

## THE WORKSHOP PROCEEDINGS

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### 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 I 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.