the cases clearly show that contestability does not necessarily have direct relations with resource abundance. In fact just reverse might well be the case. Poorer the resource, higher may be the potential contestability. The sites might have been pushed into the poor resource status in the first place because of the higher degree of contests associated with the same. The site might not have been pushed into the present state of degradation in the first place if it did not have a multiple claims associated with multiple use rights.

Poverty and dynamism

The 40 years lease arrangement (renewable to another 40 years) tends to have a relatively static view on poverty. The assumption tends to be that people's economic status may remain relatively static until the end of the lease period. It is however apparent that poverty (or well being for that matter) is dynamic. This is to say that poor people of today may not remain poor for 40 (or 80) years and by the same token the rich may not remain rich until that period. Both indogenous (e.g. income from leaseland, private farmland) and exogenous factors (e.g. income from employment in-country and abroad) is liable to contribute significantly towards changing the poverty condition. Those who get hold of these opportunities would prosper and the ones who do not might even economically degenerate in relatively short time. To have a static view on poverty for as long as half a decade is too simplistic.

Room for corrections may be heavily constrained by the contract period. A forty years lease arrangement with a party is certainly not only difficult to nullify but theoretically problematic as well.

Here it is apparent that our view tends not to conform with that of some (e.g. Shree Baral, LFP. pers.com.) who view that the current lease arrangements are too ungenerous which would fail to bring about a meaningful change in the poverty level of those who are involved. Underlying plea thus has been in favour of a more productive/extensive forest area with more intensive form of support.

We have seen that those who have participated at the LHF programme have been able to bring about a positive change in their income with whatsoever land has been provided to them. Major flaws, beside other things, have been seen in 'suboptimality' and 'unsustainability'. We thus strongly feel that the real challenge of the present time is more to do with bringing a larger communities into confidence (also a prerequisite for harnessing optimum land potential as well as the sustainability) than with providing more and elaborated form of support to those who are already taking part.

Poor and the Institution

In rural Nepal, poor are the ones who tend to have a weak leadership quality. The rich and elite tend to lead the institutions owing to their power and social status. Given this situation, it may be too naïve to consider that a community of poor people can handle the leasehold forestry. Whether we accept or not, the Powerful individuals (who are often richer than the poorer) might be an institutional requirement. This is at least till the foreseeable future where developing leadership amongst the weaker section of community as a prerequisite to run poverty alleviation initiatives would remain an ideal than something achievable. Dynamic leadership might be required to deal with both the intra-group issues and the issues that cross the group level and that elite normally tend to assume such positions. People openly agree that whatever successes the groups have, tend to be the outcome of a strong leadership and that such positions are often taken up by relatively affluent.

Some additional issues

There are at least a couple of issues which, though not covered by the current work, could be matter of interests to many and may require further investigation.

- LHF groups are very small and those are likely to be scattered all around the hills. According to one estimate 0.9 million hectares of potential

leaseland are available in the country (Yadv and Dhakal 2000) which could be handed over to 0.9 million poor people. Considering that average group size of a LHF is 7, such handover will create over 128,000 LHF groups. The question then is: which intervening agency will be able to handle such a large number of groups in terms of Operational Plan preparation/resource handover and in subsequent monitoring and support related activities? Such question may be difficult to answer specially when looked at the fact that DFO staff, the main people responsible for carrying out the works, are limited and that they are supposed to give a priority to CF: the priority programme.

- LHF tends to have a very high investment. What about its efficiency in terms of benefit cost ratio? How would this compare with the CF? While we cannot be conclusive about it at this stage, there appears some degree of skepticism.

Discussion and conclusion

Not throwing the baby with bath water

Clearly, leasehold forestry is an endeavour with a good philosophy but with clear practical flaw. The good philosophy of the endeavor is seen in poverty alleviation initiatives combined with an attempt to regenerate the degraded areas through leasing process. However practical problems are encountered both from the viewpoint of equity and that of environmental regeneration. Encountering problems does not mean that the whole philosophy of LHF will have to be rejected. The idea of poverty alleviation with an exclusive focus on the poor is really commendable, at least in a philosophical sense. We cannot simply 'throw the baby with bath water'. The more sensible thing to do would be to address the poverty situation in a better way both from equity and sustainability grounds. This however would require a more social oriented process than what is being practiced at the moment. As the situation stands today, the DFO staff are trying to achieve poverty alleviation by leasing out lands by involving only a limited individuals and grossly ignore the communities around. Such attempt though looked simpler, is not likely to produce a desired outcome owing to the lack of broader social base that is required for such ideals. Trying to uplift a certain section of the community by ignoring the social realities around is really an 'uphill struggle'.

A need to win the confidence of all local people

The first pre-requisite for avoiding this type of antagonistic situation is to bring the communities in general into confidence whereby the DFO and the wider communities could work together for alleviating poverty in the local level thereby also conserving the resource base at the same time.

This obviously indicates that LHF cannot by-pass the indigenous use rights, as it is being done at the moment. Both the resources as well as the communities around need to be considered in a more holistic way. This, in turn, would mean that community consensus revolving around CF would have to be considered where the whole group of users would 'put their heads together' to collectively work out how they want to deal with the twin issue of poverty alleviation and resource conservation at the local level.

Integration or infusion?

Of course the idea of integrating LHF with CF, has been pointed out by many (Sterk 1997, Box and Singh, 1997, UNOPS 1999 a, b). While such ideas may be helpful in improving the strained relations between the two types of intervening agencies, it may not necessarily address the problems we observed. Given that our major concern is poverty, than improvement of the strained relation per se, we may not be relieved simply by improved relations. Poverty alleviation will be unachievable unless interventions focus on poverty. In fact the actual solution may lie in 'infusion' than in mere 'integration'. That is to say that both CF and LHF endeavour may need to be infused into a broader framework of a resource-based poverty alleviation initiatives. An idea to continue carrying out the works under two different project structures is unlikely to result into 'infusion' owing to the conflicts arising from differential thrusts, staff structure and budgetary arrangements pertaining to each of the institutions. The National Planning Commission rightly recognises poverty reduction as a top priority programme (HMG 2003) and would like to see that LHF could be a powerful strategy in that direction. In accordance with this, the DoF is considering to launch LHF in a countrywide basis. While we very much value the sentimental aspect of the attempted move, we would like to emphasise that LHF may not be able to achieve its goal unless a major rethinking is done in the overall intervention modality. Infusing the LHF philosophy within the CF may require that both endeavours are not carried out independently but launched through one and the only one institutional umbrella.

When we say 'one institutional umbrella' we mean the institution at the project or the programme level, not necessarily at the level of existing formal HMG institutions. For example, the DFO, DLS, and ADB would continue remaining as separate entities, each of which would contribute towards the accomplishments of the set goals under the facilitation of the 'umbrella institution'. An idea of institutional amalgamation at all of these levels though sounded wonderful, it would create an impassable hurdle and would remain unworkable.

If failed to bring about a functional integration through 'infusion' we fear that poverty alleviation thrust will be easily diluted under unfocussed blueprint

activities run by the differing institutions and that the ideal objective set by the NPC would be impossible to meet.

Thematic outline for the future

The purpose of the paper though has been limited to stimulating the discussion than presenting a clear alternative model, below we stipulate some thematic outlines towards infusing poverty alleviation concepts within the broader field of development endeavour.

- Local communities and the DFO staff collaborate to find out who hold the indigenous use rights over the local forest based resource (this in effect is community forestry use group (CFUG) process as outlined by Operational Guidelines in contrast to the LHF where only a small section of the community is considered)
- DFO staff facilitates the CFUG to arrive at a consensus-based list where the group as whole agrees upon who the poorest section of the community is. (Wealth Ranking as devised by LFP may be useful)
- DFO facilitates the whole group regarding how they want to deal with the twin issues of poverty alleviation and resource conservation.
- The group as whole decides upon responsibility/benefit sharing mechanism between
 - all group members in general
 - Poor HHs (Here the facilitative process is geared toward identifying whole group can support the poor HHs. Special considerations like: leasing out a part of the CFUG land to the poor where they have access to such lands and special donor aided projects or special product/price subsidy in other areas. The intervening agencies limit their support on facilitating process who refrain from making any decision on behalf of the people)

Clearly, the recommendations neither ratify the current mode of CF (where focus is not in poverty alleviation) nor that of the LHF (which in a bid to focus at the poverty tends to ignore the contextual social reality). Infusion of both of the initiatives under broader framework for poverty alleviation would be the way ahead.

The task ahead is new and naturally is challenging. This would certainly require a process-based approach than a blueprint. Lack of experience to date in this new direction would mean that we may immediately need a thorough hands-on experience based action researching/learning where we learn through mistakes that we tend to make and continuously refine our future actions.

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