



INSTITUTIONS AND MOUNTAIN DEVELOPMENT

Report of the

**International Workshop on the Role of Institutions in
Mountain Resource Management**



**Organised by ICIMOD in collaboration with
Aga Khan Rural Support Programme and
Pak-German Self-Help Project**

**Quetta, Baluchistan,
Pakistan**

1-4 May, 1990

ICIMOD Workshop Series

The International Centre for Integrated Mountain Development began professional activities in September 1984. The primary concern of the Centre is to search for more effective development responses to promote the sustained wellbeing of mountain people. One of the continuing activities of ICIMOD is to review development and environmental management experiences in the Hindu Kush-Himalayan Region. Accordingly, International Workshops are organized in major fields to review the state of knowledge and practical experiences, and also to provide opportunities for the exchange of professional expertise concerning integrated mountain development.

Workshops held included :

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- **International Workshop on Planned Urbanisation and Rural Urban Linkages in the Hindu Kush-Himalaya Region**
25-29 March, 1986, Kathmandu, Nepal
- **International Workshop on District Energy Planning and Management for Integrated Mountain Development**
3-5 May, 1986, Kathmandu, Nepal
- **International Workshop on Off-farm Employment Generation in the Hindu Kush-Himalaya**
17-19 May, 1986, Dehra Dun, India
- **International Workshop on Mountain Agriculture and Crop Genetic Resources**
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- **International Workshop on Women, Development, and Mountain Resources: Approaches to Internalising Gender Perspectives**
21-24 November, 1988, Kathmandu, Nepal
- **International Symposium on Mountain Environmental Management**
11-14 April, 1989, Kathmandu, Nepal
- **International Expert Meeting on Horticultural Development in the Hindu Kush-Himalayan Region**
19-21 June, 1989, Kathmandu, Nepal
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These Workshops were attended by experts from the countries of the Region, in addition to concerned professionals and representatives of international agencies. A large number of professional papers and research studies were presented and discussed in detail.

Workshop Reports are intended to represent the discussions and conclusions reached at the Workshop and do not necessarily reflect the views of ICIMOD or other participating institutions.

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INSTITUTIONS AND MOUNTAIN DEVELOPMENT

Effective resource management in the mountains needs to be supported by appropriate institutional mechanisms, particularly at the local level. To attain the goals of increased productivity, environmental soundness, and greater livelihoods in mountain communities must be assured that their concerns are reflected in the projects and programmes that are implemented in their areas.

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The International Workshop on "The Role of Institutions in Mountain Resource Management" held in Chitral, Pakistan 1-4 May 1990, brought together a wealth of experiences of those who had been involved in various capacities, to try out alternatives that might fit their specific contexts. This was a concluding activity in conjunction with ICIMOD's Programme on the Organisation and Management of Rural Development.

As a part of the Programme, ICIMOD, in collaboration with professionals from China, Nepal, and Pakistan, was involved in documenting case studies of projects and programmes where institutional innovations were pursued. These are now available as part of the Discussion Paper Series of the Mountain Population and Employment Division (MPE Series No. 6 - 11). These and also other papers prepared for the Workshop (e.g., those from Bangladesh, Bhutan, and Nepal) provided materials for discussion at the Workshop. The value of the interaction was enhanced further because the participants included a good mix of researchers, development practitioners, and policy-makers. This has contributed to a mutual understanding of different perspectives and reinforced the importance of the relationship between the State and local level institutions. The participants, furthermore, got brief but useful exposures to ongoing innovative activities in Baluchistan and Gilgit through field trips organized for the first day of the Workshop.

This Workshop Report contains the highlights of the discussions that took place in Chitral, observations from the field visits, and the principal issues and main conclusions that emerged in the course of the deliberations. I am confident that all these will be of interest to a wider audience.

International Centre for Integrated Mountain Development

Kathmandu, Nepal

I would like to express my appreciation to the staff of the International Centre for Integrated Mountain Development who provided the programme in various capacities. A large number of research collaborators from China, Nepal, and Pakistan have also contributed significantly in documenting the case. For Workshop coordination, my

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Top Right: Members of the Road Construction Committee
Digging the Foundation of a Dry Stone
Wall, Nigalepani , Dhading, Nepal
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Bottom Right: Irrigation Channel Constructed and Managed
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In the preparation of this report, an attempt has been made to reflect the views and interpretations expressed by the participants at the workshop. These views and interpretations are not attributable to the International Centre for Integrated Mountain Development (ICIMOD), and do not imply the expression of an opinion concerning the legal status of any country, city, or area of its authorities, or concerning the delimitation of its frontiers or boundaries.

FOREWORD

Effective resource management in the mountains needs to be supported by appropriate institutional mechanisms, particularly at the local level. To attain the goals of increased productivity, environmental soundness, and greater equity, people in mountain communities must be assured that their concerns are reflected in the projects located in their area and that they have a say in designing and implementing those projects. The existing structures of governmental agencies, even at the district or sub-district level, are not organised to orient projects in this direction. Despite the recognition that local level institutions must be strengthened, many development programmes in the mountains are more prone to impose new organisational structures, thereby alienating local communities from participating in the programmes. Past experiences in mountain development provide a great deal of evidence that indicates that we have to strive for alternative approaches to institution-building, in ways that would boost the confidence of local people and engage them actively in managing their own resources -- physical as well as human. The International Workshop on "The Role of Institutions in Mountain Resource Management", held in Quetta, Pakistan 1-4 May 1990, brought together a wealth of experiences of those who had been involved in various capacities, to try out alternatives that might fit their specific contexts. This was a concluding activity in conjunction with ICIMOD's Programme on the Organisation and Management of Rural Development.

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This Workshop Report contains the highlights of the discussions that took place in Quetta, observations from the field visits, and the principal issues and main conclusions that emerged in the course of the deliberations. I am confident that all these will be of interest to a larger audience interested in mountain development.

I want to express my thanks to the Aga Khan Foundation which provided a grant that helped us in executing the programme. I would also like to acknowledge the assistance provided by the Aga Khan Rural Support Programme, the Pak-German Self-Help Project, the Nepal-Australia Forestry Project, and the Dhading Development Project, all of whom supported the programme in various capacities. A large number of research collaborators from China, Nepal, and Pakistan have also contributed significantly in documenting the cases. For Workshop coordination, my

colleague, Dr. Deepak Bajracharya deserves special thanks. The support provided by Dr. Anis Dani of AKRSP and the entire Project Team of the Pak-German Self-Help Project is also gratefully acknowledged.

This Workshop Report was prepared by Dr. Deepak Bajracharya, Dr. Pitamber Sharma and Ms. Jeannette Denholm. Thanks are due to them, to Greta Rana and to other ICIMOD staff, both professional and administrative, who provided support in the preparation of this publication.

E.F. Tacke
Director

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INTRODUCTION AND OBJECTIVES

Background

Institutions govern resource management. An "institution" is understood to be a functional mechanism (formal or informal) whereby individuals and communities abide by a set of rules and conventions (written or unwritten) in return for resource utilisation benefits that accrue to them in ways that the beneficiaries consider fair. This definition makes it clear that sustained resource management must be supported by appropriate institutional mechanisms in order to achieve the goals of increased productivity, equity, and environmental soundness. At the conceptual level, there is now an increasing acceptance of this principle, although it has until recently been ignored or at best given lip service. At the operational level, many difficulties have been faced, even by those implementing agencies which are trying deliberately to include this aspect in their programmes. The issues related to institutional innovation, therefore, need to be examined carefully. This is of critical importance, particularly in light of the increasing degradation of the mountain resource base and the competing claims on scarce resources. The Workshop on "The Role of Institutions in Mountain Resource Management" was organised to address these primary concerns.

The Workshop is a concluding activity in conjunction with ICIMOD's Programme on Organisation and Management of Rural Development that was initiated in 1987. The Programme was preceded by other related activities, namely, the publication of ICIMOD Occasional Paper No. 3, *Sustaining Upland Resources: People's Participation in Watershed Management* (by Anis Dani and Gabriel Campbell) and the organisation of an *International Workshop on Institutional Development for Local Management of Rural Resources*. The main premise of the Programme was that most rural development or resource management projects, across the Hindu Kush-Himalayan mountains, are not paying adequate attention to organisational structures in the course of project implementation. Technical and financial constraints are well expressed, while laying out the macro-institutional and legal framework, but the sociocultural context of local communities has largely been ignored.

The past decade has seen a major emphasis by the Governments in the Region, on the need to involve local communities in rural resource management. This is manifested, for example, in the "Decentralisation Act" as well as the "Panchayat and Panchayat Protected Forest Regulations" of Nepal; the "Local Government Act" of Pakistan; and the "Contractual Responsibility System" in China. Maximum involvement of the local community in the development process has been, therefore, acknowledged as a highly desirable goal. The points that need to be examined are how people can be mobilized efficaciously and what constraints are being faced by implementing agencies in realising their goals.

As a part of the Programme, ICIMOD collaborated with professionals from various national institutions and completed six case studies in selected mountain locations in China, Nepal, and Pakistan. The studies were conducted in project areas where "institutional innovations" were being pursued by government agencies as well as non-governmental organisations. The emphasis was on the examination of indigenous resource management systems and also on how implementing agencies might try to replicate the kinds of relationships and styles that exist within their own operational structure. The objectives of such analyses were to examine the circumstances under which existing resource management systems undergo institutional innovations and to see what are the key elements that contribute to the success of the innovative operational styles adopted, by some agencies, under different ecological, social, and economic conditions. The case studies, have, therefore, produced careful analyses and assessments of:

- o development strategies and approaches by various implementing agencies;
- o operational management systems for various types of common property regime in different countries;
- o mediating structures that have evolved through interaction of mountain communities with development processes; and
- o the utility and effectiveness of alternative organisational structures for sustainable resource management.

It is with this background that ICIMOD organized the Workshop, in collaboration with the Aga Khan Rural Support Programme and the Pak-German Self-Help Project. The intention was to provide a forum for discussing the practical utility and wider applicability of research findings for more effective implementation of development programmes. Furthermore, the expectation was that it would facilitate interaction among ICIMOD's research collaborators towards an inter-country comparison of experiences and lessons and, at the same time, provide an opportunity for dialogues among researchers, development practitioners, and decision makers.

Objectives

More specifically, the Workshop objectives were as follows:

- o to update and refine the ideas contained in the case studies that were prepared at different times prior to the Workshop;
- o to share the research findings and experiences, of ICIMOD professionals and national research collaborators, with development practitioners and decision makers, on the role of organisations and institutions in mountain resource management;

- o to discuss the implications of research findings, in terms of more effective implementation strategies, and formulate practical methods and approaches to include organisational and institutional perspectives in mountain resource management programmes; and
- o to develop a forward looking strategy for dissemination of the Workshop results and for continuation of supplementary efforts by concerned professionals and agencies.

Workshop Participants and the Programme

The Workshop Programme is included in Annex 1 and the Participants' List in Annex 2.

Forty (40) participants took part in the Workshop. These included (i) research collaborators from China, Nepal, and Pakistan who were involved in conducting the case studies, (ii) development practitioners and decision-makers from the six project areas where the case studies were conducted, (iii) other researchers, development practitioners, and policy-makers from Bangladesh, Bhutan, China, Nepal, and Pakistan, (iv) selected participants from international agencies, (v) members of ICIMOD's Quinquennial Review Panel, and (vi) ICIMOD participants, including the Board Chairman, the Pakistani Board Member, the Director, and other professionals.

After the Opening Session, on the first day (May 1), two case studies from Pakistan were presented. These were followed, on the second day (May 2), by presentations of case studies from China and Nepal. All case study presentations were followed by commentaries from Project representatives from the areas where the studies took place. This provided an opportunity for interaction between researchers and implementors about their respective points of view. In addition, invited participants from Bangladesh and Bhutan gave their perspectives on institutions and mountain resource management, based on their experiences in the respective countries. The third day (May 3) was mainly devoted to group discussions. This was preceded by a summary presentation of the main issues that emerged during the first two days. Details of the discussions that took place in these sessions are presented in Chapter 2. The list of papers presented are included in Annex 3 and their summaries in Annex 4.

Following the Workshop, one team of participants left Quetta on May 4 to visit the project area of the Aga Khan Rural Support Programme. Another team visited the project area of the Pak-German Self Help Project. Observations from the field trips are contained in Chapter 3.

The principal issues and main conclusions that emerged from the Workshop are noted in Chapter 4.

THE WORKSHOP PROCEEDINGS

The Opening Session

Dr. E.F. Tacke opened the workshop with a welcome note to all participants. He stressed that the Workshop fits into the perspective of ICIMOD's role as a facilitator for enhancing development programmes in the mountain areas of the Hindu Kush-Himalayan (HKH) Region. He elaborated on ICIMOD's functions as i) a multidisciplinary documentation centre, (ii) a focal point for applied and problem-solving research, (iii) a focal point for training on integrated mountain development, and (iv) a consultative centre for providing expert services on mountain development and resource management to countries of the HKH Region. In this connection, the year 1990 had been marked by a Consultative Meeting on Mountain Risk Engineering in February. The focus of the discussion was on the utility of the Manual produced by ICIMOD concerning the construction of roads and other infrastructure in the mountains and the geological and environmental considerations that had to be taken into account. The current Workshop focussed on another dimension of ICIMOD's interests, namely the institutional aspects of mountain resource management. In September, there was to be a major Symposium where the primary concern would be on sustainability of mountain farming systems. All these exemplify the various facets of ICIMOD's activities. The Workshops and Symposiums constitute a mechanism which provides the opportunity for dissemination and discussion of synthesised knowledge and research findings on topics that are relevant for mountain development. He wished every success to all the participants in the Workshop deliberations and hoped that the discussions as well as the interactions would prove to be useful to all concerned.

Dr. Christopher Gibbs extended greetings to all participants on behalf of the Aga Khan Foundation (AKF) and expressed his pleasure that AKF was a party to the important enquiry into the institutional aspects of mountain resource management. He stressed that mountain regions are special for many reasons, and these not only included their social and geographical diversity, their environmental fragility, and their typical remoteness from the centres of power. Topography, elevation, and aspect serve often to create, in mountain regions, larger numbers of distinct environments: distinct in terms of their peoples, their resource endowments, and their potentials for development. At the same time, mountain regions are typically peripheral, not only in terms of time or distance, but also in terms of their potential and economic status in the contemporary world. This lowers their ability to shape their own futures to a significant extent. Mountain regions are often seen as secondary regions by national governments. They do not occupy centre stage in the agendas of powerful people and groups. They are places from which resources tend to be taken not invested. Water, trees, soil, minerals, and people have been exported from the mountains to the plains for generations, from the Andes to the Himalayas and from the Highlands of Scotland to the Appalachians.

On the institutional side, Dr. Gibbs emphasized that mountain regions are special because, despite the rhetoric of modern nation states, they are often beyond the effective reach of national governments. Local arrangements are required if people in the mountains are to cope with the diversity and relative isolation that mountain areas present. It is apparent that national institutions -- be they the rules that govern rights to resources or the organizations charged with resource management -- are often inappropriate and ineffective.

Responsibilities and resource ownership are often ambiguous, reach is limited, and resource depletion results. Neither the incentives, nor the mechanisms of sustainable management, are in place. In fragile areas, such neglect results in environmental degradation and chronic impoverishment of the people. The two are inextricably interlinked. Without effective management of renewable resources in the mountains, the inadequate levels of welfare in which mountain peoples exist will not be improved. And, without improvement in their welfare, mountain environments will continue to be degraded, with high costs to the regions themselves and to the plains.

Dr. Gibbs concluded by saying that the challenges of mountains and mountain people have first to be addressed where they are. As others have said before, we have to begin to think like a mountain. But to think like a mountain, we have to understand the mountain from the perspectives of the people who live and work there. The purpose of this Workshop is to contribute to that understanding. ICIMOD is dedicated to understanding mountain development. He expressed his opinion that the Programme on Organisation and Management of Rural Development makes a significant contribution to that goal through the Workshop and the papers to be discussed. He commended the organisers for their hard work and enterprise and wished success to all the participants.

Mr. Ata Jafar, Additional Chief Secretary (Planning and Development), Government of Baluchistan, spoke of the increasing emphasis placed by the Government on people's participation in rural development projects. He outlined three mechanisms of project implementation. The first one includes actions that are executed directly by government agencies. Examples include (i) the irrigation of 1.3 million hectares of land for promoting horticultural production; (ii) development of valley areas through groundwater pumping; (iii) livestock development projects through improvements in fodder supply and tubewell irrigation; (iv) harvesting of rainwater for watershed management and crop irrigation; (v) coastline fishery enterprises; and (vi) improved health care and sanitation. A number of problems have been encountered, especially in light of the patterns of dispersed population settlements and the small number of government institutions that can deliver the required services.

The second mechanism includes the implementation of development projects through district and union councils. In Baluchistan, there are 25 district councils and about 90 union councils. A union council normally has about 50,000 people. Annually, about PRs 60 million are spent on development projects that are established as a result of suggestions from council members. A great deal of corruption is reported to be going on in these projects.

Finally, there are development projects that are carried out in rural communities through people's participation. On the whole, these have been fairly successful. The Pak-German Self-Help Project is an example of such projects. The practice of involving the Community in development projects is a relatively new concept, and greater efforts should be made to give more power to the people to manage their own affairs. Rural development cannot take place by force or through directives coming from the top. From this standpoint, the role of institutions in rural resource management becomes very relevant and topical for rural development in Baluchistan.

Dr. Deepak Bajracharya and Dr. Anis Dani then introduced the objectives of the Workshop and the three years background work that preceded it. As already described in Chapter 1 of this Report, the main emphases were on: (i) the "institutional innovation" that has to be a part of development projects and (ii) the "mountain specificities" (as noted above by Christopher Gibbs) that determine the package of activities in correspondence with prevailing resource conditions. The collaboration in conducting case studies, provided by projects and institutions from China, Nepal, and Pakistan, was also acknowledged. The collaborators include the following: (i) from China, the Institute of Mountain Disasters and Environment, Chengdu; the Institute of Rural Development, Beijing; and the Commission for Integrated Survey of Natural Resources, Beijing; (ii) from Nepal, the Nepal Australia Forestry Project (NAFP) and the Dhading Development Project (DDP); and (iii) from Pakistan, the Aga Khan Rural Support Programme (AKRSP), Gilgit; and the Pak-German Self-Help Project, Baluchistan. In China's case, the primary focus was on the impact of the State policy (namely the *Contractual Responsibility System*) on the rural economy. Miyi County in Sichuan and Quxu County in Tibet were chosen as the case study areas, because they are situated in the mountains and also because they represent areas where the *Contractual Responsibility System* has been known to be successful. In Nepal and Pakistan, the projects are highly regarded for their successes in implementation and also for their attempts at "institutional innovation" in rural development. The deliberate selection of these study areas was based on the assumptions that important lessons could be derived from them and that the understanding could help set important guidelines for resource management. An international comparison of the different settings (physically, economically, politically, and socially) was also considered to be an important part of the Programme.

The methods applied in conducting the case studies were generally agreed upon in meetings where the collaborators from different countries came together. Sufficient flexibility was given to research teams to decide on appropriate techniques according to the specifics of the concerned sites. Nevertheless, the basic components consisted of the following.

- o formation of a set of key questions that pertain to "institutional innovation";
- o collation and analysis of existing data from government and project records;
- o selective open-ended interviews with relevant government officials, project personnel, and other key resource persons;

- o field investigations in 8-12 villages/communities using rapid appraisal techniques and allowing 2-3 visits to each village/community; and
- o participant observations during village visits.

The Programme discussions at different meetings emphasized strongly that there should not be any romanticized views about local institutions and people's participation. Some institutions are no longer valid given the changed context. The important point is to look into the evolution of their strong points, partly to reflect the changing village conditions and partly to accommodate the new external interventions in the form of rural development projects.

The findings from the case studies, which were prepared for the Workshop, represent a rich source of information. They highlight many important issues and concerns that are worthy of being brought to the notice of a larger audience. The Workshop, in that sense, is the first in a series of attempts towards dissemination. It is also hoped that it will provide opportunities for the exchange of ideas and the initiation of dialogues among researchers from different countries and also among researchers, development practitioners, and policy makers. Hopefully, the organisational and institutional perspectives in resource management in mountain communities will be better appreciated, leading to more effective implementation of mountain development programmes.

Perspectives from the Pakistani Mountains

The First Session after the opening of the Workshop was devoted to two case studies from Pakistan. The underlying themes of both the papers were related to design and implementation approaches for local development: how can viable organisations be created at the local level and, in due process, become institutionalized? How is the participatory approach to institution-building initiated, fostered, and eventually self-sustaining? What kind of catalytic roles can NGOs and government-sponsored institutions/programmes play in the process? These, among others, were the major questions explored in the presentations as well as the discussions. The first case study exemplified the participatory approach to institution-building and infrastructure creation. In this case, the Aga Khan Rural Support Programme (AKRSP), an NGO, acted as the catalyst. The second study focussed on the Pak-German Self-Help Project which utilized existing governmental institutions in eliciting participation in community development. Despite the differences in the socioeconomic context of development in the Northern Areas and Baluchistan, where the AKRSP and Pak-German Project respectively operate, the presentation and discussions brought to light a number of lessons of general relevance.

Highlights of the Aga Khan Rural Support Programme

Tariq Husain's presentation on "Village Management Systems and the Role of the AKRSP in Northern Pakistan" sought to highlight the conceptual context and the relevance of the AKRSP-type participatory approach to local development. Until recently, policy attention was directed to two kinds of property: private or individual property and State property. As a result, common property, over which

communities, rather than individuals or the State, exercise decision-making, was largely ignored. There was, therefore, a conceptual vacuum in dealing with the environment, which is mostly common property, and, consequently, issues related to its sustainable management got side-tracked. In the mountain regions of Pakistan, where traditional institutions have disintegrated and property rights are not well-defined, an institutional vacuum also became apparent at the local level. It was in this context that the approach to local level institution-building followed by AKRSP became crucial.

The presentation highlighted the importance of three main considerations in organization and management: who makes the decisions, what criteria are used for decision-making, and how are decisions actually made. In that light, three approaches to development are discernible. The "managerial approach" followed by most government agencies and development projects is centralized and hierarchical and therefore unsuitable for local development. The "representative approach" suffers on two counts: (i) in the Pakistani context, local governments have historically been underdeveloped and feudalistic and (ii) active and continuing participation of community members can not be solicited. Political interests dominate the action, and the process is inherently divisive. In contrast with the above, the "participatory approach" relies on the organization of small farmers into broad-based village organizations (VOs). Decisions are made through consensus, compromise, or reciprocity and are contingent on local needs and resources. VOs identify their development agenda; VOs and their activists implement and monitor development activities. There are no representatives for decision-making; the functionaries of the VO serve according to the wishes of the general body. Common economic interests bind the members of the VO. This approach followed by AKRSP appears to be best suited to induce local initiatives.

It was pointed out that the participatory approach fulfills several objectives of development. First, it overcomes problems associated with the "institutional vacuum" at the local level and contributes to the management of common property on a sustainable basis. Second, in situations where support mechanisms are limited or non-existent, it provides economies of scale for small farmers. Third, the participatory approach allows and encourages the beneficiaries to voice their own development priorities and thereby contributes to better micro-level planning. Fourth, it is the most effective and cost-efficient mechanism for reaching the small farmer. Fifth, the participatory approach is decentralized and hence beneficiaries can demand and monitor output and its quality. Sixth, in the situations of most developing countries, where the government alone does not have the financial and human resources for sustainable development, participation allows for the mobilization of resources for local development on a continuing basis. Finally, the participatory approach creates and enlarges social consensus for development and hence has the potential to save society from fragmentation and anarchy.

This micro-level perspective, the author argued, also has a bearing at the macro-level. The reality, at the national level in Pakistan, was that the State had refused to accept the relevance of civil society to administration, resource mobilization, and the task of governance generally. While State institutions have gradually become alienated from the people, the State's hegemony over civil societies has made them very weak. Therefore, there is an urgent need to search for and actively promote alternative forms of organisation that can fill the institutional vacuum at the local

level. A partnership between the State and civil society has to be induced and fostered for sustainable development. The State has to develop a symbiotic relationship with civil society.

The author then examined the system of development administration in Pakistan. The colonial legacy remains very much intact in Pakistani administrative structure. The State apparatus does not reach the ordinary man in the village. On the contrary, those who mediate between the ordinary man and the State (i.e., former *Numberdars*, today's "village notables") have secured greater power and privileges at the expense of the people. There is a structural and institutional flaw at the lowest levels of development administration and resource mobilization. This flaw has ensured that even the benefits of "wind-fall development" (e.g., the boom resulting from the Korean War in the 1950s; the Green Revolution of the 1960s; opening of the Middle East in the 1970s; and donor largesse in the wake of the Soviet invasion of Afghanistan as well as the narcotics trade in the 1980s) never reached the common man.

The need for investing in institutional innovation at the local level is therefore clear. Approaches to induced institutional innovation, such as that of the AKRSP, have three basic components: a participatory **village organisation** (VOs) at the village and supra-village levels; the **organization of support mechanism** that can create and support VOs until they mature to become self-sustaining; and the **organization of linkages** with other development initiatives in the public and the private sectors. Civil societies can then be organized through collective management, skills' upgrading, and capital accumulation, so that they can interact on their own terms with the State. Furthermore, organized and empowered communities can begin to demand and acquire inputs from both the State and private sectors.

In conclusion, it was noted that the AKRSP approach is of relevance to State as well as civil society for a number of reasons. The State institutions are well-established but the systems of development administration, resource management, and local government are weak. The State alone cannot finance development; it has to work out mutually beneficial relationships with civil society. In Pakistan, thousands of communities are organising themselves to strengthen civil society. AKRSP is a model for induced institutional innovation for the organisation of civil society and for fostering productive and sustainable links between the State and civil society.

In his comments on the paper, Shoaib Sultan Khan, the General Manager of AKRSP, added that AKRSP's approach was different from that of government line agencies which try to respond to all the needs of communities but are short of staff and financial resources and lack the necessary motivation. The AKRSP has its own army of village cadres. It operates under the three principles of Small Farmer Development, namely, organization and management on a collective basis, upgrading of human skills, and generation of capital through savings. He noted that productive physical infrastructure projects were good entry points for induced innovation.

A number of issues were raised from the floor. It was suggested that relative homogeneity within a community perhaps contributed to the success of the AKRSP-type approach. It was also suggested that AKRSP's success could be linked

to the lack of a visible government presence in the area. The reasons why AKRSP-type approaches succeed in some areas as against others should also be analysed.

It was observed that reciprocity and redistribution are characteristic of non-market economies at the micro-level. At the macro-level, however, questions of scale and heterogeneity arise. It may be difficult to arrive at a consensus in a zero-sum situation. Some form of democratic institution is required on a large scale. An explanation was sought as to how AKRSP assured that capital generated through savings was used for productive rather than unproductive "power".

Responding to the queries, the General Manager of AKRSP commented that the AKRSP model was an example for "Governments to act like NGOs". A broad-based organization at the village level and a conceptual as well as programme package, to induce the organizations to innovate, were fundamental to the success of such efforts. AKRSP does not provide all services; it uses, for example, government officers for technical training.

Responding to the floor discussions, the author of the paper pointed out that while homogeneity was a favorable factor, there were also examples of heterogeneous VOs. Common economic interests were, however, essential. Central to the whole approach is the need to induce participatory institutions at the local level so that civil society and the State can coexist. Consensus is not "forced"; it results in due course as a result of compromise. The author agreed that a democratic approach is necessary at the macro-level. Experience, however, shows that the missing link was at the local level. He also noted that AKRSP insisted that savings be spent on productive uses.

Highlights of the Pak-German Self-Help Project

The second paper of the session, presented by Saifur Rahman Sherani, was on "Organisational Innovations and the Impact on Resource Utilization in the Pak-German Self-Help Project Area, Baluchistan". The author described the political and economic context of Baluchistan and indicated that the low income levels in the rural areas called for a rural development strategy that was designed to meet the basic needs of the people in a sustainable manner. The Pak-German Self-Help Project was a response to this need. The objective was to organise self-help groups in villages which would identify, with the help of the local government functionaries, the felt needs of the villages and implement schemes to improve the socioeconomic conditions of the rural poor. Here, the attempt was at building local-level institutions through the joint efforts of the Baluchistan Government, GTZ, and the affected villagers.

Procedural problems and also monitoring, supervision, and implementation problems became apparent right at the orientation phase. The evaluation of the Project, after nearly three years of its operation in 1985, indicated that the major failure was due to the reliance on village councils which were dominated by "local influentials". It was then suggested that broad-based village organisations, following the AKRSP approach, be formed to identify and implement schemes as well as to establish self-help groups and initiate collective savings' funds. Some procedural as well as institutional changes were also recommended.

The author described the changes and adaptations in the Project, introduced since 1986, and also the problems that continue to plague it. Broad-based village organizations were formed in a number of villages. The responsibility for monitoring, motivating, and advising the VO was entrusted to Social Organisers who were expected to play the role of catalyst. Training was arranged for villagers in a wide range of activities. Capital formation activities were supported by the Project and a system of regular monthly saving was also introduced. Internal lending from joint savings' funds was also initiated. Attempts were made to make VOs responsible for the management of schemes and post-scheme activities.

The author noted a number of constraints that have been apparent in Project implementation. A receiver mentality among villagers, largely as a result of government sponsored projects, still persists. Rights are asserted, while little thought is given to obligations and responsibilities. Pressure of all kinds is brought to bear on project staff. The project areas were not selected on the basis of assessment of needs and willingness and potential of the union councils. As a result, villages that are relatively well-off tend to be factional and segmented. Lack of contiguity in the project area has added to the problems of supervision and communication. The semi-nomadic lifestyle and seasonal migration in a number of villages in the project area make it difficult to monitor and advise VOs. There have also been problems related to the sharing of responsibilities among different agencies; including the local government and the GTZ.

The major achievement of the Project has been the emergence of VOs as viable institutions in financial management; particularly in villages that are poor but have strong indigenous institutions. The Project has been an exercise in learning from experiences. Nonetheless, it is on the way to developing a more sustainable institutional structure to support rural development programmes.

The Deputy General Manager of the Pak-German Self-Help Project commented on the paper and the Pak-German Project in general. Significant changes that took place in the Project in the past were highlighted. Village organisations have turned out to be very successful in some areas but not so in other areas where semi-nomadic life-styles prevail. Further, the project area has a heterogeneous mix of ethnic groups. It was pointed out that, in most cases, the hardware (i.e. physical infrastructure) was more successful than the software (i.e., village organization). The villagers, however, were unable to distinguish between normal government projects and the Pak-German Project. This was also due to the failure of the staff to understand the concept of the VO, particularly its supremacy and independence in decision-making. He also noted that the emphasis on social sector projects could have contributed to this process. The Project has learned that income-generating activities, that can result in significant monetary gains, can be an effective mechanism for enlisting local support and ensuring the sustainability of the Project. He remarked that this realization has prompted the plans to turn the Pak-German Project into a Foundation.

During the floor discussion, the question of expatriate input and dependence was raised as one of the explanations of the project's problems. Otherwise, it was argued, why would VOs be successfully working in AKRSP while that did not seem to be the case in the Pak-German Project? Explanations were sought regarding the use of traditional institutions and the training component.

In response, the Deputy Manager of the Pak-German Project explained that it was primarily the limited understanding, in the initial stages, by the project staff regarding the role and operation of VOs that resulted in problems. The AKRSP approach, which is being tried now, is yielding encouraging results. But, he remarked, it is difficult to change the image of a Project once it is introduced. One has to "get it right from the beginning". He said that while there were well functioning traditional institutions in the project area, such institutions may not have affected a large majority of the population since the area was quite heterogeneous. In addition, the experience of the Project indicates that the definition of the target group was a very important concern. In the project area, VOs were quite successful in extremely poor areas. Regarding training, the Project had, in the last two years, placed a lot of emphasis on investment in upgrading and improving skills and would continue to do so. Training on livestock development and in other subject areas has been organised by the Project.

The General Manager of the AKRSP also commented on the Pak-German Project. Comparing the Project with AKRSP, he said that one of the reasons for AKRSP's relative success was due to the presence of the basic rural infrastructure upon which the programme was built. This infrastructure was absent in the case of the Pak-German Project. Despite this, the Project has evolved through learning over time and is still evolving. Considering the constraints, he remarked that the Project has succeeded in many areas. He suggested that VOs have to be perceived as an interest group and that effective organization cannot evolve through half-hearted measures.

Perspectives from the Chinese Mountains

The Second Session of the Workshop, presented by Chen Guo Jie, was devoted to two case studies from the mountain regions of China. The major thrust of the papers was on the management of natural resources in the context of continually changing ownership patterns and institutions at the local level. Special attention was given in both the papers on the impact and issues arising from the introduction of the *Contractual Responsibility System* in the early 1980s. A major distinguishing characteristic of this system was that concrete production activities that were undertaken by collectives in the past are now undertaken by contracting households. The system provides quite a bit of latitude for household decision-making.

Experiences from Miyi County in Sichuan Province

The first paper of the session was on the "*Contractual Responsibility System and Rural Development in Miyi County*". Miyi County lies in the Hengduan Mountains in south-west China. The author described the physical setting and socioeconomic background to the County. Of particular interest was the climatic advantage of the area for growing early vegetables.

In the past 40 years, improvements in physical infrastructure (irrigation canals, railways, and roads) and development in education had contributed to increases in output and the rationalization of the economic structure. Economy was relatively more diversified and open to the outside world. It was noted that the most distinctive development characteristic of the County, as in the rest of China, was the fluctuations in production resulting from frequent changes in ownership

systems. Between 1949 and 1988, at least 10 major changes in the ownership system occurred. This had a destabilising effect on the economy and the organizational structure at the local level. As a result, forest resources were depleted for short-term gains. The author noted that placing political idealism before production; the tendency to comply with orders rather than depend on one's experience; emphasis on large production units and egalitarian distribution; and the failure to take regional/ethnic differences into consideration are the major causes of failure in rural development.

The author then described the organizational and management structures existing at present. The County Government and the Bureaux make policy decisions and guide the villages in undertaking productive activities. The People's Committees at the village level become engaged in production activities and sign contracts with the households. A territorial and location-specific system of resource management is encouraged.

Regarding the present system of ownership, it was noted that, often overlapping, different forms of ownership coexist. While major assets such as land and forests are owned by the State, the collectives operate supra-village level projects. Private households own some basic tools and the courtyard land. They also make decisions regarding production on contracted land. In terms of ownership of assets, collective ownership predominates. But in matters of production, the *Contractual Responsibility System* plays the leading role. A combination of a planned and market economy prevails. Technical guidance in production is provided by County cadres. Village level Science and Technology Associations disseminate new agricultural techniques. Common infrastructures are maintained by the collectives. Collectives also look after the welfare of the villagers.

The *Contractual Responsibility System* has induced changes in the structure of agriculture. The author, however, noted a number of problems. The production scale of operating households is too small. The disparity between the rich and the poor has widened. Common irrigation channels are often not maintained. It has also been difficult to check environmental degradation. Often, government plan instructions are ignored by farmers.

In conclusion, the author noted the need for specialization and improvement in the marketing system. Macro-instructions coming from the County should be attuned to local conditions. Collective activities in the construction and maintenance of infrastructure have to be enhanced. Environmental protection and education need to be emphasized, and science and technology services at the village level need to be improved.

During floor discussions, a number of queries were made regarding the features of the *Contractual Responsibility System* and the forms in which it was operative, particularly after the changes introduced in 1988. It was suggested that the *Contractual System* may even be a step backwards because it could very possibly inhibit growth in the agricultural system at the macro-level. It was thought that the operation of the market economy would be problematic, since it appeared that the market does not fix prices of major commodities in correspondence with exchange potentials.

In response, the author noted that the contracts were specified in a simple manner. Inputs as well as outputs (i.e., the number of days involved, inputs specific to crops, the tasks to be performed, and the outputs expected) were clearly specified on the basis of State prices. Several families can get together under the *Contractual Responsibility System*. It was not a fixed system but had flexibility built into it in the sense that each new contract was made according to prevailing situations. Family-based contracts were popular because this gave the family the needed latitude in decision-making. In addition, it was an important motivating factor for bringing about rapid increases in production. Regarding the pricing policy, it was noted that prices were also flexible. Sometimes planned prices were much higher than market-dictated prices.

The shift from the cooperative system to the *Contractual Responsibility System* elicited a great deal of interest among the participants. It was suggested that much could be learned from exchange visits between the AKRSP and Miyi County.

Experiences from Quxu County, Tibet

The second case study from China was a paper entitled "Management of Resources for Development in Quxu County, Tibet, China." Wang Xu presented the paper on behalf of the authors. The first part of the presentation concentrated on the features of agricultural development in the County. It showed that there was a high land/man ratio. Only about six per cent of the total area was arable land. About 80 per cent of the arable land could be irrigated. Naked barley, winter wheat, peas, and potatoes were the major crops. Pastoral activity was important. Historically, activities related to animal husbandry were slowed down and greater emphasis was placed on farm production. High-altitude, natural forests have become almost extinct. Natural grassland, for the most part, supported over 100,000 animals in the County.

A number of economic features of the County were noted. The region has a mostly closed economic system. The environment and scope for commodity exchange is limited. There are no agricultural taxes. Farm production is guided by government instructions, although, under the *Contractual Responsibility System* the families can exercise considerable influence in decision-making. Infrastructural facilities are maintained by the collective. The State also allocates resources for social development. Almost all of the income in the region is generated from agriculture and some from animal husbandry activities.

The author described the organizational and management features of production and resource utilisation in the County. The County is composed of 10 *Xiangs* with 116 villages. The villages are managed by the Commission for Village Management (CVM) which comes under the *Xiang* administration. After the introduction of the *Responsibility System*, the CVM has been maintaining collective production facilities such as irrigation canals and the public welfare fund. Farmland is allocated to each family. Family property includes basic necessities, tools, draught animals, and livestock. The management of grasslands is an important concern in villages where animal husbandry predominates. The herding pattern is characterised by extensive management, because there is little fenced grass. There are few natural forests. *Lingkas* (small patches of forest to provide fuelwood and timber) are maintained by the villagers and shared out according to family size. The CVM

controls the use of the *lingka*. The productivity level of villages is low and there is little difference between villages in terms of management and technological input. Illiteracy among farm workers is quite high.

The *Responsibility System* stimulated the initiative of farmers and pastoralists to increase production. In many instances, it has led to improvements in the standard of living. Frequent changes in organization; introduction of policies that favour crop production; existence of traditional agricultural practices; and backward technology and organization are the chief characteristics of production management in Quxu County. The author also noted the problems arising from the *Responsibility System*. These were reflected in the lack of coordination between the villages and the *Xiang*, the neglect in maintaining infrastructural facilities, loss of the economies of scale, and decrease in specialization.

The main problems of socioeconomic development in Quxu County were noted to be the lack of markets, illiteracy, and the rapid rate of population growth. Diffusion of technology was difficult. In addition, the problems of overgrazing and deforestation were also pointed out.

In conclusion, a number of suggestions for development were made. The need to develop fuel forests and hydropower and the need to fence grasslands were highlighted. Emphases on education and family planning were noted as preconditions for future development.

A suggestion was also made to develop tourism by opening the Lhasa River Route. Commenting on the paper, Wang Hai, Director of the Advisory Office of the Planning Commission on Economic Affairs for Tibet, pointed out the problems of development in the difficult terrain of Tibet. Agricultural development had to be the base of the Tibetan economy, considering the large distances involved in transaction and exchange with the rest of China. Since the three river basins in Tibet, namely, Yarlungzangbo, Lhasa, and Janbo, had good cropland, the Government was planning to develop the area as the production triangle of Tibet. Increase in agricultural production and improvement in animal husbandry were priority areas in State programmes in Tibet. The scope for the development of handicrafts had also to be explored. Population growth was a major problem in Tibet. The need to introduce family planning was therefore obvious.

Explanation was sought from the floor regarding the criteria used in defining literacy and the effect of religious traditions on development in general. The causes of deforestation in the context of the traditional resource management system were also queried. It was suggested that an increase in commercial production and exchange would have a number of implications. These implications had to be clearly recognised in future planning. Considering the fact that there seemed to be some resistance to agricultural development, it was suggested that a better strategy, given the landscape, was to emphasise animal husbandry.

Responding to the comments and suggestions, the author said that religious traditions in Tibet were quite strong. Regarding deforestation, it was suggested that Tibet had not had extensive forests in the past. Planned forest patches had been developed but the pressure on these forests was increasing. It was also noted that industries in Lhasa were using raw materials from agriculture. Regarding animal

husbandry, it was suggested that the relationship between farming and animal husbandry was an important one. Livestock required increases in grain output. Imported grain output had to be subsidised at very high rates. The emphasis on agricultural production was therefore important even for the growth of animal husbandry.

Perspectives from the Nepalese Mountains

Forest Resource Management in Two Districts of Nepal

The presentation of this case study, by Anis Dani (on behalf of the authors), first reviewed the various stages that the Nepal-Australia Forestry Project (NAFP) had undergone in its 24 year history. As an early initiative based on community forestry concepts, this Project began with a comprehensive afforestation programme and has recently been focussing more on the management of existing forests. The Forest Nationalization Act of 1957 has been widely recognised now as having caused this extensive deforestation. This was amended in 1978 and communities (*panchayats*) were increasingly encouraged to take responsibility for regenerating degraded forest lands.

The post-1957 period saw the emergence of indigenous forest management systems, in response to perceived shortages which could be classified as formal or informal systems. A defined user group is represented by a "*Samiti*", or ad hoc committee, within a formal system. Decisions are made on a consensus basis within this sometimes large group. A common feature of these systems is the existence of forest watchers who are paid in grain that is collected from the villagers.

The authors had argued that formal structures are not essential for effective management. Informal institutional arrangements, which are common, are characterised by a combination of shared problem perceptions and mutually acceptable responses. User rights within these groups are not so clearly defined, and could be primary or secondary. Religious forests constitute another type of indigenous management system which are managed by religious institutions for protective purposes only.

The recommendations that emerged out of the case study are oriented towards project planners and staff, in order to first identify indigenous systems and then proceed with a minimum intervention strategy. Strengthening indigenous systems requires a process-oriented approach to meet the specific needs of the system. Clarifying legal tenure or providing financial support may be alternative ways by which these groups can be assisted. Where new institutions are needed, they must be created with a solid base of local support and clearly identified user rights.

In a supplement to the presentation by Dani, M. R. Maharjan described the specific use of the case study findings in the NAFP. This presentation was based on a document prepared by himself and D. Gilmour, NAFP Team Leader, entitled, "*Integration of Study Results into Project Management in the Nepal-Australia Forest Management Project*". Maharjan stated that it must first be acknowledged that indigenous systems are widespread in the Project area. These systems are not static, but are based on user rights. An appreciation of such systems has led to (i) a

programme in which forestry staff are seen as extension agents instead of policemen, (ii) development of efforts to sensitise the staff about the new ethos, and (iii) a conceptual framework for building a strong social system, based on mutual consensus and agreement, that can lead to the preparation of forest management plans.

The discussion that followed centered around the need for a flexible approach that allows immediate response to prevailing problems and provides opportunities for adjusting the project strategy in mid-course, if necessary.

Women in Hattisunde Forest Management in Dhading District, Nepal

Although the title identifies it as a study of women's management of Hattisunde Forest, this case study is more an examination of how one community initiated and sustained the protection of its forest with no outside intervention. The fact that this action was taken in a participatory manner, involving all adult members of the village, contributed to the success of the initiative. Shanta Pandey, the author, does conclude, however, that the involvement of women was instrumental and that the Forest could not have been protected without their active and willing participation. In this sense, the author believes that Hattisunde provides an ideal model for community forestry programmes in Nepal.

Building on this point, Jeannette Denholm drew on experiences, of both forestry and integrated projects in Nepal, to reinforce Pandey's conclusion that the success of any community forestry project rests on the ability of planners and implementers to identify the appropriate users, or beneficiaries, and to carry out activities in a way that builds on the sense of ownership and responsibility for the forest. In this case, the villagers of the Hattisunde area recognised that, without the genuine support of women, an unfenced forest located in the middle of four villages would never be protected or allowed to regenerate. Recognition by the community of the key role of women afforded them the social support and authority to act as invigilators. In addition, it provided these women with the security of having equal access to the benefits derived from the forest management system -- benefits they deem relevant and valuable in their daily struggle to meet fodder and fuelwood demands.

An essential element found, in most known cases of successful initiatives to involve women in Nepal, is that of 'cultural compatibility'. In a culture where women are not encouraged to express their opinions in formal forums, a resource management system organised through structured groups will preclude their participation. This is in accordance with Fisher's finding that the most effective organisations are those that are informal. A general lack of confidence in their abilities to contribute to a discussion, coupled with discouragement from males from doing so, results in a tendency for women to remain silent during public meetings. However, in informal settings, where women feel at ease, they are quick to express their viewpoints with their families and friends. Women who have become confident (often through becoming literate) that they can understand and contribute to the forest management system often demonstrate a strong interest in becoming involved with forestry programmes. Pandey notes that the simplicity of the Hattisunde Management System, brought about by the prevalence of illiteracy among men as well as women, contributed to women's accessibility to the system.

To sum up, the case of Hattisunde has demonstrated that a truly participatory type of organisation which allows for the entry and support of women is one that can achieve success without the intervention of outside agencies and funds. If planners are to learn a lesson from this experience, it is that they must first understand the constraints; social, economic, and temporal; that hinder the participation of women before they can hope to implement programmes that involve these key users and producers. By and large, project staff in Nepal have so far failed to do so.

Seminar participants commented that women must be organised in order to play an effective role. The selection of tree species and division of benefits amongst community members need to be discussed with the local users and determined before a project commences.

Inside the Dhading Development Project

Father Ludwig Stiller, author of the case study, opened his presentation by giving the audience a list of his personal biases towards development work. The first of these is that development begins and ends with people. The belief that the objective of this development is to change the thinking and ways of those being 'developed' forms his second bias.

The Dhading Development Project (DDP), over its lifespan of eight years, had to undergo many fundamental changes in its approach to integrated rural development. The strategies of DDP differed from those of conventional IRDs right from the start, by focussing on villages at the ward level rather than at the *panchayat* level. During the first implementation phase, the Project promoted the development of users' groups which determined their own projects and mobilised their own resources to supplement those provided by the Project. The organisation of villagers was a key component of the strategy, so that villagers could assess their own problems and determine solutions to them, through self-help measures. When the Government amended the Decentralization Act in 1985, DDP was faced with the dilemma that their strategy was no longer appropriate. The users' committees were changed from being a group of beneficiaries to being a group of selected local officials headed by the Ward Chairman. DDP's goal of transforming users' groups, into more permanent production-oriented self-help committees, no longer remained feasible. Alternative institutional channels were sought, and the Project was able to introduce its innovative approach into these to improve their abilities to listen and respond to the demands of the people.

In order to strengthen local organisations, confidence-building measures were considered to be the foundation of all DDP activities. Through the construction of small public works with seed money and follow-up support from DDP, users' committees gained the experience necessary to convince themselves that they are capable of taking charge of their own development. Money was given to committees in 450 wards to execute any project the people of the ward wanted.

Further promotion of users' committees came from the provision of training in technical as well as organizational and managerial skills. Heavy investment was made in the development of human resources through training in leadership, agriculture, and household improvement.

Confidence building was not limited, however, to villagers; it was also deemed necessary to improve the confidence of village leaders in their abilities to organise people and lead them to initiating action to solve problems. The confidence of villagers in the abilities of line agency staff and vice versa was also considered to be important to the Project's goal of making government services available to the people.

To summarise, Stiller put forth the key decisions made by the Project planners of DDP:

- o avoid parallel and competing structures by using local institutions, with Project staff not becoming directly involved in execution;
- o work according to the Decentralization Act by channelling funds through the Government agencies, planning with the District Assembly, and working through the District Panchayat;
- o concentrate on human resource development in the first phase; and
- o support institutional linkages with government agencies, parastatals, and NGOs, using these for technical inputs in training programmes.

Comments made by the Workshop participants supported Stiller's contention that the village must be used as an entry point and that close liaison with government officials was necessary. A suggestion was made to conduct an analysis of the impact made by the Project in comparison to that made by government services alone.

Perspectives from Bangladesh

The Role of Institutions in the Management of Forest Resources: Perspectives from the Hilly Region of Bangladesh

The presentation brought the Bangladeshi experience to bear on the theme of the Workshop. The author first presented an overview of the typology of forests, the extent of deforestation, and the reasons for the current state of affairs. Forests that constituted 16 percent of Bangladesh's area a few decades ago now comprise only eight per cent of the area. There were multiple reasons for the rapid depletion of forests. The distortions introduced by market forces and the institutional and political reasons were deemed to be important factors contributing to deforestation.

A case study of a forest area of approximately 4,000 acres in one "beat" of forest range in the Chittagong Hill Tracts was presented to elucidate the role of users' groups and institutions in the process of deforestation. It was pointed out that the Forest Department, which had the function of protection, afforestation, issuing entry permits, and checking the illegal transportation of timber, was incapable of performing even the most basic function.

A number of users' groups contributed to the rapid depletion of forest stock. Landless and small peasants comprised the major category. Forests not only

provided these groups with an ecological niche for survival but also, due to price incentives, gave them better employment alternatives than, for example, wage labour. The poor users were only a front to serve the final users: the railways (for sleepers), the packaging industry, and the furniture industry. Whereas the poor collectors were officially branded as "thieves", the small and large traders, to whom the poor collectors supplied timber, maintained extensive linkages, through "bribes" and "payoffs" to the police, the security personnel, and the Forest Department. The flow of mercantile capital further augmented this collection network. Even timber auctioned by the Government was purchased by large traders, with whom officials were in league, at nominal prices. There were, in the case study area, about 15-20 large timber traders and a few hundred small traders.

The author outlined a number of structural constraints that contributed to deforestation in the Chittagong Hill Tracts. Antiquated laws, dating back to 1927, and the incapability of the Forest Department, again structurally induced, were major constraints. Timber traders had emerged as a politically powerful force because they were able to translate their economic surplus into political power, social status, and linkages with government functionaries. A number of contradictions thus become evident. The ultimate result is unproductive accumulation, environmental degradation, and non-sustainable development. While public policy is caught in a web of dealing with "covert" versus "overt" users, forests remain in an unidentifiable property regime. It is the poor who are caught in the survival trap. This situation, the author noted, is typical of what happens when market forces operate unhindered.

It was observed from the floor that the "effective" ownership of the forest system and not the operation of market forces may be the important question. A comparison was made of this situation with that prevailing in the North-West Frontier province in Pakistan where almost everyone with political clout seemed to be involved in the process of deforestation. What do we, can we, do about it was therefore the relevant question. It was also suggested that decentralization of political power was perhaps one way to solve the problem. The experience in certain forests of India was highlighted to indicate that localization of control over forests has the potential to reduce incidences of deforestation.

Responding to the issues raised from the floor, the author remarked that the concept of a "community" with convergent interest is not supported by evidence. In exercises such as community forestry, conflicting interests have to be dealt with. It was pointed out that in situations, such as the one pertaining in Bangladesh, the poor are compelled to use forests as a source of survival through collusion with trading groups.

Perspectives from Bhutan

Barun Gurung's presentation first described the subsistence nature of Bhutanese society which centres around small, isolated, and scattered communities located on the steep mountain slopes that characterise most of Bhutan. Through the production of subsistence crops and livestock products, Bhutanese farmers have traditionally been able to sustain their households without needing many goods from the outside. Although this remains the prevailing situation, even today, the pressures of

increasing population, growing consumerism, and other changes brought on by development itself are bringing about a transition that will be increasingly felt in the lives of rural Bhutanese.

Buddhism is a force that has both shaped and has been shaped by the particular social, cultural, and environmental conditions found in the mountain areas of Bhutan. The Buddhist value system has been absorbed into this subsistence culture, and is manifested in the behavioral patterns of farmers that are often not based on economic considerations. Gurung gave examples of the common reluctance to use pesticides to improve crop yields because of the taboo on killing any form of animal life. This applies also to the slaughtering of livestock.

Three components of Buddhism that are prominent in the everyday lives of Bhutanese farmers are (i) the social use of ritual, (ii) monasticism, and (iii) the law of *karma*; the Buddhist law of causality which comprises the basis for the legal framework of the country. The sense of security and meaning which these factors provide to rural dwellers, who are at the mercy of many harsh and unpredictable environmental conditions, is critical to the sustainability of their livelihood. Development efforts must not fail to appreciate the importance of these Buddhist values and to be aware of the cultural and environmental poverty that may result from the infusion of values of modernisation.

FIELD OBSERVATIONS

The Field Trip to AKRSP, Gilgit

Some of the Workshop participants took part in a field trip to Gilgit and surrounding villages along the Karakoram Highway. The field trip was arranged by the Aga Khan Rural Support Programme whose Headquarters are located in the town of Gilgit. AKRSP covers a total of three districts: Gilgit, Baltistan, and Chitral in the Northern Areas of Pakistan. The Programme Area is 70,000km² with a combined population of 800,000. AKRSP initiated its activities in Gilgit in 1982. The programme is supported in part by the Aga Khan Foundation and in part by a number of bilateral and multi-lateral agencies. Although the activities of the AKRSP in the initial phases covered mostly villages with a predominantly Ismaili population, the programme itself is free from sectarian or ethnic biases. As a result, the initial scepticism of other religious groups such as the Sunnis and Shias, has gradually been overcome. We were informed that only about a third of the population, covered presently by the AKRSP, was Ismaili.

Upon arrival at Gilgit, the field trip participants were briefed by the General Manager, Shoaib Sultan Khan, and other AKRSP staff. AKRSP has championed the idea of induced institutional innovation and the field trip was an opportunity to see this process at work. Unlike government agencies, AKRSP does not provide outright grants for local development. It seeks to develop first the sense of partnership between the villagers and the programme. The partnership comes to fruition through a series of dialogues held with villagers. The precondition for such a partnership is the formation of a Village Organization (VO) -- a broad-based organization in which all households with similar interests participate in decision-making as well as implementation. As soon as the village organization is functional, AKRSP provides funds to initiate the productive physical infrastructure (PPI) project chosen by the VO. Technical feasibility and cost estimates are made by the AKRSP staff. All VO members participate in the work, for which they are paid wages. A part of the wages goes into the VO's collective savings' funds. The savings' fund, as it grows, becomes the basis for collateral that helps the VO in seeking additional credit from AKRSP. The AKRSP also trains local villagers so that they can provide the necessary extension support in ongoing development efforts. An institution that can articulate local needs and is collectively accountable in the implementation of projects is thus created. Local resources are mobilised, primarily through group savings, and a pool of trained manpower is created. All these contribute to the sustainability of the VOs and the process of local development which they initiate. AKRSP provides technical support, and Social Organisers at the village level provide a continuous link between the VOs and the AKRSP.

The field trip included visits to two villages where the concept and philosophy of AKRSP has been translated into action. The first village, Hanuchal, is about two hours' drive south of Gilgit along the Karakorum Highway. The village is typically semi-arid and is situated along the valley floor. Irrigation had been a wishful thought for these villagers and attempts to attract government attention for investment had met with repeated failures. When the AKRSP arrived on the scene, the 65 households of Hanuchal proposed that an irrigation canal be built from the base of a glacier to the village, several kilometres down the valley. With the PPI grant made available by AKRSP and a technical feasibility study for the proposed canal undertaken by AKRSP staff, the 65 members of the village organization started the construction of the canal along the steep and barren rocky hill side. It took five years to complete the canal. During that period, the members of the VO were paid wages and a savings' fund was also started. Simple tools and small sticks of dynamite were used in the construction of the canal. Today the canal stands as a testimony to the indomitable strength and ingenuity of the VO of Hanuchal. We could feel the sense of pride, confidence, and achievement that the villagers of Hanuchal had acquired for themselves. The leader of local village activists, Mohammad Khan, gave an account of how he had used the legendary story of Shirin and Farhad to inspire his friends to work on the canal. *"If Farhad could build the bridge for the love of Shirin,"* he had said, *"don't you love Hanuchal as much, to build the canal and water the thirsty fields? Farhad did it single-handed. Why can't sixty-five strong hands put together this mere canal?"* Indeed, the Hanuchal Irrigation Canal is a fitting monument in memory of their collective hard work.

As a result of the canal, several hectares of land in and around Hanuchal were newly brought under cultivation with maize, wheat, fruit trees, and alfalfa for feeding the livestock in winter. Since the reclaimed land was common property, the VO apportioned the land on an equitable basis to each of the 65 participating members of the VO. Increased land holding and productivity and access to credit and extension have not made the villagers of Hanuchal prosperous in any dramatic way, but they have made a positive, lasting impact on their social and economic life. The VO at Hanuchal had clearly demonstrated its potential.

The second trip was to Aliabad, about three hours' drive north of Gilgit along the Hunza River. Here the VO was about to embark on a new venture: VO Banking. As indicated earlier, the VO's (and there were several VO's that had come to meet with the AKRSP team) collective savings were the basis on which the AKRSP offered credit to the village organization at seven per cent interest. The VO's in turn could decide on their own rate of interest to prospective borrowers from among their members. This rate is naturally higher than that charged by AKRSP. In this particular meeting at Aliabad, the office bearers of different VO's reported on their group savings. The amounts ranged from PRs 20-25,000 to over PRs 200,000. The VO representatives reported on the project activities for which the credit requested from AKRSP would be utilised. A detailed justification for each activity was given and answers to all queries by AKRSP staff were duly provided. It was of particular interest to see women participating in the meeting with equal zeal and enthusiasm. Three Women's Organizations received credit from AKRSP, on that day, in recognition of their savings. These will be used in activities that they determine for themselves. The meeting ended with the distribution of credit cheques to eligible VO's. It was clear from the meeting that everything that happened in the VO was

transparent to all members. Even misappropriation of VO loans by some individuals was openly discussed. A real sense of participation pervaded the entire proceedings. The field trip helped us a great deal in exploring, understanding, and appreciating the reality of what can be achieved with the participatory approach to local development. Also, the field trip vividly demonstrated the esteem and confidence in which the villages in the Northern Areas held the AKRSP.

The Field Trip to the Pak-German Self-Help Project, Baluchistan

The trip began with a long journey across the desert area north of Quetta to reach Muslimbagh, a small town where PGSHP maintains an office. There, the group met with leaders of the union councils who explained the organisational structure and responsibilities of the Department of Local Government.

Union councils were established to provide a link between villagers and government line agencies. The 160 Village Organisations, cooperating with nine union councils under the Project, are thus assisted to organise themselves and mobilise savings and labour to undertake projects in accordance with their own needs. Social Organizers provided by PGSHP are instrumental in assisting communities to identify their needs and resources, then communicate their plans to the union councils. Union councils meet monthly with the line agency staff of the health, education, livestock and irrigation departments to put forth their demands for services. Lump sums are provided (PRs 100,000) to each union council for transfer to village organisations to use as they best see fit. There are no restrictions on the types of project this money can be used for.

Out of the original VOs, there are now Self-Help Organisations (SHOs) arising that are formed mainly around the specific interests of their members. These SHOs, such as the Farmers' Association and Para-Vet Association, are receiving special attention from the Project.

The tour group visited two villages, one in which the community was constructing a ground water supply system using the villagers' traditional knowledge related to the building of deep wells and transportation of water. In the second community visited, the members were about to embark on a housing construction project for residents who are cave-dwellers.

Group members were introduced to a recently trained local Para-Veterinarian during a tour of the store established to supply agricultural commodities. Villagers' demands for vaccination and health care services are increasing as they realise the value of maintaining the livestock herds on which their livelihoods depend. So far, training has been limited to this type of preventive and remedial health care. There has, however, been no discussion on how conditions of livestock can be improved through nutrition. The vast landscape of Baluchistan and the migratory practices of its farmers make pasture land improvement programmes difficult to implement.

This field trip gave seminar participants a real appreciation of the limitations faced by the Project in trying to extend services to the residents of Baluchistan. Villagers are situated in remote places far from Quetta and from other villages. The scarcity

of water and vegetation for livestock feed and fuelwood means a life full of hardship for the Baluchis. Indeed, where water has become available, small green "oases" arise and orchards bring new income to villagers.

The exemplary hospitality demonstrated by the Pathan communities visited allowed group members to see a glimpse of the social world of these proud tribal people. Visitors gained at least a sense of the significant role Pathan values and religious beliefs play in their relations with each other and the outside world.

PRINCIPAL ISSUES AND MAIN CONCLUSIONS

Principal Issues

Papers presented and discussed during the Workshop brought forth various experiences and approaches to local development in mountain areas. Despite the significant geographical and cultural differences that exist among the Bhutanese mountains, the Chittagong Hill Tracts of Bangladesh, the Middle Hills of Nepal, and the Northern Areas and Baluchistan in Pakistan, a number of common perceptions and assumptions pervaded the discussions. The principal issues that emerged from the papers and the discussions were summarised by Deepak Bajracharya.

A major underlying assumption was that sustainable development in mountain areas has to enhance productivity and distributional efficiency and, at the same time, safeguard the fragile environment of these regions. The primary focus of development activities has to be geared to these ends. Implicit in the experiences of different countries was the recognition that productivity increase, distributional efficiency, and the maintenance of environmental balance were contingent on the functional and effective operation of institutions, whether formal or informal, at the local level where it matters most. While the base of traditional institutions has gradually been eroded, as a result of the penetration by market forces, commercialization, and the increase in physical infrastructures, new institutions that can respond to these challenges have not emerged as an effective force. In many instances, the policies of the State have inhibited the emergence of local initiatives. As a consequence, an institutional vacuum has become apparent in civil societies. Although the experience of South Asian countries, such as Pakistan, Bangladesh, Nepal, Bhutan, and China reflect in large measure their unique historic and political realities (and are distinct in many respects), the State, by and large, has lagged behind in summoning the constructive power of local level participatory organizations. Social fragmentation, disintegration of traditional values and institutions, and a general sense of social, economic, and political alienation have been the obvious consequences.

In all these mountain societies, the need for induced institutional innovation has never been greater. The increasing pressure on mountain resources; the compulsion to eke out a meagre living from a fast depleting resource base; the imperatives to constantly adapt to novel changes in social and economic life (brought about by forces outside their control) in a difficult and often harsh and delicate environment have all contributed to this need. The fact that local level organizations -- the Village Organizations in the AKRSP of Pakistan, the Users' Groups in the Dhading Development Project in Nepal, or the *Contractual Responsibility System* and the ensuing household groups in China -- have emerged through inducement of NGOs, through the support of donor agencies, or through policy changes of the State is a response to a deeply felt need, a need that required appropriate

articulations. These, however, are still largely isolated instances but are indicators of the problems and prospects of institutional growth at the local level.

Induced institutional innovation presupposes that innovations may not perhaps be forthcoming naturally. Some inducement for such development has to be there. The need for such inducement arises because of a number of imperatives. These are given below.

- o Activities that enhance short-term returns should be socially, economically, and environmentally sustainable and therefore must be contemplated in terms of a longer time horizon.
- o Common property needs to be collectively managed while, at the same time, enough leeway has to be provided to encourage individual motivation and initiatives.
- o Indigenous resource management systems have to be complemented by a more participatory approach to implementation and decision-making.
- o Technological inputs have to blend with local needs and traditions.
- o Subsistence economies, such as those in most mountain communities, have to be integrated with the market and yet a good measure of local/regional autonomy has to be maintained with respect to resource use and management.

A major consensus that emerged during the Workshop was the recognition that the missing link in local development efforts was the absence of broad-based village organizations. Nurturing such institutions could effectively foster the development of a symbiotic relationship between the State and civil society. The State cannot reach all the individuals and households, less so in the far-flung rural communities in mountain areas. The State can, however, create a policy environment, can impart a sense of stability and mental confidence among the workers and cadres at the local level, and can allow the freedom to organise and take collective decisions at the village level. Decentralization efforts in Pakistan and Nepal and the *Contractual Responsibility System* in China are examples of State policies that offer scope for induced institutional innovations at the local level. Development of grass root institutions through such efforts can fill the institutional vacuum at the local level. The representative approach is clearly required at higher levels, but local development demands a participatory approach based on consensus.

The Workshop discussions focussed particularly on the pre-conditions required to induce the growth of local institutions. It was agreed that, given the political will and a clear strategy, sustained efforts would help in the creation of such institutions. The major elements are:

- o development of organizations for collective decision-making and management;

- o promotion of organizational catalysts -- national and international NGOs or government-sponsored cadres or social organizers -- to induce and encourage the establishment of organisations and provide support mechanisms to facilitate local development; and
- o provision of programme packages that respond to the needs of the organization and motivate the members to action.

A sense of accountability and transparency in decision-making and implementation is a necessity in order to encourage sustained participation from the members of the organization. At the same time, the requisite elements in a well-conceived programme package include the following:

- o a productive physical infrastructure scheme (irrigation, drinking water, link roads among others) the benefits of which are apparent to all members of the organization;
- o a programme for creation or upgrading of appropriate human skills so that a local pool of trained manpower is created to serve local needs; and
- o a component of capital formation through group savings which can also be set as collateral for external credit; this programme package, however, has to be designed in a partnership, through dialogues between the village organization and the development catalyst.

Guidance without imposition has to be the hallmark of such an approach and flexibility should be built into the programme. Both the village organization, which is basically a broad-based coalition of common interest groups and users, and the development catalyst, which has good links outside of the village, have to combine their mutual resources and knowledge to develop the necessary mechanisms for learning from experiences. The process of initiating and nurturing the village organization is, however, the most important task, more so than achieving the end-result of the development activities. The "process" is thus very vital because it determines the degree to which the benefits and costs of a particular activity are internalised by the users and beneficiaries. A clear strategy regarding the "process" is necessary right from the beginning because an impression created in the initial phases tends to be a lasting one.

Conditions for the Growth of Village Level Institutions

Village level institutions can grow and evolve only if this foundation is sustainable. The programme package, and even the scope of activities, that are undertaken by village organizations, change with time. In the subsistence context, productive infrastructure has the potential for influencing the social and economic life of individuals and households in the short run and therefore projects involving its establishment are normally undertaken by the village organization whenever the opportunity becomes apparent. At the same time, or shortly thereafter, credit, marketing, and similar concerns also merit attention. As the organization evolves further, management of common property resources, such as forests, pastures, and water (which tend to be supra-village resources), tend to acquire a new relevance.

Maturity brings with it new ways of dealing with complex issues. Village organizations or users' groups then develop, on their own, new mechanisms for sharing responsibilities and dealing with common property regimes. Intervention from above can spell disaster if it does not support these initiatives and appreciate the ability of such organizations to coalesce. This is particularly relevant in the case of common property resources which can be sustained only if they are managed locally in a collective style.

Inducement for the growth of grass root institutions is a form of intervention. The case of the Northern Areas in Pakistan and Bhutan brought to light the importance of being sensitive to local values and belief systems. It was also generally acknowledged that homogeneity in terms of ethnicity and value systems was an advantage upon which local development programmes could build. Indeed, institutional and technological innovations that could be grafted on to existing institutions and technologies had better prospects of success.

The issue of linkages among the NGOs, governmental agencies, donors, and the local level institutions was brought forth frequently during the discussions. It was generally agreed that these linkages were important. These should, however, be perceived as channels of understanding and as support for local development efforts, and should not be made to grow into a dependency syndrome, thereby stultifying local initiatives or unduly affecting the motivations of the local population.

The creation of local institutions, through inducement from organizational catalysts, such as the AKRSP and Pak-German Self-Help Project in Pakistan, or the Nepal-Australia Forestry Project and the Dhading Development Project in Nepal, have the possibility of an inherent problem. The basic concern is whether the support mechanisms are forthcoming only when the projects are ongoing and will subsequently dissipate as soon as the projects are terminated. Clearly, a reasonable time-horizon is essential to ensure that the projects are transformed into a sustainable programme framework. It is here that the confidence-building of local organisations becomes crucial. The projects may phase out at a time when the organisation is able to carry out its own affairs and maintain working relationships with government agencies. The sustenance of this mechanism is, at the same time, contingent on a positive perception by government agencies about the local institutions. In this light, it is noteworthy that AKRSP has set for itself a fifteen to twenty year framework and the Pak-German Self Help Project is contemplating transforming itself into a Foundation.

Relevance to Mountain Development

What is the relevance of the above conclusions for the mountain region? Case studies presented in the Workshop were mostly about development initiatives, in the mountainous areas, with heavy emphasis on local institutions. The specific conditions in mountain areas, such as verticality, remoteness, inaccessibility, diversity, and dramatic micro-climatic variations, are conducive to comparative advantages as well as severe constraints. Furthermore, there are considerable variations within the mountain systems, ranging from the arid and semi-arid ecology (e.g., in Tibet, Northern Pakistan, and Baluchistan) to the humid tropics

(e.g., in India and Nepal). These conditions call for appropriate responses to institution-building in their respective contexts. There is unanimity of opinion that the strengthening of local institutions is of paramount importance in mountain development. The requisite awareness of the need for a sound and ecologically sensitive approach to deal with the challenges can be built on this basis. The principles discussed above are applicable. Area-specific variations will have to be noted and these will be reflected in the particular programme packages.

It was suggested that a greater refinement in the methods of enquiry and planning was warranted, particularly in mountain areas where literacy levels are generally low. The need to keep the regional perspective in planning is also critical. Perhaps a typology of management systems or "recommendation domains" could be developed as guidelines to local development in the mountains. Continued emphasis on confidence building, institutional strengthening, and also greater participation of women should be considered in developing more effective communication strategies.

At the concluding session, a number of pertinent observations were made. ICIMOD Board Chairman, Rudi Hoegger, related a Nepalese folk tale and emphasized that it is not the outer appearances of institutions but their essence that has to be grasped. Copying of other institutions is not going to induce development unless the inner meaning of institutions and their effects are understood and internalised. He said that it is in this sense that the Workshop would contribute to mountain development.

The General Manager of the AKRSP agreed that workshops such as this help foster better links and provide opportunities for sharing experiences among institutions concerned with local development. However, he noted that the workshops normally arrive at a consensus regarding the need for local level institutions but rarely go beyond to reach the threshold of action. ICIMOD has a relevant role to play in this context. The need, he suggested, is to stop theorizing and start practising. Governments in the region have to be persuaded and even pressurised to act. ICIMOD could act as a catalyst in this process by having a more practical presence in ICIMOD countries.

Main Conclusions

After the presentation and discussion of the case studies, the Workshop participants were divided into two groups. The first group deliberated on the theme "Organizational Structure at the Local Level" and the second group on the theme "Local Level Organizations and Users' Perspectives". The Reports of the Working Groups were considered by all the participants in the Concluding Session of the Workshop.

The major conclusions emanating from the Working Group Reports are summarized below.

1. The Governments in the Region should recognise the need to induce the growth of local level participatory organisations in the mountain regions. The Government has to play the role of provider of services. However, the rigidity

inherent in governmental systems limit their capability to work directly with local level organisations. The Government, therefore, should act as the facilitator in fostering the growth of grass root organizations and provide the "Supporting Structure" to encourage such growth.

2. Governments in the region have not given enough thought in terms of "what needs to be done to foster village organizations or users' groups?" and "what kind of support structures are required?" A greater political commitment, than what has been evident thus far, has to be brought to bear in searching for answers to these questions.
3. Governments in the region should support parastatal organizations and NGOs to play the role of the catalyst in inducing institutional innovations at local levels. However, a dependency syndrome has to be avoided. While immediate local needs are addressed, there is also the need to take a long term perspective. The donors' concerns, therefore, has to be aligned with such long-term perspectives.
4. The most effective type of village organization is the one constituted for total community development. In the formation of village organizations or users' groups, four concerns should be paramount:
 - a. the "process" of group formation has to be based on total participation,
 - b. the stability of the group has to be ensured through a consensus approach,
 - c. a participatory financing mechanism has to be established, and
 - d. a gradual and rational evolution of a federation of village organizations or users' groups has to be allowed for supra-village activities.
5. Linkages between the government agencies and users' groups have to be fostered but the primacy of the VO, or users' group, in decision-making has to be ensured. The users' groups should not be considered as the lowest level outreach point for the Government.
6. There are no blueprints for institutional development at the local level. A "process" approach is most effective in the creation of successful local level institutions.
7. The basic principles of village organizations should be based on (a) collective management and decision-making, (b) investment in human capital through creation or upgrading of skills, and (c) capital formation through savings. Transparency in funding, clear guidelines, and strong motivations are other aspects that need to be particularly emphasized. The VO or users' group should be free to make decisions within the framework of approved guidelines.

Annexes

Annex 1

Workshop Programme

Annex 1

1 May	2 May
<p><u>MORNING</u></p> <p>Arrival of participants at the Hotel</p> <p>=====</p> <p>I. <u>OPENING SESSION</u> Moderator: Anis Dani</p> <ul style="list-style-type: none"> o <u>Welcome</u> <ul style="list-style-type: none"> - E.F. Tacke Director, ICIMOD - Christopher J.N. Gibbs Aga-Khan Foundation - Ata Jafar Additional Chief Secretary Govt. of Baluchistan o <u>Introduction to Workshop</u> <ul style="list-style-type: none"> - Deepak Bajracharya, ICIMOD - Anis Dani, AKRSP <p>-----</p> <p>II. <u>CASE STUDIES IN PAKISTANI MOUNTAINS</u> Moderator: Rudolf Hoegger</p> <ul style="list-style-type: none"> o Village Management Systems and the Role of the Aga Khan Rural Support Programme in Northern Pakistan. <ul style="list-style-type: none"> - Tariq Husain o Comments: Shoaib Sultan Khan o Discussion o Organisational Innovations and the Impact on Resource Utilisation in the Pak-German Self-Help Project Area, Baluchistan. <ul style="list-style-type: none"> - Saifur Rahman Sherani o Comments: Paul Lutz o Discussion o Film: "First Harvest" on AKRSP Experiences 	<p>III. <u>CASE STUDIES IN CHINESE MOUNTAINS</u> Moderator: Christopher J.N. Gibbs</p> <ul style="list-style-type: none"> o Contractual Responsibility System and Rural Development in Miyi County, Sichuan, China <ul style="list-style-type: none"> - Chen Guojie <i>et al</i> o Management of Resources for Development in Guxu County, Tibet, China. <ul style="list-style-type: none"> - Zhang Mingtao <i>et al</i> o Comments: Wang Hai o Discussion <p>-----</p> <p>IV. <u>CASE STUDIES IN NEPALESE MOUNTAINS</u> Moderator: Christopher J.N. Gibbs</p> <ul style="list-style-type: none"> o The Management of Forest Resources in Sindhupalchok and Kabhre Palanchok Districts of Nepal <ul style="list-style-type: none"> - Robert Fisher <i>et al</i> (Presented by A. Dani) o Women in Kattisunde Forest Management in Dhading District, Nepal <ul style="list-style-type: none"> - Shanta Pandey (Presented by J. Denholm) o Comments: M.R. Maharjan o Discussion <p>=====</p> <p>Moderator: Paul Lutz</p> <ul style="list-style-type: none"> o Inside the Dhading Development Project <ul style="list-style-type: none"> - Ludwig Stiller, S.J. o Comments: Dwarika Dhungel o Discussion <p>-----</p> <p>V. <u>PERSPECTIVES FROM BANGLADESH AND BHUTAN</u> Moderator: Paul Lutz</p> <ul style="list-style-type: none"> o Development and Buddhism in Bhutan <ul style="list-style-type: none"> - Barun Gurung o Role of Institutions in the Management of Forest Resources: Perspectives from the Hilly Regions of Bangladesh <ul style="list-style-type: none"> - A.M. Shapan Adnan o Discussion o Group Formation and Preparatory Meetings

Note: ----- Tea/Coffee Break; ===== Lunch Break.

3 May	4 May
<p>VI. <u>OVERVIEW</u></p> <ul style="list-style-type: none"> o Main Issues Based on Case Study Presentations <ul style="list-style-type: none"> - Deepak Bajracharya - Anis Dani o Comments: Learning a Lesson from the Ban-Manchhe <ul style="list-style-type: none"> - Rudolf Hoegger <p>VII. <u>GROUP DISCUSSIONS</u></p> <ol style="list-style-type: none"> 1. Organizational Structure for Local Development <ul style="list-style-type: none"> - Moderator: Javed Majid 2. Local Level Organizations and User's Perspectives <ul style="list-style-type: none"> - Moderator: Ludwig Stiller <p>=====</p>	<p><u>FIELD TRIPS</u></p> <ol style="list-style-type: none"> 1. PAK-GERMAN SELF-HELP PROJECT AREA, BALUCHISTAN 2. AGA KHAN RURAL SUPPORT PROGRAMME, GILGIT
<p>VIII. <u>CONCLUDING SESSION</u> Moderator: Christoph Feyen</p> <ul style="list-style-type: none"> o <u>Group Reports</u> <ol style="list-style-type: none"> 1. Ludwig Stiller 2. Javed Majid o Discussion o <u>Concluding Remarks</u> <ul style="list-style-type: none"> - Shoaib Sultan Khan, General Manager, AKRSP - Director, Local Government Dept. Baluchistan - E.F. Tacke, Director, ICIMOD 	

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36. Pitamber Sharma
37. Jeannette Denholm

Annex 3

List of Papers

- | | |
|-----------------------------------------------------------------------------------------------------------------|------------------------------|
| 1. Village Management Systems and the Role of the Aga Khan Rural Support Programme in Northern Pakistan | Tariq Hussain et al. |
| 2. Organizational Innovations and the Impact on Resource Utilization in the Pak-German Self-Help Project Area | Saifur Rahman Sherani et al. |
| 3. The Contractual Responsibility System and Rural Development in Miyi County | Chen Guojie et al. |
| 4. Management of Resources for Development in Quxu County, Tibet, China | Zhang Mingtao et al. |
| 5. The Management of Forest Resources in Sindhu Palchok and Kabhre Palanchok Districts of Nepal | R.J. Fisher et al. |
| 6. Women in Hattisude Forest Management in Dhading District, Nepal | Shanta Pandey |
| 7. Inside the Dhading Development Project | Ludwig Stiller |
| 8. Role of Institutions in the Management of Forest Resources: Perspectives from the Hilly Region of Bangladesh | A.M. Shapan Adnan |
| 9. Development and Buddhism in Bhutan | Barun Gurung |

Annex 4

Summaries of Papers

VILLAGE MANAGEMENT SYSTEMS AND THE ROLE OF THE AGA KHAN RURAL SUPPORT PROGRAMME IN NORTHERN PAKISTAN

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with

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The overall objective of the study was to explore the common concerns related to the design and implementation of rural development programmes in mountain areas of Northern Pakistan where the Aga Khan Rural Support Programme (AKRSP) has been in operation since 1982. Case studies were conducted, on nine villages in the Gilgit district of Northern Pakistan, to elucidate the changes introduced through new development initiatives (e.g., the opening of the Karakoram Highway in 1978 and the initiation of the AKRSP in 1982) and the responses to these changes by the communities of the region.

The AKRSP Project Area is rugged and hilly with steep heavily dissected slopes. The landscape is highly irregular due to erosion and landslides. Water courses run along the slope faces and valley bottoms. The region lies outside the influence of the monsoons and has an annual rainfall of 100-900 mm which is mainly in the form of snow. The climate is the arid continental and mediterranean type. Agriculture is the major economic activity, and it is sustained by irrigation from glacial melt. A wide range of farming systems is practised. Wheat, maize, millet, and buckwheat are the major crops. There is very little commercialization and no specialization. Diverse groups, representing three major Islamic traditions, inhabit the study area. Resource limitations induce able-bodied men, from most households, to migrate in large numbers during the winter, within the region or down country, to work for cash.

A number of changes are taking place in the area. These changes have resulted from improved transportation, the mechanization of farm activities, and the induced pace of rural development.

The AKRSP, a non profit, non-sectarian NGO, started its operation in Gilgit in 1982, with the objective of increasing the capacity of local people to identify and utilise opportunities to solve their own problems. The induced local capacity to plan and implement development programmes was intended to contribute to increased income and employment. The AKRSP is staffed completely by Pakistanis.

The key concept in AKRSP's approach is that of the Village Organization (VO). This is a broad-based coalition of village residents whose common economic interest is best served by forming a multi-purpose development organization. The VO is brought into being as a result of a series of diagnostic dialogues undertaken by AKRSP with the villagers. The first dialogue is initiated by AKRSP. The objectives and methods of AKRSP are explained and villagers are invited to identify a project that could be undertaken and maintained by villagers for their common benefit. If successful, the first dialogue leads to a second dialogue that determines the feasibility of the identified project. The Social Organisation Unit (SOU) of the AKRSP undertakes the technical supervision. The finalized scheme and the terms of partnership between AKRSP and the villages are discussed in the third dialogue. This results in a village level project for the VO. The VO then becomes the executing agency at the village level for a Productive Physical Infrastructure (PPI) Project. AKRSP provides grants for such projects. The VO and the PPI become vehicles for creating a disciplined organization for collective management.

The First Phase (1983-86) activities of AKRSP focussed on the establishment of village level institutions for managing development and the funding of essential local infrastructure. It demonstrated the potentials of community management vis-a-vis financial resources and physical assets (such as irrigation channels, link roads, storage reservoirs, etc.) and contributed to increases in income and employment.

For the Second Phase (1986 onwards), the AKRSP strategy lays emphasis on improving the integrated management of resources at farm, village, and valley watershed levels. This is to be achieved through work on farming systems, integrated livestock-cropping pasture systems, and contributions to valley planning and management. The strategy is expected to lead to improvements in the productivity and sustainability of natural resources and an enhanced capacity among villagers for managing common supra-village resources. These issues are now being addressed by AKRSP's existing programmes in collaboration with relevant government and other international agencies. The need for greater women's involvement in resource development programmes is also being recognised.

The World Bank evaluation of AKRSP's First Phase activities concluded that AKRSP's achievements were attributable to the effectiveness of institution-building efforts at the village level. The primacy of the VO, continued attention to innovation, and the flexibility of AKRSP as a NGO were judged to be critical to the effectiveness of the management principles used in AKRSP. The existence of an administrative and political vacuum at the local level, the tradition of cooperation, and a high proportion of Ismaili villages were other characteristics of the project area that worked to AKRSP's advantage. The major operational implication of AKRSP's approach was that the VO is the missing link between conservation and development and between income generation from a resource and its sustainable use over time. AKRSP, thus, provides a model for the management of change through institutional and technological innovation.

Unlike during the First Phase, issues relating to non-traditional assets and supra-village dimensions of collective management are being addressed in the Second Phase of AKRSP activities. Villagers are responding to the new challenges with reference to traditional patterns of management. The AKRSP experience suggests that common property resources (such as forests) can be sustainably managed if the

administration offers to work with AKRSP and the VOs and if the VOs can devise rules for internalizing the costs and benefits of resource use.

The in-depth case studies of the organizational structures and institutional arrangements for resource management, in the nine villages of the AKRSP Project Area in Gilgit, display a number of common features. For example, membership in the VO is open to all households; one male member represents each household; women participate either through a Women's Organization or by attending VO meetings; VOs are organised by neighbourhoods; and multiple VOs may work in the same village by apportioning the share of work. In the majority of cases, VOs were initially formed to implement a PPI, start group savings, and nominate and support a cadre of village level specialists. Decisions are by consensus and the process of the VO's operation, including finances, is transparent. Technical services are provided by the AKRSP through the Social Organization Unit (SOU) which consists of a Social Organizer, an Engineer, and an Agriculturist. Wages, determined by the VOs, are paid in return for unskilled labour contributions and village level specialists are remunerated for services rendered. A variety of methods are used by VOs to mobilise financial resources. AKRSP provides short-term loans for inputs and marketing and medium-term loans for land development. VOs devise their own rules and discipline and their meetings provide a forum for communication among members.

Although institutional and technological innovations are imperative for effecting rural development at the local level, AKRSP's experience demonstrates that institution building should precede the delivery of technology. Therefore, the models of community management and sustainable production together make up the model for sustainable resource management.

On the basis of AKRSP's experience, a number of operational guidelines for models of community organization and sustainable production become apparent. These are described below.

- o An innovative approach to planning has to combine local knowledge and traditional practice with scientific knowledge and modern practice. The areas of comparative advantage for villagers and outside experts have to be identified. Informal methods of enquiry, structured long-term monitoring, and understanding of regional trends are essential to combine the two sources of knowledge and expertise.
- o Lessons learned from AKRSP in collective management suggest that the VO has the potential to be the manager of natural resources and act as a service contractor. Production units that are not traditionally common property, however, represent a formidable challenge to collective management. Also, the scope for a greater role for women, in management of natural resources that are not traditionally common property, needs to be further explored. Institutional development has no blue-print, it is a learning process.
- o AKRSP experiences have also produced a minimal framework for a sustainable production model. Developing an awareness of environment-specific technological options, analysing markets and their susceptibility to change, identifying "recommendation domains" (groups of areas where a

combination of resource, technology, and market can have broadly similar results), and maintaining the balance between activities with short-term payoffs and those with long-term payoffs are some of the essential elements of a sustainable production model.

- o Innovative practices need to be backed up by a communication strategy. Simple and clear recommendations are most effective. In AKRSP, model farmers, village meetings, dialogues, and village demonstration plots have been regular features of the programme. Audio-visual methods of communication can be quite effective in extension efforts. In the AKRSP area, greater emphasis needs to be placed on communication with village workers.

A small farmer development programme like AKRSP raises a number of questions regarding future directions. AKRSP offers a development package that combines collective management with agricultural production and marketing. The roles of AKRSP and the VOs are, however, limited and cannot respond to the larger environment. AKRSP and the VOs have been both innovative and have adapted to change. Innovation by VOs has been most forthcoming when the VO has been offered an appropriate opportunity by AKRSP. Similarly, AKRSP's innovation in programme development has been most forthcoming when it has perceived villagers taking the lead. The basic lesson that can be derived from the study is the recognition that indigenous organization models do exist and village and project management can be improved by dwelling on participatory dialogues and building the capacity to respond to change.

ORGANIZATIONAL INNOVATIONS AND THE IMPACT ON RESOURCE UTILIZATION IN THE PAK-GERMAN SELF-HELP PROJECT AREA, BALUCHISTAN

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The objective of the study was to analyse the process of rural development in Baluchistan in the context of the Pak-German Self-Help Project. The Project was established in 1983 with GTZ as the implementing agency and the Local Government Department (LGD) as the counterpart. The aim of the project is to improve the socioeconomic conditions of the rural base in selected union councils of Baluchistan by pursuing a strategy of self-help to mobilise resources, organise village level self-help groups, and facilitate popular participation in the development process.

Baluchistan is the largest and the least developed province of Pakistan. Eighty-five per cent of the 4.3 million people (1981) live in villages that are scattered throughout the desert and mountainous areas. Baluchistan manifests a wide variation in topography, soil, and climatic conditions. The cropping pattern is diverse but settled agriculture is limited. About 70 per cent of the rural population are pastoralists and live a semi-nomadic life. Agricultural development in the past few decades has contributed to change in the agrarian structure. Consequently, common property rights have given way to private ownership of land and pastures. Ethnically, the province is heterogeneous comprising of three major groups: the Baluchis, the Brohis, and the Pattans. The social organization is tribal. Tribes inhabit fairly defined geographical territories and, despite the abolition of the legal basis of the system in 1976, it still persists. Sex segregation is common. Women play only a limited role in decision-making concerned with the management of resources. Scarcity of safe drinking water is the major health hazard.

Under the indigenous resource management system, all resources in the area were the common property of the entire tribe. With increased pressure on resources, the development of irrigation, and establishment of revenue records, influential tribal gentry began to impose "enclosure" on common land. Consequently, common rangeland began to disappear. However, the institution of range closure and a common property regime for range management survives in a limited number of areas in Baluchistan. Since livestock raising is a principal economic activity, over-exploitation of commonly owned rangeland has emerged as a major problem.

Indigenous institutions for water management still perform their role in the maintenance of the water courses and in distribution of water according to established water rights.

It was in this setting that the Pak-German Self-Help Project aimed to inculcate the spirit of self-help by supporting self-help groups at the village level. Self-help groups were designated as the Project Committees. The Project Committees identified the felt needs of the villages and, on their behalf, the Development Officer (DO) of the Local Government Department (LGD) submitted applications

for community development schemes for funding to the Pak-German Project. Scheme implementation was the responsibility of the DO of the LGD. The programme was initiated in six union councils in four districts of Baluchistan.

During 1983-1985, known as the Orientation Phase, the Project approved 293 schemes. About 17 per cent of the schemes ran into difficulties. Questions were raised regarding the nature of the schemes and benefits to the community from the schemes. Shortage of field staff for monitoring the activities of the Project Committees was a major problem. In 1985, a GTZ team evaluated the strategy and implementation procedures of the Project. It noted that the Project had failed to organise broad-based self-help groups and had relied more on "local influentials". The project staff was too small to supervise the large number of schemes. Scheme approval procedures were unsatisfactory and the Project lacked a sustainable institutional structure. The evaluation team recommended that broad-based village organizations (VOs) be formed and enabled to establish common savings' funds. For the integration of project activities, the evaluation team recommended the creation of a Self-Help Unit within LGD.

The lessons learned from the Orientation Phase helped in the formulation of a coherent strategy and a well-defined work plan for project implementation. Specific goals and verifiable indicators for the Project were worked out. Three more union councils were brought within the Project. The concept of the VO was introduced to encourage self-help, effect popular participation, and establish the VO as a village institution. The project management base was broadened through participation of the LGD. A Self-Help Unit was created in the Project by the LGD. The Project was implemented with these changes from 1986-1988. This was the First Implementation Phase.

In this phase, the VO concept, successfully used by the AKRSP, was applied. The experience showed that decision-making by consensus was more successful in communities with a majority of tenant-cum-small-landholders. VOs were required to establish and maintain a joint savings' fund and physical infrastructure projects were intended to help the VOs in capital formation. Savings were raised by depositing 25 per cent of wages earned from physical infrastructure projects in the VO savings' account.

In operational terms, the VOs proposed the scheme to the DO. Feasibility of schemes was determined by the field staff of the LGD. A Monitoring and Evaluation Unit reported on the operational status of projects. By the end of 1988, 181 VOs were organised in 179 villages; 127 schemes were approved; and considerable savings were made by the VOs. Most of the schemes involved the creation of physical infrastructure. Some activities for women's development were initiated but these had a very limited scope and were restricted to a few union councils.

The Project entered the Second Implementation Phase by mid-1988. On the basis of lessons learned, organizational changes were introduced. Separate Training, Technical, and Social Development Sections were created. Within the Social Development Section, three social organisers were appointed and each was made responsible for specific VOs in the union councils.

The training of villagers in different fields, particularly in health, was emphasised. Training was also imparted to women in health, nutrition, and traditional skills. Internal lending schemes were initiated through the VOs. The DO was made responsible for regular monitoring and evaluation of VO activities.

However, there were several problems. These included financial irregularities; the problem of communication due to the difficulty in recruiting a polyglot staff; and the difficulties faced in regular field visits.

The Project has demonstrated that learning from experience and adapting to situations as they arise can yield results. More specifically, the Project has contributed to the improvement of the water supply situation in many areas. It has also helped communities to adjust to social and economic changes. Schemes in the livestock sectors have brought about market-oriented changes.

Assistance in the development of human skills through training has created a local pool of trained manpower. Women's programmes have helped integrate women in development activities to some degree. Institution building in the form of VOs has created a base for the sustainable management of local resources. Project-sponsored institutions have still to explore and demonstrate their full potential. VOs, in particular, have been more successful in poor areas where indigenous institutions are strong.

The case studies of the five villages, included in the study, elucidate the problems as well as the prospects for development through projects such as the Pak-German Self-Help Project. The Project attempted to operate through existing government institutions in so far as this was feasible. The integration of the rural development project with a local government institution was intended to strengthen institution building and implementation. Empirical evidence from the project area indicates that sharing responsibilities with the LGD has not been completely successful. Coordination among different agencies remains a major problem.

The study recommends that the project areas should be contiguous. Supervision and monitoring problems are compounded in non-contiguous areas. It was observed that, in relatively prosperous communities, the communities tend to be factional and segmented. The Project might, therefore, want to withdraw from such areas. On the management side, the Project has faced problems as a result of lack of supervision. An autonomous project leader with this responsibility might improve project implementation. Fixed daily wages for labourers, working on physical infrastructure projects, has led to abuses in certain cases. Daily wages should, therefore, be negotiated on an individual basis.

THE CONTRACTUAL RESPONSIBILITY SYSTEM AND RURAL DEVELOPMENT IN MIYI COUNTY

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The objective of the study was to examine the organisation and management systems, ownership patterns, and distribution and productivity aspects of the *Contractual Responsibility System* introduced in 1982. The study is based on case studies undertaken in eight villages of Miyi County.

Miyi County is located in the Hengduan Mountain Region. The overall relief consists of alternate gorges and ridges. The climate varies from subtropical to temperate, and average precipitation exceeds 900 mm. Strong insolation and high temperatures give the region a climatic advantage since vegetable production is 1-2 months ahead of the normal season in other parts of the country. The County is an important vegetable producer. About 17 per cent of the land is under agriculture and 47 per cent is under forests. Around 1.7 million people, mainly Han, inhabit the County, and nearly three-fourths of the population live in river valleys. Agriculture is the predominant activity and over 90 per cent of the population live in villages.

Compared to the past 40 years, the value of agricultural output has expanded rapidly. The economy has also been relatively diversified. Significant achievements have been made in the field of capital construction and productive infrastructure such as irrigation, hydroelectric installations, etc.

Development in Miyi County reflects, in microcosm, the development process in China since 1949. Fundamental changes have been made in the ownership pattern. Policy changes affecting ownership have occurred every two years or so since the 1950s, resulting in changes in the organization and management of production. It is only in the last ten years that economic principles based on resources have been introduced. Prior to 1978, political and administrative interferences; lack of concern for regional and ethnic differences; and a bias towards large, collective, albeit egalitarian, distribution had serious consequences on the production and resource (particularly forest) situation.

After the introduction of the *Contractual Responsibility System*, leeway has been provided for individual choices and decisions through a structured planning process. Features of a planned market economy are combined with features of a traditional, self-sufficient economy.

At present, the administrative structure in the county has four tiers. The County Government makes policy decisions. County Bureaux provide the townships and villages with directions concerning the organisation and management of resources. Township Governments organise and guide the villages in undertaking productive activities. At the village level, village leaders organise concrete production activities and sign contracts with households and collective teams. Large and medium projects are the responsibility of the County Government. Townships and

villages draw up their own plans based on directives and local situations. The People's Committee is responsible for village development. Its functions are manifold and include production management as well as welfare.

At present, State, collective, and private ownership patterns coexist in Miyi County. The same household may work under all three patterns. Collective ownership is, however, predominant. State ownership is confined to land, parts of forests, and major infrastructural installations. Private ownership is restricted to small agricultural implements and family plots. Since the introduction of the *Contractual Responsibility System*, collective ownership operates at the village, cooperative, and household levels. A variety of ownership systems coexists within the collective system. Water conservancy, technical services, and welfare remain the main collective activities. Under the *Contractual System*, the County Government signs contracts with the township which in turn signs contracts with the villages, the villages with the cooperatives, and the cooperatives with the households. Land is generally apportioned to each household, but some aspects remain under the control of the union of households. In order to deal with the problem of labour scarcity, a system of exchange among households is practised.

The collective retains the right to deduct a certain percentage of income from each contracting household for redistribution (mainly in the form of benefits). Despite this, the introduction of the *Contractual Responsibility System* has resulted in rising disparities between the rich and poor which did not exist in the past.

Resource utilization in the villages of Miyi County is based on low level traditional agriculture and rarely on post-harvest processing and, as such, is not optimal. Crop-livestock mix, crop livestock-biogas, and "vertical" agriculture, through comprehensive use of light, heat, soil, and fertiliser, are some of the more common resource use patterns.

The irrigation and water system, though owned by State or collective, are managed by contracting households or household groups. Large systems are managed by the State. The County Government is responsible for scientific and technical support. Self-organised Farmers' Societies, consisting of professionals and experienced farmers, are the major source of innovation. Training needs are taken care of by specialized training schools.

Under the *Responsibility System*, a part of household production is used for taxes. A typical family has three income sources: production from family work, payment for collective work according to contract, and bonuses from collective enterprises according to work. Those who work more, therefore, earn more income.

Funds for local development come from the State, Province, and County Governments in the form of operating expenses for production. Loans from State Banks and the collective savings of farmers are other sources. Priority in loans is given to production inputs. Commodity circulation takes place in two forms. There is the "invisible" structure of State monopoly in purchasing and marketing; important agricultural commodities circulate under this system. Traditional free markets coexist where State trading agents, marketing cooperatives, and individuals trade in farm products and hand-made goods.

Since the 1980s, Miyi County Women's Federation has been encouraging rural women to go into commodity production. Training, to upgrade women's skills in agriculture and livestock, has been an essential part of the activities of the Women's Organizations. As a result, changes are taking place in the role and status of women.

Observations regarding women's involvement in selected villages and households show that household work and livestock raising are shared by husbands and wives. While the preparation for production and marketing is the responsibility of men, women are involved in agricultural and livestock activities in or near the house. Because of the enhanced scope for subsidiary production, women's contribution to family income is almost at par with that of men and is rising faster. Expenditure patterns reveal that women spend very little on themselves. The introduction of the *Contractual System* has contributed to a rise in women's income and status as well as their role in decision-making. There has also been an increase in the participation of women in social activities. About ten to fifteen per cent of leadership positions at the township level are filled by women. Although the level of female education in Miyi County has risen, the enrollment of girls decreases with the level of education. The situation is worse in the case of minority nationalities.

Assessment of the *Contractual Responsibility System* in Miyi County shows that the rural economy has improved as a result of changes in production structure. The decentralized structure has contributed to the creation of a sound base for comprehensive use and management of resources. A number of problems are, however, apparent. These result from small-scale production; a widening gap between rich and poor, as well as between and within villages; increases in the surplus labour force; neglect in the maintenance of common irrigation channels; and problems with respect to the environment.

A number of suggestions are made to improve the situation in the future. These include: enhancement of support services and marketing systems, improvement in land and water resources (particularly farm land and irrigation works), protection of the environment, and universal education up to middle school level.

MANAGEMENT OF RESOURCES FOR DEVELOPMENT IN QUXU COUNTY, TIBET, CHINA

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The objective of the study was to discuss the organization and management of production in Tibetan villages. The paper draws upon the case studies of nine selected villages in Quxu County.

Quxu County is situated in the middle reaches of the Yarlongzangbu River in the Tibetan Autonomous Region. Geographically, the County is a temperate semi-arid mountain plateau characterised by shrubby grassland. The altitude ranges from 2,300 to over 5,000m. A continental monsoon climate prevails with about 133 frost-free days in a year and about 450 mm of annual precipitation. The valley areas are centres of agricultural production and are densely populated. Higher altitudes have natural grassland.

Quxu County is part of the administrative area of Lhasa City. The total rural population is about 25,000 distributed in 166 villages. Ethnic composition is predominantly Tibetan. Agriculture and animal husbandry are the major activities, and there were over 100,000 head of livestock in 1987.

Educational levels are much below those of other regions outside of Tibet. There is little gender discrimination and women fully share in production work. Religious traditions are strong. Commercial exchange is limited.

Most of the cultivated land is along river terraces and valley floors. About three-fourths of the cultivated land can be irrigated and about 90 per cent of the cultivated area is used for grain production; mainly naked barley, winter wheat, and potatoes. The industrial foundation is weak.

The County has a closed, small-scale economic system. Villages with road access have better commercial activities. Quxu Town does not have a market but it has a number of service points. Location, irrigation possibilities, and availability of arable and pastoral land define the production system.

Cooperative groups were introduced during 1960-67 on the basis of village units. Administration by the *Xiang* was introduced with the establishment of the *Contract Responsibility System* in 1983. Altogether there are ten *Xiangs* covering Quxu County.

The villages are managed by the Commission for Village Management (CVM) whose members are selected by the villagers themselves. With the introduction of the *Contract Responsibility System*, agricultural as well as infrastructural facilities have improved. Education is free but children from farming villages have a higher enrollment rate than those from villages where animal husbandry is a major occupation. The *Responsibility System*, however, has increased the family work load and, consequently, children are prevented from attending school. As a result

of socioeconomic development, family size has tended to decline, although the County still has a higher than average rate of population growth.

Village case studies show that three major types of production system - animal husbandry, a mix of animal husbandry and farming, and farming - prevail in the County. Farming, animal husbandry, fishing, and subsidiary production are the main sources of income. Livestock production determines the standard of living.

With the introduction of the *Responsibility System*, the CVM no longer has the right to manage land or production. Property is allocated to each family according to the number of members. A number of resources are managed collectively, and collective property is managed by the CVM and supervised by the local administration. Family or private property consists of draught animals, tools, and livestock; in addition families own arable and pasture land. There are only a few differences in terms of management and technological inputs among villages.

Only a few natural forest areas remain. A *lingka* (small areas of forest for timber and other village uses) is maintained by every village. Under the *Responsibility System*, *lingka* resources are distributed according to family size but are managed and protected collectively by the CVM.

The *Responsibility System* has made families the key decision-makers in production activities. This stimulated the initiative of farmers and pastoralists to increase production. Land, irrigation facilities, and public constructions are still owned by the collective.

A number of issues have emerged after the introduction of the *Responsibility System*. Farmers ceased to grow high yielding winter wheat, for example. The Government had to intervene to restore wheat cultivation and farmers' decisions had to be guided by the Government. The *Responsibility System* has also led to the neglect of irrigation facilities because of the lack of coordination and cooperation between the villages and *Xiangs*. Because of the small size of holdings, the use of machinery has declined. There has also been a marked decline in specialization. Also, the tax-reduction policy of the Government resulted in a drop in County revenue. This has weakened the linkages between farmers/pastoralists and the Government. The operation of market forces also led to a rise in the market price of grain at times of shortage. Consequently, the Government forbade the sale of grain in the open market. This has adversely affected grain production.

In conclusion, a number of recommendations has been made for the development of Quxu County. Expansion of irrigated areas and renovation of canals are priority areas for increasing production. The *Responsibility System* needs to be supported by collective work in maintaining the infrastructure essential for production. Vegetable gardening for the market in Lhasa should be explored. Animal husbandry has to be guided by commercial considerations. Pasture degradation, due to overgrazing, is a serious problem. Areas of fenced grassland should, therefore, be increased and their usage controlled. Natural forests have vanished. Forest protection needs to be encouraged to facilitate conservation and the agro-ecological balance. Extensive reforestation is essential. To meet rising energy needs, new hydropower stations have to be constructed. Education, technical training, and the strengthening of agricultural services need to be emphasised. A supply and

marketing system for inputs and finished products has to be established. Other areas requiring attention are as follows:

- o family planning to reduce the population growth;
- o reduction of non-productive expenditure; and
- o transformation of the closed, traditional barter economy into an open economy integrated with wider markets.

THE MANAGEMENT OF FOREST RESOURCES IN SINDHU PALCHOK AND KABHRE PALANCHOK DISTRICTS OF NEPAL

R.J. Fisher, H.B. Singh, D.R. Pandey, and H. Lang

Since 1978, His Majesty's Government of Nepal (HMG) has encouraged the hand-over of forests in the Middle Hills to local communities. The main objective of this is to promote development through decentralisation and people's participation. This becomes necessary (i) due to the inadequacy of government staff to manage all forests and (ii) because people will continue to use the forest regardless of the tenure, since the forest products are an important part of the farming system. However, the hand-over process has been slow, and it has become clear to many observers that local communities had been organising and managing forests on their own initiative. This study of two districts, where there has been a long history of involvement by the Nepal-Australia Forestry Project (NAFP), was conducted to explore the ways in which these indigenous systems operate.

Both Sindhu Palchok and Kavre Palanchok Districts are located in the Middle Hills of Nepal and can be reached within one and half hours from Kathmandu. This relatively high level of accessibility facilitates project activities. It also means that most residents have access to major markets which provide employment opportunities in addition to being outlets for surplus goods and sources of consumer goods. Nevertheless, most people remain heavily dependent on agriculture and livestock production for subsistence. Food deficits are common and migration is a strategy used to sustain a significant number of households.

The population of the two districts is composed of a mixture of Hindus and Buddhists; sometimes found in mixed communities, but frequently living in separate hamlets.

Forest management systems, defined as a set of practices (including protection, utilisation, and distribution of products) and the institutional arrangements by which they are carried out, can be indigenous or externally-sponsored. Historically, forests in these districts were controlled by local appointees of the central authorities in power (Ranas) to extract fees and taxes from the utilisation of forests. This system did not allow for the emergence of true indigenous management systems. Since its demise in the 1950s, political, demographic, and environmental circumstances have encouraged the formation of numerous (15 identified in one Panchayat) indigenous systems. Almost without exception, such systems have appeared only within the past three decades.

Systems observed in the area ranged from structured social organisations with committees to relatively simple institutional arrangements. Structured systems typically consist of a defined users' group represented by a committee. A common feature of such systems is the existence of forest watchers who are paid through the collection of grain from each household. The sense of ownership and responsibility involved in paying the watchers is crucial to the successful protection of the forest.

Informal institutional arrangements, with mutually agreed upon norms and values, often exist in the absence of formal organisations. These norms, based on a degree of consensus within the group of users, are the essence of all indigenous forest management systems. The critical issues in defining membership in a users' group is the presence of mutually recognised rights to a particular forest or grazing area. Users' groups covered by the study were usually small (30-50 households) and identified by residence in the locality. Evidence suggests that residence is the primary principle underlying usage rights, but lineage-based forest management systems also exist. Another factor that has an effect on user group definition is whether the system is focussed on protection or utilisation. Groups merely protecting forests tend to be larger in size and rather loosely defined.

The effectiveness of local systems can be analysed in terms of sustainability of forest production and of the utilisation. Most of the systems studied demonstrate a conservative management scheme, limited to protection with little or no utilisation of products. This may reflect the organisational difficulties inherent in distribution, for a large and heterogeneous users' group, or the legal constraints in cutting green wood.

Considerable evidence exists to show that local systems emerged in response to perceived shortages of forest products. However, this may not be a sufficient condition; it is argued that political stability, such as that afforded by the establishment of the Panchayat System, also created conditions favourable to the development of indigenous systems. Strong local leadership and homogeneity of users are also important factors.

A second hypothesis, supported by this study, is that greater participation is encouraged under circumstances of equitable distribution of benefits to all users. Few complaints about unfair treatment of women or low caste people were heard, unlike the situation with externally-imposed systems.

In conclusion, the authors present a discussion of the implications of the study for future forestry development programmes in Nepal. The failure of many such activities has often been associated with an inadequate understanding of local conditions such as land rights and existing local management systems. There is an imperative to understand these local realities right from the beginning in order to develop appropriate forms of assistance.

Furthermore, there is a need for a flexible strategy which recognises, utilises, and builds on existing indigenous rights and institutions. A "minimum intervention strategy" is advised as follows: where an effective system exists, it is best to leave it alone. Inadequate existing systems should be strengthened by attending to their problems and, where new institutions need to be established, existing usage rights must receive close attention. It is noted that "minimum intervention" should not imply minimum activity but rather refers to the need to avoid unnecessary changes.

The underlying lesson here is that there is a position between the idea of the ignorant villager and the idea of the all-wise villager held by some development professionals. The role of development agencies is to recognise and build on the strengths of village systems while finding ways around the limitations.

WOMEN IN HATTISUNDE FOREST MANAGEMENT IN DHADING DISTRICT, NEPAL

Shanta Pandey

Hattisunde Forest is a 1.3 hectare forest protected by 53 households from four villages of one Panchayat of Dhading District in Nepal. In 1986, the communities involved in its protection and management were awarded the "Jarajuri Award"¹ in recognition of their efforts to conserve the forest on their own initiative with no outside assistance. The women of the communities played a significant role in the successful forest management system.

Almost 99 per cent of Dhading's population is involved in agriculture, and a notable proportion of households derive income from the sale of livestock and seasonal migration activities. Many households do not produce sufficient food to feed themselves throughout the year and all are relatively poor subsistence farmers.

Hattisunde Forest had been subject to heavy usage for timber, fodder, and the making of leaf plates and bowls until about ten years ago. At that time, one woman began protecting the *sal* (*Shorea robusta*) trees on her private land, and, eventually, she extended protection to the trees of the forest area adjacent to her paddy field. Other villagers became aware of the benefits of protection through her example and became instrumental in encouraging the protection of the entire forest. During a village meeting, with representatives from each household, it was decided to protect the forest and distribute its resources to all on an equal basis. Rules were established to penalize violators and to permit the cutting of grass and *sal* leaves at certain times.

The management of this forest continued informally until the community received the "Jarajuri Award" in 1986. As a result of a conflict arising within the leadership at that time, the household representatives chose to establish a formal Forest Management Committee. However, the management did remain informal and there was no need for fencing or a forest guard. In fact, despite the dense growth that resulted after years of protective measures, villagers have not yet begun to harvest or even thin the trees. Regulations for the use and distribution of the valuable *sal* trees have not been established.

Women have played an active role in the initiation and ongoing protection of the forest. The reasons for this are numerous, and it is important to examine them, because of the rarity of their occurrence, despite the applicability of such schemes elsewhere in the country.

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1. The "Jarajuri Award" is given annually, to communities which have conserved a forest through their own initiative, by a private group of environmentally-conscious people.

- o Women perceive the value of protection measures because of the advantages to be had from a nearby source of fodder and fuelwood.
- o Women feel assured that they will have equal access to the forest products.
- o The simplicity of the management scheme, developed on the basis of their own knowledge and experience, does not require literacy and this makes it possible for women to understand.
- o The informal methods of decision-making and implementation are culturally compatible with the ways in which women have collaborated in the past in undertaking activities.
- o Local support for women's involvement and recognition of the key role they play has made women confident, despite their non-participation in formal meetings of the Forest Management Committee.
- o Women are *de facto* heads of households when menfolk migrate from the villages in search of work.

The case of Hattisunde Forest demonstrates that management of a forest by local people, with the active involvement of women, can be an effective, inexpensive way to regenerate Nepal's degraded lands. This case study raises questions concerning the desirability of government intervention in such instances where local communities have already initiated management schemes. Hattisunde villagers are fearful that the handover of the forest to the Panchayat will result in the forfeit of their rights to make decisions and reap benefits from the forest they have protected for so long. Another likely consequence is that women will be excluded as the management system becomes more formal and less locally-based. Nevertheless, the author is of the opinion that the study of the Hattisunde Forest Management System has much to offer Nepal's country-wide Community Forestry Development Project by providing a model for people's participation in forestry programmes.

INSIDE THE DHADING DEVELOPMENT PROJECT

Ludwig Stiller

The performance of Integrated Rural Development Projects in Nepal has, by and large, proved unsatisfactory to government planners and donors alike. Despite the achievement of agricultural targets, there has been no significant increase in food grain production, nor have serious pockets of poverty in IRD districts been affected. Instead, in some areas where incomes have sub-stancially increased, a steady disintegration of values of mutual assistance amongst villagers has been observed. Vested interests within the government bureaucracy and lack of coordination among line agencies have worked against the hope that IRDs could meet all development needs. A more realistic goal for planners would be to recognise that political and bureaucratic structures also need to develop and strengthen the linkages between line agencies and political decision-making bodies in order to cope with the responsibilities. The power granted to the people by the Decentralization Act needs to be understood before it can be effectively utilised for local level planning.

The Dhading Development Project (DDP), initiated in 1982 in one of Nepal's poorest districts, was designed to try out some approaches that are different from normally accepted practices of other IRDPs. As far as possible, all activities were to be directed through offices of the district, using existing services rather than creating parallel structures. DDP chose to focus on the villages at the ward level rather than the panchayat level, thus demonstrating their intent to work at the grass roots' level to maximize community unity and cooperation. The execution of projects would be entrusted to the villagers to mobilize their self-help potential, allowing them to choose the desired type of project. As a first step, the DDP strategy promoted confidence-building amongst members of users' committees in order that they might solve their own problems and develop trust in their leaders. This was followed by the delivery of a human resource development package to enhance the technical as well as organisational management skills of the users' committee members. Seed money and follow-up support were provided to assist them in gaining knowledge and experience. DDP personnel did not expect the people to become adept planners immediately, nor did they expect district offices to function without project assistance, but they hoped to set in motion a development process that would become self-sustaining.

The first phase of the DDP resulted in the construction of an impressive number of drinking water and irrigation facilities, trails, bridges, and schools. Training for literacy and also for technical skills in agriculture and cottage industries was provided. After five years, three lessons could be drawn from the initial experience:

1. most people are prepared to develop their villages themselves, with a little financial assistance,
2. long range development requires an awareness by villagers that they are responsible for their own welfare, and
3. the key to success is local level organisation.

Once the Government amended the Decentralisation Act to change the nature of users' committees into political entities, a serious obstacle was created for DDP. To promote the development of permanent self-help groups, DDP sought the collaboration of the Small Farmers' Development Project (SFDP) as an alternative channel to government line agencies. Local group leaders, including the youth, were trained to become SFDP promoters to assist existing groups and form new ones. These workers, who bridge the gap between the farmers' way of doing things and the procedural requirements of the bank issuing loans, have learned first hand the art of village leadership.

Under the auspices of the Community Development Programme of DDP, larger infrastructural development projects are undertaken at the panchayat level. Road construction is conducted using the same DDP strategy, through local organisations and local resource mobilisation.

In conclusion, three simple slogans, that have been adopted by DDP, summarize the lessons learned over the eight years of experience with this flexible approach:

1. funds and decision-making should be transparent; everyone should know what is happening and what it costs;
2. clear and simple guidelines should be used so that programmes can be easily understood by all; decisions made by local authorities must be honored; and
3. motivation must be built from the lowest levels by a consistent, confidence-building effort coupled with a refusal by the project team to accept responsibility for the people's development.

DEVELOPMENT AND BUDDHISM IN BHUTAN

Barun Gurung

Bhutan is a nation of subsistence farmers who cultivate only eight per cent of the plains, foothills, mountains, and river valleys that comprise the total land area. Farming systems are centered around small, scattered communities producing subsistence crops and livestock products. All items required for nutrition, energy, clothing, and shelter have traditionally been produced or collected from the land and the plentiful forests nearby. In addition to the cultivation of staple food grains, other crops are grown for various uses and to be consumed in times of food scarcity. These include oil crops, fibre crops, dye crops, fodder crops, and crops required for religious purposes.

Livestock production is well-suited to the highland areas of Bhutan. Cattle, sheep, and/or yak are raised in almost every rural household for the butter, cheese, meat, and hide they provide.

The farming systems, which have been influenced by such factors as environmental conditions, land availability, socioeconomic conditions, and religious beliefs, have proven to be sustainable in providing for all human needs with little ensuing environmental damage. This paper focusses on how a system can maintain itself under the pressures of increasing population, growing consumerism, and other changes brought on by development itself.

The introduction of Buddhism into Bhutan occurred in the sixteenth century. Since then, it has undergone an evolution to suit the particular social, cultural, and environmental conditions found in the mountain areas. The Buddhist value system has been absorbed into the subsistence culture, and has in turn provided a framework for its ongoing existence. The three components of Buddhism that are prominent in Bhutanese society are:

- o the social use of rituals,
- o monasticism and its social importance, and
- o the legal constitution which was established under the theocracy.

Rituals are of three types: (1) commemorative, in honor of the Buddhist saints, (2) expressive, serving as vehicles for manifesting sentiments felt towards the Trinity (Buddha, Dharma, and Sangha), and (3) instrumental. Of the three, instrumental rituals are of the greatest value to subsistence farmers. Natural and unnatural factors, that limit the chances for human survival under harsh conditions, require remedial action through the recitation of scriptures and the use of spells. Commemorative and expressive rituals are conducted with the motivation of accumulating merit to secure a better birth in future lives. The most common rituals include daily rituals, monthly rituals linked to the human calendar, and annual rituals to secure a good harvest. Death rituals (performed for 49 days) are very important ceremonies for Bhutanese Buddhists. All ceremonies and rituals

required by the society are performed by monks who also provide psychological support in times of need and promote Buddhist teachings. Traditionally, it has been a common practice to send a male child from each household to the monastery to receive an education.

The Constitution of Bhutan was drawn up in the 16th century, when the country was ruled by a theocracy. Based on the spiritual law of *karma*, as well as temporal concerns, this legal framework cemented the moral law of causality into a secular context. A belief that temporal actions require guidance from spiritually derived principles was the basis for the formulation of this dual legal system.

The cultural translation of Buddhist philosophy into the every day life of subsistence farmers is manifested in types of behaviour that are often not based on economic considerations. For instance, the killing of animals is taboo, with the result that farmers will not slaughter even sick animals for meat. Similarly, farmers are reluctant to use pesticides to improve crop yields or to cultivate tobacco.

In conclusion, it is proposed that the factor of religion has played a crucial role in promoting the sustainability of the Bhutanese subsistence culture. While the contribution of other factors, such as low population density and the Bhutanese farmer's ability to adapt to harsh conditions, are recognised, it is argued that it is the Buddhist world view that has given a sense of dignity and cultural richness that has endowed the society with its creative potential.

The challenges to the sustainability of this unique culture now come from development itself, accompanied as it is by values of modernisation that encourage the expansion of the economic system at the expense of the subsistence culture. Religious aspirations and respect for nature have no place in the growth of a society based on material ethics. Development in this context implies:

- o exploitation of the environment,
- o decreased independence and deterioration of self-reliance in subsistence-oriented communities,
- o promotion of market orientation,
- o increased urbanisation and the break-up of families, and
- o loss of traditional knowledge of subsistence production systems.

To avoid the cultural poverty that would ensue from such development, changes must be initiated by retaining the sustainable nature of the traditional subsistence culture.

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Founding of ICIMOD

The fundamental motivation for the founding of this first International Centre in the field of mountain area development was widespread recognition of the alarming environmental degradation of mountain habitats, and consequent increasing impoverishment of mountain communities. A coordinated and systematic effort on an international scale was deemed essential to design and implement more effective development responses to promote the sustained well-being of mountain communities.

The establishment of the Centre is based upon an agreement between His Majesty's Government of Nepal and the United Nations Educational, Scientific, and Cultural Organisation (UNESCO) signed in 1981. The Centre was inaugurated by the Prime Minister of Nepal in December, 1983, and began its professional activities in September, 1984.

The Centre, located in Kathmandu, the capital of the Kingdom of Nepal, enjoys the status of an autonomous international organisation.

Director : Dr. E.F. Tacke

Deputy Director : Dr. R.P. Yadav

Participating Countries of the Hindu Kush-Himalayan Region

- | | |
|---------------|--------------|
| ◦ Afghanistan | ◦ Bangladesh |
| ◦ Bhutan | ◦ China |
| ◦ India | ◦ Myanmar |
| ◦ Nepal | ◦ Pakistan |

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