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