

## **DALITS, JANAJATIS, SUKUMBASIS, AND KAMAIYAS**

In Nepal, there are certain groups of people who for historical, social, or cultural reasons have become, or remained poor. This appendix provides a brief description of the identity, background, and current status of the four disadvantaged groups referred to above.

### **Dalits**

The word “dalit”, which mean oppressed, is of relatively recent origin. It refers to the lowest caste group, the Shudra, in the Hindu caste hierarchy. Traditionally, the Dalits have been relegated to doing dirty, menial work, and as a result, have been considered unclean, and therefore “untouchable” by the higher-caste groups who have reserved for themselves the right to do business, run the government, and educate themselves. Throughout their history, Dalits have been deprived, both economically and socially, by longstanding traditions, and during some periods, by law (Civil Code 1853). Recent laws (New Civil Code 1963, Constitution of Nepal 1990) have banned untouchability, abolished discriminatory legal provisions, and enshrined in the Constitution statements ensuring equality for all citizens irrespective of caste, creed, or gender. However, discrimination based on caste is still a fact of life in Nepal.

While according to the Population Census of 1991, nearly 14% of the population belongs to the Dalit community, only recently has their strength in numbers been translated into a united force for advancing their interests. Long marginalized by the rest of the society, even today they are expected to earn their living by performing tasks the rest of society considers to be unclean, and therefore performed only by Dalits.

Throughout their history the Dalits have been denied access to education. Even today, their access to education and other resources for escaping poverty is limited, as evidenced by their low literacy rate of less than 15% (for Dalit women, 3.2%). The Dalits have historically engaged in nonfarming occupations, with farm income representing only a small portion of their total income. They therefore have had little to fall back on when demand for their services diminishes. A recent survey (Save the Children US 1996) shows that only 21% of Dalits produce food grains sufficient for 90 days, 19.5% for 4–6 months, and 15.4 percent sufficient for one year. Only 5.1% of the Dalit population produces food grains in excess of what is required for family consumption. Given their limited income-earning opportunities and access to public resources, it is not surprising that approximately two thirds of Dalits currently live below the poverty line (Sharma 2000), living lives not only economically deprived, but stripped of self-respect and dignity as well.

The Constitution declares the practicing of untouchability punishable by law, and includes a provision for uplifting Nepal’s socially and economically backward communities. In 1997, the Government established for the first time a Neglected, Oppressed and Dalit Upliftment Development Committee, the objective of which was to uplift the Dalit community. The Ninth Plan commits the Government to uplift the social and economic status of Dalits through elimination of all forms of discrimination (NPC 1998). The Government has plans for a national committee to be formed for Dalits, including a three-tiered structure (central, district, and village) for the upliftment of Dalits in partnership with nongovernment organizations (NGOs) at the local level. In addition, the Ninth Plan includes a mandatory requirement that a certain (unspecified) percentage of government grants will be allocated specifically to the improvement of Dalits.

In recent years, several NGOs have been actively involved in addressing problems relating to Dalits. These include nonpolitical, nonreligious, and nonprofit organizations such as the Dalit NGO Federation (DNF), the Academy for Public Upliftment (Jana Utthan Pratisthan), the Dalit Welfare Organization (Dalit Sewa Sangh), and the Feminist Dalit Organization (FEDO). However, the success and effectiveness of the programs undertaken by these various agencies is not without question. It is disturbing to note that the budget of NRs136 million allotted for the Dalit Upliftment Program over 5 previous years (1995–2000) has been diverted to non-Dalits.

## **Janajatis**

Janajatis are defined as persons who have their own language and traditional culture, and who are not included under the conventional Hindu hierarchical caste structure (NESAC 1998). The Janajatis are thus for the most part indigenous people. Given their isolation, which results from the mountainous terrain in the north of the country and the (till the 1960s) malaria-infested forests in the south, they lived what seemed to be lives separate from the rest of the country. While the number of members of each Janajati community tends to be small, Janajatis are spread out nearly all over Nepal, constituting 35.6% of the total population (CBS 1993). Thus far, the Government has recognized 61 communities as being Janajatis, but the count may not be totally complete, and in the case of certain communities there is controversy as to whether these people are to be counted as Janajatis or not (Himal 2000).

The situation of the Janajatis, economically and otherwise, varies widely from one community to another, and depends on many factors such as physical isolation, whether or not they are nomads, the role relegated to them historically by the ruling elite, and loss of their traditional community-owned lands as a result of actions by the Government or other groups within society. The Janajatis that appear to be the worst off are those living in the Terai and the midhill regions.

Programs targeting Janajatis were initiated in the late 1980s, and with the coming of democracy there is more awareness of their situation. The Government established the National Committee for Development of Janajatis (NCDJ) in 1997, for the purpose of coordinating its programs for the upliftment and development of indigenous people, but thus far, its activities appear for the most part to be limited to distribution of funds to various Janajati organizations. For example, during fiscal year 1999/2000, of its total budget of NRs10 million, slightly more than half was distributed to several Janajatis organizations. The other government program is the Praja Development Program (PDP), which is primarily active in the upliftment of Chepangs of Chitwan, Dhading, Gorkha and Makwanpur, which are the largest Janajati group, and the most backward of all Janajatis.

Since the coming of democracy in 1990 there has been a substantial growth in the number of organizations of Janajatis officially registered with the Government. At the national level, these organizations have formed a federation, the Nepal Federation of Nationalities (NEFEN), and relative to the Dalits, the Janajatis are more organized and visible. However, unlike the Dalits, Janajati groups have varying agendas, which makes it difficult for the Janajati community as a whole to agree on a common set of goals. At times the Government has made various declarations about uplifting the Janajatis, and to its credit, it has carried out various programs, but as in the case of the Dalits, significant results are yet to be realized.

In the case of the Janajatis the Government faces an even more difficult task, since unlike the Dalits who face more or less the same issues regardless of where they live, the Janajatis comprise different groups of people at various stages of development, who live in

varying degrees of isolation. One of the objectives of the Ninth Plan is to eradicate social imbalance by uplifting indigenous people and ethnic groups economically and socially. A related goal is to uplift the overall status of cultural development of the nation via exploration and preservation of the unique cultural heritage of indigenous peoples and ethnic groups.

### **Sukumbasis**

Sukumbasis are defined as landless settlers who reside in areas such as open fields, banks of rivers, and forest areas in the absence of official governmental approval or physical infrastructure. The Sukumbasis are generally in-migrants (typically from the Hills to the Terai), victims of natural disasters or manmade conflicts, or indigenous people who have lost their traditional land. They thus possess little or no land other than that they are currently occupying, which is land they have not been given official permission to use. However, not all people who occupy lands without government permits are Sukumbasis, since some fall under the category of unplanned settlers, who have commandeered public land for commercial purposes. Sukumbasis, together with landless peasants, are people targeted by the Government for assistance, usually in the form of resettlement programs. In order to study issues relating to Sukumbasis and landless persons, the Government has formed various commissions which on some occasions has distributed land to these groups. A brief description of some of the Government's resettlement programs is given below.

### **Kamaiyas**

The term "kamaiya" refers to agricultural indentured laborers lacking land or property who are required to serve the single *kisan* (landlord) to whom they are financially indebted until the debt is repaid. Typically, the Kamaiya and other family members work for a single kisan and in return get payments in kind, or in-kind payments plus a wage. But in most cases, the earnings are so small that the Kamaiya is unable to pay back the loan and ends up serving their kisan for a lifetime, and in some cases, from one generation to another. According to a survey conducted in 1995 by the NGO Backward Society Education, there were about 40,000 Kamaiya families scattered around Nepal. The Kamaiya problem is most prevalent among the Tharu (a Janajati) community that inhabits the mid- and far-western Terai where landlessness, low levels of human capital development, and lack of employment opportunities have contributed to this exploitative form of employment.

Programs designed specially for Kamaiyas are the Kamaiya Debt Relief Program and the Kamaiya Skill Training Program, which address the issues of debt (source/accentuator of bondedness), and low levels of human resource development. However, because both of these programs concentrate on narrow aspects of the Kamaiya problem, they are unable to offer a comprehensive program enabling Kamaiyas to earn a respectable wage, or to make a living via some alternative form of employment.

On 17 July 2000, the Government made the landmark decision to outlaw bonded labor. Thus, forcing another person to work under the Kamaiya system is now punishable by law. While this is a positive development, in order to actually terminate the Kamaiya system, the authorities must be prepared for difficult battles, both on the legal and political fronts (*Kathmandu Post*, 1 August 2000).

## **Concluding Remarks**

Most of the poverty reduction programs run by the Government that focus on disadvantaged groups are for the most part centrally conceived, designed, and implemented, and are therefore characterized by low local participation rates. Typically, these centrally-driven programs suffer from high levels of political interference, few (if any) consultations with the intended beneficiaries, a tendency for quick fixes rather than long-term solutions addressing underlying issues, inadequate supervision and monitoring, and lack of transparency. As a result, many of these programs fail to address the multifaceted problems faced by the targeted groups.

The programs for Janajatis and Dalits seem to have had minimal impact, due to scant funds, problems associated with targeting and misappropriation, an emphasis on distribution of funds to organizations (without any follow-ups) as a measure of success, and an inability to address the underlying causes that lead to deprivation of the target groups. Targeted programs for Sukumbasis are generally also mired in politics. As for the Kamaiyas, the situation might appear a bit brighter following the 17 July 2000 declaration by the Government, but this must now be backed by enforcement of wage-based employment, or provision of alternative employment for the Kamaiyas who have now at least technically been freed.

## PROCEEDINGS OF THE HIGH-LEVEL FORUM ON POVERTY ANALYSIS

### A. Highlights of the Program

The High-Level Forum to discuss ADB's Poverty Analysis was held on 26 February 2001 at Hotel Himalaya in Kathmandu. The National Planning Commission's (NPC's) Secretariat and Asian Development Bank (ADB) jointly organized the Forum. It was attended by approximately 90 participants from the Government, the diplomatic corps, aid agencies, nongovernment organizations (NGOs), community-based organizations (CBOs), academia, and members of the press. The Forum was chaired by Prithvi Raj Ligal, honorable Vice-Chairman of the NPC.

The Forum began with the delivery of welcoming remarks by Richard Vokes, Resident Representative, Nepal Resident Mission, ADB. Thereafter, Bhuban B. Bajracharya, Poverty Consultant, made a presentation on the poverty situation and its trend in Nepal. It was followed by a presentation of Tirtha Dhakal of NPC on the outcome of public consultations conducted while developing the Interim Poverty Reduction Strategy (IPRS) prepared by NPC. Brian Fawcett, ADB, presented ADB's approach to poverty reduction in Nepal. Speaking from the chair, Prithvi Raj Ligal gave a keynote address to the Forum. At the end of the inaugural plenary session, Mahendra R. Pandey, Joint Secretary, NPC Secretariat, gave a vote of thanks.

The different components of the Poverty Analysis were presented during plenary session. Afterwards, the participants were divided into five theme groups—each chaired by individuals having prominent and extensive experience in their respective areas as follows:

- **Institutions and Good Governance**  
Mohan Man Sainju
- **Growth and Macro Policy Environment**  
Satyendra Pyara Shrestha
- **Social Sectors**

- **Durgesh Man Singh**
- **Agriculture and Rural Development**  
Ram Prakash Yadav
- **Rural Infrastructure**

Ravindra Kumar Shakya

The groups reported on their assigned topics in the second half of the plenary session. The Forum concluded with a vote of thanks by Richard Vokes.

#### 1. Welcome Remarks

Welcoming the participants, Mr. Vokes indicated that the objective of the Forum was to discuss the draft Poverty Analysis. He reiterated the emphasis ADB has placed upon poverty

reduction, particularly so, after President Tadao Chino took office. Poverty reduction is now ADB's overarching goal.

Mr. Vokes explained ADB's new Poverty Reduction Strategy under which a poverty reduction partnership agreement (PRPA) will be signed with each developing member country. The PRPA will be developed based upon ADB's Poverty Analysis and the Government's priorities as enunciated in its IPRS, and in ADB's Country Strategy and Program (CSP) for Nepal. The PRPA is to be prepared in partnership with the Government and also in consultation with other key stakeholders. He thus clarified the critical importance of the High-Level Forum in implementing ADB's poverty reduction policy.

Since the Government's decision to revise and strengthen its poverty reduction strategy can be seen in its commitment to prepare a full PRS, Mr. Vokes was of the opinion that the PRS should ideally be merged with the Tenth Plan. Both the Government's IPRS and ADB's Poverty Analysis have largely benefited from the direction provided by the Experts Group formed by NPC and the outcome of public consultations. He thanked NPC particularly its Vice Chairman Prithvi Raj Lital, and his colleagues and other government officials for their active support.

## **2. Poverty Situation in Nepal**

Presenting the first and third chapters of the Poverty Analysis, Mr. Bajracharya dwelled upon the poverty situation and its trend in Nepal, and the Government's development thrusts in poverty reduction. He observed that understanding of poverty is not as clear as we want it to be though it can easily be observed. There is still debate on the nature and extent of poverty. However, based on his review of existing work, he described the current state of poverty and its trend. These characteristics of poverty, human poverty, social exclusion aspects, and the proximate causes of poverty were discussed. Almost 67% of the adult population cannot read or write, and only less than half the population has access to safe drinking water. Nepal has high infant mortality rates and about half the children below 5 years of age are underweight. He highlighted the following features of poverty in Nepal:

- roughly half the population are poor
- poverty—more severe in rural than urban areas
  - rural poverty : 44%
  - urban poverty: 23%
- poverty—highest in remote, backward hills and mountain districts
- varying across ethnic groups—severe with occupational caste, ethnic minorities, and indigenous people
- more prevalent with women

Mr. Bajracharya indicated that the proximate causes of poverty include slow economic growth, weak redistributive capacity, nonagriculture growth having limited spillover effects, low productivity and slow growth of agriculture, and weak social and economic infrastructure.

The Government has taken poverty reduction as the single major objective of development. Poverty reduction is to be achieved through sustained broad-based growth, rural infrastructure and social priority sectors, and targeted programs. The recent initiative in this respect is the completion of the draft IPRS. He cited weak legal and regulatory functions, weak overall institutional capacity on the part of the Government, weak redistributive capacity, and

weak implementation of the Agricultural Perspective Plan, among the constraints to the Government's PRS.

### **3. Public Consultations**

Tirtha Dhakal, Under Secretary of NPC, presented the outcome of public consultations held in connection with the preparation of the Government's PRS. Altogether five consultations were held—three at the district level covering all the districts, and another two for women participants. These public consultations covered participants from ethnic minorities and remote districts.

Mr. Dhakal indicated that these public consultations involved detailed deliberations on the nature and features of poverty, causes of poverty, participants' evaluation of different major stakeholders in poverty reduction efforts, and their own suggestions on the strategy. The public consultations contributed significantly to the understanding of poverty and in delineating and prioritizing poverty reduction measures.

### **4. ADB's Approach to Poverty Reduction**

Brian Fawcett presented Chapters 2 and 5 of the Poverty Analysis. He described the conceptual framework for poverty reduction strategies and ADB's approach to poverty reduction in Nepal. ADB will support sustainable poverty reduction through broad-based economic growth, improvements in basic social services, and natural resource management. Effective institutions are essential to promote pro-poor growth. At the moment, institutions lack efficiency, predictability, transparency, and accountability. Inadequate physical and social infrastructure is another major constraint, particularly in rural areas and the agriculture sector.

Explaining the conceptual framework for assessing poverty reduction strategies, he stressed the need for making ADB's approach consistent with the Government's IPRS. Improving the poor's access to resources, removing institutional constraints, and promoting equity-improving growth are the strategic concerns for reducing the incidence of poverty, reducing the degree of social exclusion, and improving equity. Pro-poor economic growth, social development, and good governance are regarded as the three main pillars of ADB's CSP for Nepal.

The meeting discussed the proposed sectoral priorities for Nepal. Basically, the sectoral focus of ADB's 1999 Country Operational Strategy was felt to be appropriate, and did not require revision. Based on comments at the High-Level Forum, the proposed ADB CSP has identified the following sectors for future ADB assistance in Nepal:

- (i) agriculture and rural development;
- (ii) transport;
- (iii) energy;
- (iv) finance;
- (v) education;
- (vi) water supply, sanitation, and urban development; and
- (vii) environmental management.

### **B. Highlights of the Group Reports**

The detailed discussion on the Poverty Analysis took place in different groups. The group reports were then presented in the plenary session. Following are the highlights of the reports:

### **1. Institutions and Good Governance**

Presenting the report on behalf of this group, Mohan Man Sainju, former Vice-Chairman of NPC and former Nepalese Ambassador to the United States, emphasized the need for institutional capacity building of local government bodies. Since the Local Self-Governance Act and Regulations are now in place, there is an immediate need to strengthen them. Toward mobilizing local efforts, social mobilization and group approach need to be emphasized, given the problem of social exclusion.

In improving the delivery of public services, polycentric models have been found effective, and need to be further promoted, using public-private partnerships. Other aspects that need to be emphasized are improved good governance at all levels for which social auditing is necessary. Increased public investment in education to improve empowerment and human development is also essential.

### **2. Growth and Macro Policy Environment**

Presenting the report on Growth and Macro Policy Environment, Satyendra Pyara Shrestha, former Governor of Nepal Rastra Bank, suggested that a separate section on macroeconomic policy should be included in the Poverty Analysis. This section would deal with fiscal measures for promoting growth and stability, exchange rate policy, inflation management, and interest rate policy. Some analysis is needed on effects of public investment on employment and growth, and there is a need to emphasize the need for a well-functioning labor market for proactive employment policy, which is missing or at best not well covered in the Poverty Analysis.

There is a need for demand-driven vocational training and a labor market information system. He also highlighted the need for proper agriculture land use and crop diversification for promoting pro-poor growth. Existing tenancy rights do not encourage any investment in land improvements and do not allow the tenants to obtain loans from credit agencies, thus in the process limiting their access to credit.

On poverty indicators, the group felt that the database on the absolute poverty index is very weak and unreliable. A comparison of changes in poverty over time based on surveys undertaken with different methodologies and objectives should be made with caution. Human development indicators are more relevant and appropriate indicators. On the indicators of income disparity, the group felt that inequality needs to be measured in terms of assets, landownership, and economic and social capital. The Poverty Analysis should focus on social aspects, the participation of excluded groups in decision making, and decentralization.

### **3. Social Sectors**

**Durgesh Man Singh, former Member of NPC and former country representative to the European Commission, presented the report on behalf of this group. The group felt no clear linkage was established between the public consultations and recommended strategies. Intersectoral linkages have not**

received much focus. For example, education and agriculture development could be closely related and their programs need to proceed simultaneously. Primary education should be compulsory. ADB's approach has not touched important issues of health and population. Public health and family planning services need to be taken to the local level.

To reduce social exclusion, the group felt that social mobilization and awareness-raising programs are necessary. Socially excluded groups should be provided with skills, and targeted in government programs. The group also saw a need for gender sensitization and mobilizing the poor to organize themselves.

#### **4. Agriculture and Rural Development**

Ram Prakash Yadav, former Member of NPC, requested Hari Upadhyaya to present the group report. The group felt that the strategies are too general and can be made more specific. They were of the opinion that the strategies do not address all categories of poor. The Poverty Analysis is silent on the process part and institutional arrangements. It seems to have relied upon traditional service delivery mechanisms, which have been proven ineffective. In this respect, much could have been learned from the lessons of different success and failure stories, which are missing from the Poverty Analysis.

The Poverty Analysis mentioned four major constraints. However, the strategies do not seem to address them. The document has to be careful in using inconsistent data in analyzing poverty trends. The poverty situation analysis is not properly linked up with the proposed strategies. Though ADB's past assistance is described, an analysis of the effectiveness of the lending is not made to learn from the past lessons.

#### **5. Rural Infrastructure**

On behalf of this group, Ravindra Kumar Shakya, former Member Secretary of NPC, observed some missing linkages in the document. In view of globalization, somewhere the globalization process has to be linked up with poverty reduction efforts. The Poverty Analysis seems to address rural poverty in isolation of urban development. In this context, there is a need to look at rural-urban dynamics and see prospects for poverty reduction.

The group felt that the road item in the sectoral foci is too limiting and does not cover such other important rural infrastructures as suspension bridges, tunnels, trails, ropeways, etc., which are quite important in poverty reduction efforts. A suggestion was made to change it to the "transport" sector. Similarly, the term "power" should be replaced by "energy" so that there will be prospects for incorporating many other energy sources, e.g., solar energy, biogas, etc.

#### **6. Chairman's Remarks**

The presentation of group reports was followed by the chairman's remarks from the Vice Chairman of NPC. He responded to some of the issues brought out in the group reports. With regard to data gap and inconsistent data, he announced that the next Nepal Living Standards Survey will be undertaken in 2002, which will help in further understanding poverty. There is definitely a need for strengthening local bodies and the Government is thinking of giving some functions to local government bodies that have so far been done by the central Government. As a first step, districts and even village development committees can be asked to operate

government schools. He felt that access to opportunity is more important and in this respect the low literacy rate particularly of girls is of great concern. Their access to education needs to be greatly enhanced.

#### **7. Vote of Thanks by ADB**

Mr. Vokes delivered the vote of thanks at the conclusion of the Forum. He clarified some of the points raised during the presentation of group reports. On the health sector not being covered by the proposed ADB program, he clarified that this sector is covered by other aid agencies having better comparative advantage.

#### **C. Outcome of the Discussions**

The involvement and participation of different stakeholders in refining and finalizing ADB's Poverty Analysis and eventual PRPA was very much appreciated. These proceedings incorporate comments made by participants of the High-Level Forum particularly on ADB's future program in Nepal. These proceedings will serve as a supplement to and form an essential element of the Poverty Analysis paper discussed in the Forum. The comments were considered in finalizing ADB's Country Strategy and Program (CSP) for Nepal for 2002–2004 and the PRPA between the Government and ADB.

## **GROUP DISCUSSIONS: IMPORTANT COMMENTS AND OBSERVATIONS**

During the High-Level Forum held on 26 February 2001 in Kathmandu to discuss ADB's Poverty Analysis, the participants were divided into five groups to discuss the following components of the analysis:

- **Institutions and Good Governance**  
**Mohan Man Sainju**
- **Growth and Macro Policy Environment**  
**Satyendra Pyara Shrestha**
- **Social Sectors**

- **Durgesh Man Singh**
- **Agriculture and Rural Development**  
**Ram Prakash Yadav**
- **Rural Infrastructure**

**Ravindra Kumar Shakya**

The following are the detailed comments and observations presented at the plenary session by each group.

### **Group A: Institutions and Good Governance**

**Chairperson:**  
**Man Sainju**

**Dr. Mohan**

1. In building the strategies most of the time the focus is placed on the central Government. However, those people who are totally unreached including the local government are left untouched. We have to think about an inclusive approach so that people at grassroots as well as local institutions can be included. This suggests a more targeted approach. A target-oriented approach is valid when dealing with the socially and otherwise excluded strata of the population.
2. As far as building the pillars of the strategic components of this report, they are OK. But the difficulty lies in translating those strategies into actions while connecting to the realities of the country at the same time.
3. The proposed concept is more center-based as well as urban-based and not visible to local people. Local institutions have to be made more efficient and effective.
4. I was very struck by the strong comments made by the participants at the Public Consultations and thus should be well accounted for. It is not clear to me how those comments are backed up with sectoral investment and/or targeted programs of the proposed strategy.
5. While talking about institutions, educational as well as financial institutions must be given due consideration. The importance of investment and education is a valid point in reducing poverty.
6. Poverty reduction programs will not be implemented properly until and unless the institutions are strengthened. A group-based approach would be a probable solution so that any poverty reduction intervention could go through intervening those groups. This way isolation of some communities can be minimized. As for group forming, it would be better to build separate groups for males and females.

7. Poverty reduction interventions can be made through central, district, and local levels. Therefore, it should be clearly specified at what level action is to be implemented. For example, which programs are implemented at what level, must be specified in advance. Actions should follow through all three levels, as they cannot be acted upon in isolation.
8. Enforce decentralization in a sincere manner. In Nepal, at the moment, there is only what might be called a controlled decentralization. Thus there is an immediate need to implement the Local Self-Governance Act with all sincerity. Also, we have to take into account of certain idiosyncrasies before trying to solve the institutional problems.
9. An efficient service delivery mechanism is essential. A polycentric model is suggested where there should be partnership among government, private sector, NGOs, civil societies, and community organizations.
10. Governance is essential in relation to the accountability, transparency, and decision-making process. As for achieving good governance, actions at local levels are not sufficient so they must be complemented and supplemented through actions both at middle and central levels.
11. As for the shortcomings of APP, we need to be clear. Are we questioning the sincerity and/or commitment on the part of ADB? Are we serious about APP or not as some new reform measures are being introduced as regards to proper implementation of APP, e.g., an enhanced focus on women empowerment?
12. An effective poverty reduction strategy should also involve modernizing our administrative and accounting systems as both these are very traditional at the moment.
13. Women have to be brought into decision-making level. Even though there are a total of 36,000 elected women at the local levels, most of the time they are there just for the sake of putting names and decision-making power is usually not granted to them in practice. The issue here is how to effectively utilize them and their voice.
14. At present, at least the central Government is now beginning to realize that the local bodies have to be strengthened. The only issue is how to go about it.
15. Politicization should be avoided by encouraging transparency and sometimes even public auditing.

## **Group B: Growth and Macro Policy Environment**

**Chairperson: Mr. Satyandra Pyara Shrestha**

1. In the report, a separate section on how macro-economic policy work for or against poverty reduction should have been included. For example, with a reduction in unemployment, its impact on poverty reduction should have been discussed. Fiscal management issues should have been adequately highlighted. If such issues are misaligned how can it hurt farmers? Also, the interest rate policy and its importance/cost to the poor population should have been clearly highlighted.
2. In the case of labor, employment promotion activities are not properly highlighted. Also missing are discussions on the NPC policies that are not properly coordinated with other factors. For example, how to address the issue of the increasing number of educated people unemployed in urban areas, how to make ongoing skill enhancement programs more demand-driven, etc. Discussions should have been made on similar other issues as well.
3. Land use and crop diversification programs should have been taken care of adequately.
4. As for poverty indicators, the absolute poverty index is good for immediate purposes. However, for more far-reaching objectives, it would be more appropriate to rely on human development indicators.

5. Inequalities of economic and social capital should be taken as reliable measures for income disparity. Social aspects should be highlighted more while analyzing the poverty situation. As for comparison of poverty incidence, it is not proper to agree on comparison with data that involve different methodologies.
6. The present state of tenancy right is in itself counterproductive for production purpose. On the one hand, landowners are discouraged as they have no incentive to invest more on land and on the other, tenants are also incapable of investing properly in land unless they are provided concessional loans. Issues like these should have been discussed and analyzed in the report so that an effective poverty reduction strategy can be built.
7. Voices of the Poor is a very good report, however, the paper does not seem to have taken account of these observations.
8. The role of NGOs is very important in various poverty reduction interventions like provision of microcredit to poor, efficient uses of resources which also should be a part of PRSP, employment creation programs, power sector projects like rural electrification, building rural-urban partnership, and so forth. All these aspects should be adequately highlighted to build an effective poverty reduction strategy.

**Group C: Social Sector**  
**Chairperson: Dr. Durgesh Man Singh**

**Dr. Singh presented the crux of the social sector and explained the linkages with the macroeconomic environment. He emphasized the need for increasing the economic growth rate so that the distributive measures could be enhanced for the cause of poverty reduction. He further linked this with the need for building the capability of the people so that growth could be made sustainable and social exclusion could be minimized. He also emphasized the role of different sectors in reducing poverty, and on the need to follow international commitments.**

**Following are the other comments of the group members:**

1. The paper is not explicitly clear on how to reduce poverty through the social sector.
  - No link exists between public consultation and the strategy.
  - Capability of the poor should be defined and the strategy and actions should be explained clearly.
2. The health and population sector is excluded in the paper. The reason is not given.  
(Note: ADB staff in the group explained the reason.)
3. The program does not address gender equity vividly. There is a need to focus on employment-oriented programs. Access to resources for the poor in general and poor women in particular should be emphasized.
4. Dalits are suffering from social exclusion, even though equality is guaranteed in the Constitution. Resources for Dalits should be emphasized through targeted programs to narrow the gap between them and other groups.
5. Most of the Dalits are landless and illiterate. A clear strategy is needed to address the needs of this group (e.g., allocation of public land). Reservation for Dalits in public sector jobs, scholarships, etc. should be provided.
6. The minimum wage rate should be fixed in support of the income of the poor and women.
7. The Government should give emphasis on reducing caste discrimination and inferiority among the poor. Awareness campaign and capacity building of the poor is important.

Mechanisms for a vigil group to control such discrimination should be introduced. Free legal services should be provided.

8. Regional imbalance is the main cause of different magnitudes of poverty in different ecological zones. Emphasis should be given on building infrastructure especially motorable roads. Also, emphasis should be given on international commitments. The Government and the aid community should follow the 20/20 Compact for resource allocation.
9. In the health sector delivery mechanisms at the grassroots level should be emphasized.

**Group D: Agriculture and Rural Development**  
**Chairperson: Dr. Ram Prakash Yadav**

1. The report is too general as the priority sectors for poverty reduction are not specified. There are misleading (wrong) information on foreign aid flow in Nepal, e.g., real growth rate is only 3% per annum.
2. Apart from the report being too general there are inconsistencies in data. For example, in 1976/77 the poverty incidence was more than 40%, not 33% as mentioned in Table 1.3. Rather than sectoral issues, direct relevant issues like rural income and employment based programs are not given due focus while building the strategy.
3. The report is too general as separate sets of programs/strategies for poor are missing. Instead of this, more focus should have been give to target-oriented programs.
4. With reference to the Terai and Hills options study, as the Government is mostly inefficient, the service delivery management should be entrusted with NGOs and similar other organizations. The report does not seem to take account of this and also, policy changes are not mentioned.
5. More specific and objective strategies are missing in the paper. Policy is not a problem, only the implementation arrangements. Also, the impact of an advisory committee is not reflected in the paper.
6. The paper should also take account of the lessons learned by FAO, DFID, and other organizations. More prominent focus on income and employment-generating issues with regard to different categories of poor should have been identified in the paper. As the report is too general, a subsectoral focus is missing. There should have been separate sets of programs for, say, landlords and landless poor and for rural and urban poor.
7. The strategy does not indicate the process part and it relies more on the traditional government approach to service delivery that has been proven inefficient. Also, the strategy does not respond to the constraints identified. Further, specific strategies for Dalits and other disadvantaged groups are missing. Also missing is the analysis of how the ADB assistance was used in the past to address the poverty issue.
8. We all know what has to be done but the only problem is to identify how they are to be done. The report has not solved this problem either.
9. The report is only a draft for comments. The answers to “how” part are missing.
10. Most of the poorest of poor in the rural areas do not own any land. What are the proposed strategies for those groups?
11. This paper is based on the NLSS data, which is based on a calorie requirement of 2,124, and this is wrong. Where are the strategies for the urban poor?
12. If the same delivery system is proposed, then how to improve it should have been discussed.
13. Policies for improving rural employment should have been discussed. Where are the policies for market-correcting mechanisms?

## **Group E:**

### **structure**

**Chairperson:  
Kumar Shakya**

**Infr**

**Dr. Ravindra**

1. The paper should have included important issues such as the impact of globalization on poverty reduction in Nepal. Also, the paper should have given due consideration to the existing rural-urban dynamism in the country. To be specific, given the sort of rural-urban linkages, we would not like to reduce rural poverty at the cost of urban poverty.
2. In the paper, the specific mention of the term “roads” could be misleading as infrastructure among other factors includes various forms of transport means. Therefore, the term “roads” should be replaced by “transport”.
3. As the development of rural roads alone does not answer all aspects of the poverty reduction issue, the significance of other transport means including their technological aspects should be reiterated.
4. In this context, further use of communication networks, specifically information technology, must be adequately highlighted.
5. The term power in the strategy paper should preferably be replaced by energy. Also, the two aspects of energy—renewable and nonrenewable—must be taken into account and sources of energy like bio-gas should be included.
6. The linkages as well as the significance of operation and management (O&M) issues with an effective utilization of the energy resources should be adequately highlighted.
7. It is obvious that the economy has not been able to make adequate uses of available energy sources. Therefore, clear action plans are essential in this regard.

**PARTICIPANTS AT THE HIGH-LEVEL FORUM ON POVERTY ANALYSIS  
KATHMANDU, 26 FEBRUARY 2001**

No.	Name	Designation and Office
<b>His Majesty's Government of Nepal</b>		
1.	Mr. Prithvi Raj Ligal	Hon. Vice Chairman, National Planning Commission (NPC)
2.	Dr. Jagadish C. Pokharel	Hon. Member, NPC
3.	Dr. Rameshananda Vaidya	Hon. Member, NPC
4.	Dr. Nirmal Pandey	Hon. Member, NPC
5.	Mr. Hari Shanker Tripathi	Hon. Member, NPC
6.	Mr. Mahendra R. Pandey	Joint Secretary, NPC
7.	Ms. Padma Mathema	Under Secretary, NPC
8.	Mr. Tirtha Dhakal	Under Secretary, NPC
9.	Dr. Pradeep Upadhyaya	Section Officer, NPC
10.	Mr. Chakra Shrestha	NPC
11.	Mr. Ganga D. Awasthi	Ministry of Local Development
12.	Mr. B. P. Pandit	Dept. for Women Development (DWD), Ministry of Women, Children and Social Welfare (MOWCSW)
13.	Mr. Ganesh Shrestha	Nepal Rastra Bank
14.	Dr. Tanka N. Sharma	Director, Centre for Technical and Vocational Training
<b>NGOs</b>		
15.	Dr. Mohan Man Sainju	Executive Chairman, IIDS
16.	Dr. Rajendra B. Shrestha	Development Alternatives Nepal
17.	Dr. Hari Upadhyaya	CEAPRED
18.	Dr. Ram Prakash Yadav	Winrock International
19.	Mr. Ram S Simkhada	NGO Federation
20.	Dr. Tika Pokharel	Social Welfare Council
21.	Mr. V.K. Dharuwal	Nepal Chamber of Commerce
22.	Dr. Sumitra Manandhar-Gurung	Lumanti
23.	Mr. Ganga Jung Thapa	King Mahendra Trust for Nature Conservation.
24.	Dr. Bishwa Keshar Maskay	Center for Development and Governance
25.	Mr. Lumin K. Shrestha	Center for Rural Technology
26.	Dr. Badri Prasad Shrestha	Institute for Sustainable Development
27.	Dr. Govinda P. Koirala	SAPPROS
28.	Dr. Harihar Dev Pant	Chairman, Nirdhan
29.	Mr. Tamrakar	DNF
30.	Mr. Tirtha Bama	Feminist Dalit Organization
31.	Dr. Haribansh Jha	CETS
32.	Dr. Tika Man Vaidya	NFCC
33.	Mr. Bhagawan Shrestha	Women Acting Together for Change (WATCH)
34.	Mr. Suresh Sharma	DEVA
<b>University, academia, and freelance</b>		
35.	Dr. Pitambar Rawal	Executive Director, Center for Economic Development and Administration
36.	Dr. Pushpa Shrestha	Professor, Center for Economic Development and Administration
37.	Dr. Ram Dev Singh	Reader, Department of Economics, Tribhuvan University
38.	Dr. Shyam Bhurtel	Association of District Development Committees, Nepal
39.	Dr. Champak Pokhrel	Freelance
40.	Dr. Durgesh Man Singh	Former Member, NPC
41.	Dr. Rabinda K. Shakya	Former Secretary, HMGN
42.	Dr. Jagadish C. Gautam	Freelancer
43.	Mr. Satyendra Pyara Shrestha	Former Governor, Nepal Rastra Bank

## Politicians and political organizations

- |     |                      |  |
|-----|----------------------|--|
| 44. | Mr. Vinaya D. Chand  | Chairman, Public Expenditure Review Commission |
| 45. | Dr. Dilli R. Khanal  | Member of Parliament                           |
| 46. | Mr. Sanu K. Shrestha | Kathmandu District Development Committee       |
| 47. | Mr. Chaitanya Subba  | NCDN   |

## Private sector

- |     |                       |   |
|-----|-----------------------|---|
| 48. | Mr. Narayan Manandhar | IRF/FNCCI   |
| 49. | Ms Shanti Chadha      | Women Entrepreneurship Development Committee, FNCCI                 |
| 50. | Mr. Suresh Pradhan    | General Secretary, Federation of Nepal Cottage and Small Industries |

## Donor agencies

- |     |                                |  |
|-----|--------------------------------|--|
| 51. | Mr. Henning Karcher            | Resident Representative, UNDP  |
| 52. | Mr. Sri Ram Pandey             | Program Officer, UNDP  |
| 53. | Mr. Shiva Poudyal              | Danish Embassy   |
| 54. | Ms Donna Stauffer              | USAID  |
| 55. | Mr. George Like                | USAID  |
| 56. | Mr. Jan de Witte               | Resident Coordinator, SNV  |
| 57. | Ms. J. Collins                 | Executive Director, UMN  |
| 58. | Ms. Carla H. Rufelds           | First Secretary (Development) and Consul, CCO                        |
| 59. | Mr. W R Rudder                 | Representative, Food and Agriculture Organization (FAO)              |
| 60. | Mr. P. Rhode                   | Director, Deutsche Gessellschaft fur Technische Zusammenarbeit (GTZ) |
| 61. | Mr. S. McNab                   | Representative, United Nations Children's Fund (UNICEF)              |
| 62. | Ms Sarah Loughton              | World Food Programme   |
| 63. | Ms. Leyla Tegmo-Reddy          | Senior Advisor, International Labor Organization                     |
| 64. | Mr. Roshan Darshan Bajracharya | World Bank   |
| 65. | Dr. Richard Vokes              | Resident Representative, Nepal Resident Office (NRM), ADB            |
| 66. | Dr. Ava Shrestha               | Gender & Development Specialist, NRM, ADB                            |
| 67. | Mr. Raju Tuladhar              | Senior Program Officer, NRM, ADB                                     |
| 68. | Mr. Chong Chi Nai              | Project Administration & Implementation Officer, NRM, ADB            |
| 69. | Mr. Krishna R. Panday          | Project Implementation Officer, NRM, ADB                             |
| 70. | Mr. Govinda P. Gyanwali        | Project Implementation Officer, NRM, ADB                             |
| 71. | Ms. Laxmi Sharma               | Assistant Project Analyst, NRM, ADB                                  |
| 72. | Mr. S. H. Rahman               | Head, Operations Coordination Policy Unit, ADB                       |
| 73. | Mr. Brian Fawcett              | Senior Programs Officer, ADB   |
| 74. | Ms. Yuriko Uehara              | Senior Social Development Specialist, ADB                            |
| 75. | Mr. Sungsup Ra                 | Economist, ADB   |
| 76. | Mr. Christopher T. Hnanguie    | Young Professional, ADB  |
| 77. | Ms. Araceli R. Patricio        | Associate Programs Analyst, ADB                                      |
| 78. | Mr. Sugandha Tuladhar          | ADB Consultant, Corporate and Financial Governance Project           |
| 79. | Mr. J. Adams                   | ADB Consultant, Corporate and Financial Governance Project           |
| 80. | Ms. Suman Sharma               | ADB Consultant, Poverty Reduction Strategy                           |
| 81. | Mr. Bhuvan B. Bajracharya      | ADB Consultant, Poverty Reduction Strategy                           |

## Journalists

- |     |                       |                                      |
|-----|-----------------------|--------------------------------------|
| 82. | Mr. Kedar Subedi      | <i>Bimarsh</i> (Weekly)              |
| 83. | Mr. Navin Khadka      | The Rising Nepal                     |
| 84. | Ms. Sabita            | <i>Spacetime</i>                     |
| 85. | Mr. Bhagirath Yogi    | <i>Spotlight</i>                     |
| 86. | Mr. Ameet Dhakal      | <i>Kathmandu Post</i>                |
| 87. | Mr. Bijay Ghimire     | <i>Kantipur</i>                      |
| 88. | Mr. K. Bhetwal        | Editor, <i>Eco-Wave</i> , Bagh Bazar |
| 89. | Mr. Gokarna Khatiwada | Spacetime Daily                      |