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Population Dynamics of Muslims in Nepal

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Nepal is a multi-linguistic and multi-religion country. Muslims are a small but fast-growing community in this world's only Hindu state. We should assess and understand the population dynamics of this minority community in order to understand the social and religious situations of this community in the country.

Muslims are believed to have first arrived in Nepal in the late fifteenth century (Bista 1980). They first came as Kashmiri traders who entered from the north of Nepal, that is from Tibet, and settled in the Kathmandu valley as well as in a few western hill districts. In the seventeenth and eighteenth centuries, the Chaubise rajas of the western hills brought some

Muslim families from India mainly to train their soldiers in the use of firearms. However, their total size was only a few dozen (ibid). In the late twentieth century, Muslims migrated from India in large

Since the time Muslims came as early settlers to the western hills and the Kathmandu valley, this populations has shown dramatic changes.

numbers as agricultural labour, mainly to the terai belt. The 2001 census of Nepal shows the total population of Muslims at 954 thousand, with 17

districts having their population above 10 thousand. These facts show some interesting population dynamics of the country's Muslim minority.

Analysing the demographic data available from the past censuses and demographic surveys undertaken so far, we can find some interesting features of this dynamic.

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Editorial

The internal resources of Nepal are too limited to spur economic growth and alleviate poverty. So, HMGN has accorded top priority to Foreign Direct Investments (FDIs). In view of the possibility of India strengthening the burgeoning economy of Nepal by promoting its FDIs and transferring technology to Nepal, IIDS initiated a study to help develop a model strategy for promoting India's investments in joint ventures in Nepal. The study, *A Study of the Impact of India's Foreign Direct Investments and Transfer of Technology in Nepal*, is also expected to be instrumental in ensuring economic benefits to both Nepal and India. This will also provide both the countries with 'win-win' opportunities for economic development by expediting bilateral cooperation between them.

The elderly population in Nepal is constantly increasing in both absolute number and proportion. This population is one of the most neglected social groups in the country. Acute economic pressures, disintegration of joint family system and mobility of population have eroded the relative importance of traditional values and religious norms supportive to the elderly population. Moreover, institutional arrangements catering to the needs of the elderly are few and their coverage is limited. Recognizing the growing need to look after the elderly population by the government, private sector and civil society, IIDS is carrying out a study on social security, pension and other provisions for the elderly.

Population Features over the Last Five Decades

Over the last five decades, the total population of Nepal has grown rapidly with inter-census annual growth rate of about 2.1 per cent. Exceptional were the 1961 and 1981 censuses when the population growth showed some deviations. The annual growth rate of the Muslim population in this period shows an exponential growth of 3 per cent in 1961, 5 per cent in 1991 and 3.9 per cent in 2002. With the current growth rate of 2.1 per cent, the total population is projected to double in 33 years whereas the Muslim population, with the current growth rate of 3.9 per cent, is projected to double in 18 years.

Demographers consider population as a function of four major demographic phenomena, that is: $\text{Population} = (\text{Birth} - \text{Death}) + (\text{In-migration} - \text{Out-migration})$. In the following section a brief analysis of these components is done to understand the inside dynamics of the population.

Birth and Death Phenomena

Birth and death are the major influential factors that affect the change in population. But as birth and death registration is not effective in the country, the rates for these events are often neither regular nor accurate. Various sample surveys conducted in the country, such as the Demographic and Health Survey, show the indicators for these phenomena. The total fertility rate (TFR) is one of the most reliable indicators for understanding the birth process. The TFR of Nepal from 1971 to 2001 shows that it was almost constant during these years. This could be because of the high level of infant and child mortality during this period. A slight decline in the TFR in 1986 and 1991 could be due to increment in the contraceptive prevalence rate (CPR), which shows declining fertility in the country. According to Niraula (1997), the mean number of children born to Muslim women in 1991 was 3.67 compared to the national figure of 3.51.

The most comprehensive and recognised indicator for the mortality phenomenon is the life expectancy at birth (e_0^0). It is the summary of mortality at different ages. It indicates the average number of years a newly born baby is expected to survive and hence improvement in life expectancy implies declining mortality. Shrestha (1995) indicates that the significant increase in life expectancy during 1965-1991 is possibly because of the improved health and nutrition conditions, improvement in educational level and increased information or communication.

Thus, from the two indicators of fertility and mortality it can be seen that fertility being near constant and mortality being declining, growth in population may to

some extent be associated with improving mortality rather than fertility. Further, the difference between the Muslim community and the national figure in terms of the mean number of children ever born to a married woman in 1991, according to Niraula (1997), is 0.17. This indicates a small variation in the fertility rate of Muslims from the national average. In the absence of separate indicators by religion the national figure for fertility/mortality can be used to understand the trends for these indicators for Muslims.

Migration Phenomenon

Migration is considered an influential factor in the change in population. Migration could be regional, that is from one region (VDC/district/area) to another region within the same country or it could be cross-border. There is very little data on cross-border migration whereas the data on regional migration have been collected for many censuses.

Inter-district migration shows that the process is gaining momentum in each succeeding census. Illustrating the shift in population by ecological region, Table 4 shows Terai as the most powerful pulling region, with nearly equal magnitude in all census periods. Mountain shows negative migration of lower magnitude

Table 1
Population and its Growth
Total and Muslim Population by Census Period

	Population		Growth (per cent)	
	Total	Muslim	Total	Muslim
1952/54	8 235 079	208 899	-	-
1961	9 412 996	280 597	1.3	3.0
1971	11 555 983	351 186	2.1	2.3
1981	15 022 839	399 197	2.7	1.3
1991	18 491 097	653 218	2.1	5.0
2001*	22 736 934	954 023	2.1	3.9

Source: *Population Monograph of Nepal 1995* (CBS).
* *Population Census 2001*, National Report 2002 (CBS).

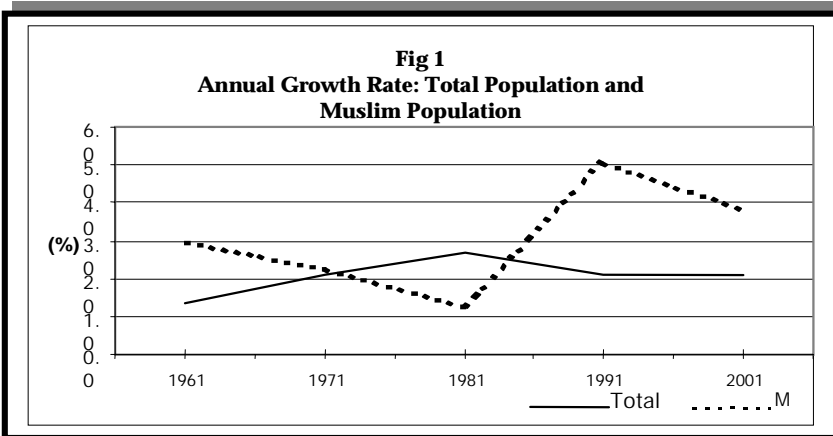


Table 2
Fertility and Mortality Indicators

TFR ⁽¹⁾	Reference year	Life expectancy (at birth) ⁽²⁾		
		Male	Female	
6.3	1971	27.1	28.5	1965/66
6.3	1974/75	42.1	40.0	1971
6.4	1976	50.9	48.1	1981
6.2	1977/78	55.0	53.5	1991
6.3	1981			
6.0	1986			
5.6	1991			
4.1	2001 ⁽²⁾			

Source: (1) *GC (1995)*
(2) *CBS/New Era (2002)*

in 1991 (-11.2 per cent) than in 1981 (-21.1 per cent). But we should not forget that the total population of the region differs significantly. In 1991, for example, the population distribution in mountains/hills/terai was 7.8, 45.5 and 46.7 per cent respectively.

As regards migration pattern by religion, regional migration among Muslims is insignificant as out of every 100 regional migrants only about 1 per cent male and about 1 per cent female are Muslims (Table 5).

Niraula (1995) analyses the migration pattern of different ethnic groups and states that hill Brahmins, followed by Chhetris, is the most mobile group in Nepal. In terms of mobility Muslims occupy the fifteenth position in a ranking of 17 groups.

Population Features of Muslims

The census of 2001 counted 954,023 Muslims in the country and 17 districts having Muslim population above 10 thousand. Although there is some shift in the Muslim population in the most populated districts, the thickest concentration of Muslims is found in the terai. Eastern terai is found top in headcount and a slight shift from eastern to mid and from mid to western terai is found in the list of top districts.

Some distinctive features are seen in the inter-

census annual growth. The growth rate is very high in the mountain districts of the West and Far West Development

Regions. In the interval of 1981-1991, Mustang (23.1 per cent), followed by Surkhet (18.1 per cent) and Rolpa (13.5 per cent), experienced the highest growth. In 1991-2001, Doti (65.6 per cent), Solukhumbu (38.5 per cent) and

Bajhang (36.2 per cent) were the three districts recording the highest growth in that order. If we look at the twenty-year span of 1981-2001, the top three districts in terms

of annual growth were Doti (176.8 per cent), Surkhet (54.4 per cent) and Dhading (54.1 per cent). The growth rate of Muslims in those districts is almost always greater than the growth rate of the total population of the district. But we should keep in mind that the volume of population in these remote districts is always low compared to the southern ecological region.

Table 3
Inter-district Migration

1961	4.65
1971	-
1981	8.60
1991	9.60

Source: *Population Monograph 1995* (CBS).

Conclusion

The Muslims of Nepal seem to be a dynamic population as their concentration is found shifting across different districts and regions. This population is growing

exponentially in many central terai districts and in rate in many mountainous and hilly districts. Since the time they came as early settlers to the western hills and the

Kathmandu valley, this population has shown dramatic changes.

The fertility rate of the country is found increasingly becoming constant and the mortality rate showing some improvement. Thus, growth in the Muslim population should be largely associated with migration. The internal migration of the country shows a strong pulling

dynamic towards the fertile terai belt. But the inter-regional migration of the community is found very low,

Table 4
Regional Migration

Region of Enumeration	1971		1981		1991	
	Place of Birth	Net Migration of Native Born	Place of Birth	Net Migration of Native Born	Place of Birth	Net Migration of Native Born
Mountain	2.2	-3.5	3.8	-21.1	3.0	-11.2
Hill	5.7	-5.9	18.3	-5.9	14.2	-9.0
Terai	92.2	+9.9	77.9	+10.8	82.8	+11.1

Source: *Population Monograph 1995* (CBS).

Table 5
Caste/Ethnic Composition of Migrant & Total Population by Sex, 1991

	Population Male		Population Female	
	Migrants	Total	Migrants	Total
Brahman(hill)	26.78	12.80	24.47	13.03
Chhetri	22.19	15.73	21.12	16.37
Newar	6.72	5.63	6.84	5.63
Magar	6.27	7.04	6.16	7.44
Tamang	5.10	5.52	4.9	5.43
Muslims	0.94	3.65	1.05	3.42
Others*	32.0	49.63	35.46	48.68
All	100.00	100.00	100.00	100.00

Source: (Abridged table) *Population Monograph* (p 161 Table 20) 1995 (CBS)

* 'Others' includes all caste/ethnic communities except Muslims whose migration was insignificant.

near to zero. Hence, the increase in the Muslim population in the terai must be mainly a cross-border phenomenon. Terai is a fertile ground for agricultural activities. Muslims, as Bista (1980) indicates, should have crossed the border in search of agricultural work and settled in the

border areas of the terai where the community has been living for centuries. Also, merchants and traders explored new possibilities and made inter-regional migration to the hills and mountains, making this growth rate high.

Nepal, as has already been pointed out, is a multi-religion

country. To maintain religious harmony and bring the Muslim minority in the national development, we should think of how to bring this community in the development mainstream. The dynamics of the Muslim population in the country show that we need to introduce special and focused programmes for meeting the specific needs of the Muslim communities living in the terai and in the hills and mountains. Being multi-religious, the country should give proper attention to the various components of its population. As each community has different pattern of living, pattern of growth, desires and requirements, the country should understand the special development needs of the community to achieve the national goals and targets.

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Table 6
Districts Arranged by Census Populations of 1981, 1991 and 2001

	District	M_81		District	M_91		District	M_01
1	Rautahat	39 295	1	Rautahat	71 379	1	Rautahat	106111
2	Bara	36 833	2	Kapilbastu	62 512	2	Kapilbastu	87 573
3	Mahottari	36 106	3	Mahottari	53 852	3	Parsa	76 567
4	Rupandehi	32 969	4	Bara	48 648	4	Bara	75 051
5	Dhanusa	30 060	5	Banke	45 787	5	Mahottari	74 364
6	Sunsari	28 535	6	Sunsari	45 737	6	Banke	73 254
7	Sarlahi	26 468	7	Parsa	45 662	7	Sunsari	69 187
8	Parsa	25 222	8	Rupandehi	42 850	8	Rupandehi	61 563
9	Kapilbastu	23 472	9	Dhanusa	41 236	9	Dhanusa	56 124
10	Saptari	23 080	10	Saptari	35 020	10	Saptari	47 610
11	Banke	22 267	11	Sarlahi	32 727	11	Sarlahi	47 364
12	Morang	17 175	12	Siraha	32 116	12	Siraha	40 926
13	Siraha	16 621	13	Morang	26 987	13	Morang	37 081
14	Jhapa	13 140	14	Jhapa	15 557	14	Nawalparasi	21 722
15	Nawalparasi	6 381	15	Nawalparasi	14 613	15	Jhapa	19 367
16	Bardiya	3 076	16	Bardiya	7 269	16	Kathmandu	11 982
17	Kathmandu	2 968	17	Kathmandu	5 409	17	Bardiya	10 671

Source: *Population data from censuses of 1981, 1991 and 2001* (CBS).

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ECONOMICS & ECONOMIC POLICY

Improving Nepal-India Economic Relations A Study of the Impact of India's FDIs and Transfer of Technology in Nepal

Macro economic indicators show Nepal's economic status to be vulnerable in terms of Gross Domestic Product (GDP) per capita, commercial viability of natural resources, extent of poverty and human development prospects. Half of the country's population lives in abject poverty. Internal resources are too limited to spur economic growth and alleviate poverty. Therefore, in recent years His Majesty's Government of Nepal (HMG/N) has been according top priority to Foreign Direct Investments (FDIs). Art. 26(12) of the Constitution of Nepal 1990 states: 'The State shall, for the purpose of national development, pursue a policy of taking measures necessary for the attraction of foreign capital and technology, while at the same time promoting indigenous investments.' In this context, India, a prominent development partner of Nepal, could be instrumental in strengthening the burgeoning economy of Nepal by promoting its FDIs and transferring technology to Nepal.

This study will also provide 'win-win' opportunities for economic development for both Nepal and India by expediting bilateral cooperation between the two countries.

Against this backdrop, IIDS is carrying out a study, entitled *A Study of the Impact of India's Foreign Direct Investments and Transfer of Technology in Nepal*, with the financial support of the South Asian Network of Economic Research Institutes (SANEI).

The primary objectives of the study are to:

- examine the impact of FDIs from India on revenue, employment, trade and industrialization of Nepal
- assess the nature and extent of transfer of technology from India to Nepal, and
- explore new areas of joint ventures that would be beneficial to both Nepal and India.

The study is expected to help develop a model strategy for promoting India's investments in joint ventures in Nepal, which will in turn be instrumental in ensuring economic benefits to both Nepal and India. This will also provide 'win-win' opportunities for economic development for both Nepal and India by expediting bilateral cooperation between the two countries.

The study team is led by Prof. Madan K Dahal, head of the Central Department of Economics, Tribhuvan University. Shankar Aryal, Research Officer, IIDS, is the other member of the team.

National-level Workshop on the Nepal-India Economic Relations Study

A half-day workshop, **Impact of India's Foreign Direct Investments and Transfer of Technology in Nepal**, was organized by IIDS in Kathmandu on 31 October 2003. The workshop had the objectives of presenting the preliminary findings of the study to the representatives of various government and private sector organisations related to FDI and collecting their feedback for incorporation in the study report.

RURAL DEVELOPMENT

Survey of Nepal's Socially Mobilized Communities

IIDS is carrying out a survey, entitled *Survey of Socially Mobilized Communities (SMCs) of Nepal*, on behalf of the Building Capacity to Promote Human Development, Human Development Report Office of the United Nations Development Programme-Nepal.

The major objective of the survey is to document the process and assess the impact of social mobilization programmes in terms of enhancing empowerment, poverty reduction and human development, particularly with respect to women, *dalits*, *janajatis* and other disadvantaged groups. Its specific objectives include:

- (1) Identification and documentation of the strengths and weaknesses of the selected social mobilization models, with special focus on sustainability and replicability, based on which best practice models can be developed for wide-scale location- or context-specific adaptation.
- (2) Investigation into the impact of social mobilization on various dimensions of livelihood, giving special consideration to the voices of the people, with special focus on women, disadvantaged groups and the poorest of the poor.
- (3) Identification and collection of the information required for the construction of the empowerment index, based on the perceptive judgement of the members of the community.
- (4) Assessment of the impact on equity and equality, participation and ownership, transparency and accountability, and efficiency in the use of resources resulting from community mobilization.
- (5) Assessment of the impact of social mobilization processes on conflict and conflict transformation within communities.

The survey will study the linkage between individual empowerment, community empowerment and organizational empowerment, as well as understand the dynamics or processes behind empowerment and its synergy with poverty reduction and human development. It will capture the relationship between empowerment and poverty reduction as well as the role of various stakeholders in empowering people to improve their livelihoods and enhance their participation in the decision-making process. Information will be gathered on social, cultural, economic and political aspects of empowerment. In addition, the survey will examine the relationship between social tensions and conflicts and social mobilization or empowerment within the context of changing community relationships. The survey will generate necessary information to document the experience in Nepal and the results will be used to provide qualitative evidence in support of the empowerment index, being constructed for the Nepal Human Development Report (NHDR) 2003. The findings of the survey will provide important lessons for the development of an empowerment framework for poverty reduction, based on which the main messages will be summarized and policy recommendations presented in the NHDR 2003.

The survey will cover all the five development regions and the three ecological belts. Altogether ten clusters will be selected for the study. In each cluster, two social mobilization programmes that have completed their graduation phase, implemented by different agencies, will be studied in detail. Some agencies/programmes implementing social mobilization programmes are ActionAid-Nepal, BASE, CARE, CEAPRED, FECOFUN, Nirdhan, Red Cross, Small Farmers Cooperative Ltd, South Asia Partnership and the Village Development Programme.

SOCIAL SERVICES

Social Security and Pension for the Elderly in Nepal

The elderly population is rising steadily in Nepal. The last five censuses of the country indicate that the elderly population is constantly increasing in both absolute number and proportion. Another important feature of this population is that it is increasing at a faster rate than the population as a whole. At this rate, the size of the elderly population is estimated to double in less than 21 years as compared to the total population, which is projected to double in 31 years.

The elderly population is one of the most neglected social groups in Nepal. Acute economic pressures, disintegration of joint family system and mobility of population have eroded the relative importance of traditional values and religious norms supportive to the elderly population. Moreover, institutional arrangements catering to the needs of the elderly are few and their coverage is limited. Government measures are also weak in actual implementation.

There is a growing recognition of the need to look after the elderly population by the government, private sector and civil society. This has become all the more essential in the context of the International Plan of Action on Ageing, as adopted by the Second World Assembly in Madrid. Against this backdrop, IIDS, with the financial support of SANEI, undertook a study on social security, pension and other provisions for the elderly.

The objectives of the study were as follows:

- To assess the past, present and future ageing scenario
- To review the policies and programmes for the elderly
- To review the role of government financing in, and running of, old age homes
- To assess the views of the recipients of pension and social assistance and its impact, and
- To suggest modalities for a comprehensive social security scheme for the elderly.

A field survey of pensioners, recipients of senior citizen allowance and other benefits, and non-beneficiaries was carried out to assess the status of the elderly and their needs as well as to solicit their views and suggestions on how to overcome their problems.

PUBLIC ADMINISTRATION, GOVERNANCE AND LOCAL GOVERNANCE

Anthology of Decentralization Literature in Nepal

The final report of the study, *Anthology of Studies, Policies, Acts, Regulations/Manuals on Decentralization Efforts in Nepal*, was prepared and submitted to the Decentralization Advisory Support Unit. The major objective of this study was to prepare an anthology of studies, policies, acts, regulations and manuals on decentralization as far back into Nepal's history of decentralization as possible to date. The following specific responsibilities or activities were undertaken under this project:

- Collection of government studies, policies, acts, regulations, manuals and committee's reports on decentralization, and putting them in the form of a collected work;
- Preparation of a comprehensive bibliography on decentralization related materials of Nepal; and
- Publication of an anthology on decentralization. Anthology could be in the form of collection of acts, studies and policies.

Dr Dwarika N Dhungel and Pradyumna Prasad Regmi, an independent consultant, were involved in this study.

SOCIAL SERVICES

Education Sector Advisory Team Review and Redesign of Incentive and Scholarship Programme

The Education Sector Advisory Team (ESAT) of the Ministry of Education and Sports (MoES) entrusted IIDS with the task of reviewing and redesigning the incentive and scholarship programme for primary and secondary education. The main objective of the study is to increase the impact of incentive and scholarship programmes with respect to access and retention of female and disadvantaged students in primary and secondary education.

The main objective of the study is to increase the impact of incentive and scholarship programmes with respect to access and retention of female and disadvantaged students in primary and secondary education.

The specific objectives of the study are to identify the causes of marginalization of families and children and the remedies for them; assess the relevance of incentives with respect to how well such incentives fit the needs and preferences of the individuals to be influenced, their adequacy to bring about changes in behaviour and examine whether the incentive system should be monolithic or should explicitly deal with the diversity within the participant population. The other specific objectives of the proposed review are to indicate the minimum behaviour expected from the recipients of incentives; suggest mechanisms to attract or mainstream those children who are outside the school system; assess current pedagogical behaviour and practices that influence the perception of children on the education system; assess the opportunity costs to help establish the size of the scholarship amount for the poor families; assess the utilization of the incentives in the context of value and decision-making systems within the family; assess alternative models of incentive distribution in addition to those that involve teachers and identify the best monitoring practices. The study team will produce a comprehensive report containing well-motivated and realistic proposals as well as guidelines for future MoES

incentive and scholarship programmes in primary and secondary education.

Information will be collected from the individuals, families and institutions of those communities where scholarship and incentive programmes are being implemented under the national programmes of the Department of Education, Basic and Primary Education Project and I/NGOs.

The study will be carried out in total ten districts, representing the development regions and ecological regions. In each district, five primary schools, three secondary schools and the families falling under their service areas will be studied. A reasonable number of schools covered by the scholarship programmes of both the government and I/NGOs will be selected and both regular schools and those handed-over to communities will be represented.

ECONOMICS & ECONOMIC POLICY

Foreign Aid Utilization at Grass Roots Level

A project proposal, entitled *Foreign Aid Utilization at Grass Roots Level*, submitted by IIDS to the SANEI has been selected for funding.

The proposed study will assess and analyse different aspects of the Local Development Fund-supported projects with field surveys, and analysis of primary and secondary data. Based on the research findings, it will suggest some tools to increase the effectiveness of the Fund-supported projects.

WOMEN-TARGETED PROGRAMMES

Strengthening Federated Groups through Institutional Development and Advocacy Capacity Building in Eastern Region

IIDS implemented a programme, 'Strengthening Federated Groups through Institutional Development and Advocacy Capacity Building of PCRW Federated Groups in Eighteen Village Development Committee (VDC) areas in Three Districts of Eastern Development Region'. The three districts are Udayapur, Saptari and Panchthar. The programme, financially supported by the UNICEF Eastern Region Field Office, aims to strengthen the capabilities of the women members of the PCRW programme to establish grass roots institutions and undertake women and child development activities. The programme was initially designed for a period of one year and following its successful implementation in the first year, IIDS expanded it to eighteen federations: three in Saptari, five in Udayapur municipality area and ten in Panchthar district. In the second year, the programme was expanded to cover the areas phased out by the Mechi Hill Development Programme (MHDP) in Panchthar district.

During the first year of its implementation, the programme helped the groups federated under the PCRW programme and its members to identify their advocacy needs, as well as explore the possible ways for improving women's conditions and position in society and to understand the importance of institutional development of women's organizations. For this purpose, a wide range of knowledge and skills were imparted to the members through regional level orientation-cum-planning workshops, federation-level training, monitoring and follow-up activities, mid-term review meeting and district-level reflection

workshop. The members of the federation were encouraged to carry out various activities such as door-to-door visits as part of awareness-raising campaign; perform street dramas and other cultural programmes to spread messages against girl and women trafficking; develop linkages with different development agencies; take advocacy actions on pertinent issues such as discrimination against girl children in education and violation of women's and children's rights. Efforts were made to integrate the PCRW programme into the VDC's development programme and exercises were held to build consensus between the Women Development Section concerned and the VDCs. Furthermore, some of the major problems faced by the WDS and PCRW programme were also addressed.

The institutional support under this programme has helped to enhance women members' access to various economic opportunities and resources, as well as their decision-making capability, and has equipped them with advocacy skills. It has also sensitized the male members of the community towards their parenting role. The participating women have successfully registered their grass roots institutions under the Cooperative Act. Organization of regional-level orientation-cum-planning workshop with the participation of different development agencies of the programme districts has helped to bring about clarity and common understanding about the institutional development of the federations among the participants.

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HAPPENINGS

The BPKF Nepal-India Water Resources Cooperation Meeting

The BP Koirala Foundation (BPKF) Nepal-India Water Resources Cooperation Meeting was jointly organized by IIDS and the Centre for Policy Research, India, in Kathmandu, on 17-18 October 2003. At the meeting, several papers were presented, which are as follows: (1) *Nepal's Paradox: Nature's Promise Unredeemed*, by BG Verghese; (2) *The Mahakali Project: Socio-Economic Benchmark for Area Development*, by VS Saravanan and BG Verghese; (3) *Mahakali Treaty: Downstream Benefits Calculation: Prospects and Problems*, by Dr Anand Bahadur Thapa and Som Nath Poudel; (4) *Spatial Planning for Mahakali Region of Nepal*, by Soorya Lal Amatya; (5) *Cost Allocation and Sharing of Pancheshwar Bi-national Project under the Mahakali Treaty*, by Vijaya Shankar Shrestha; (6) *Public Hearing and Stakeholder Consultation in Water Resource Development*, by Govind Das Shrestha; (7) *Situation and Aspirations of the People around Pancheswor*, by Sonali Bisht; (8) *Socio-economic and Resettlement Aspects of Mahakali Project in Nepal*, by Bhim Prasad Subedi; and (9) *Power Utilization from the Pancheswor Project in the Context of the Mahakali Treaty*, by Sridhar Devkota and Ajoy Karki. Also presented was a paper by Indian side, entitled *Power Cooperation between North India and Nepal*.

In his welcome address to the meeting, Dr DN Dhungel, Executive Director of IIDS, said that time had come for us to discussing the issue of water resources cooperation between the countries of the region not only from the perspective of bilateral relationship but also from regional perspective. Referring to the proposed river-linking scheme, presented as a concept by India, as one of the examples of issues on which there could be regional thinking, he suggested that India should hold discussions with its riparian countries before embarking upon the scheme, as such discussions and collaborations among riparian countries could help convert the available water in the rivers of the subcontinent into an engine of growth and improvement in the socioeconomic conditions of the people living in this region.

Referring to the interest lately being evinced by the non-government sector in taking up water resources projects between the two countries, Dr Dhungel said that such signs should be encouraged, but unless there was understanding at official level the private sector in either country might not be willing to play a role. Track two initiatives can help and facilitate the actors concerned—government and others—to look at the issues from different dimensions and detach themselves from official positions taken by both the governments and make suggestions that could be beneficial to all the parties.

The meet was attended by several distinguished government officials and water resources experts from Nepal and India. IIDS was represented by Dr Mohan Man Sainju, Mr Bharat Bahadur Pradhan, Dr Bhekh Bahadur Thapa and Dr Meena Acharya.

SSEDG Meetings

IIIDS, jointly with The World Bank, UNDP and UNICEF, organized a series of meetings of the Informal Social Sector Economics Discussion Group (SSEDG). **Towards Ideal Local Governance: Strengthening Participatory Development in Nepal** was organized on 15 September 2003, Lalitpur. Mr Shesh Kant Kafle, Sub-Regional Manager, LGP/PDDP, Western Development Region, Rupandehi, made an opening presentation on the above topic.

The other meetings were organized on 21 November 2003 and on 19 December 2003. At the latter meeting, entitled **Ensuring Resources Reach the Needy: A Socio-Economic Analysis**, at Kathmandu, Dr Chiran Kumar Thapa, former Deputy Chief of the Royal Household and Acting Master of Ceremonies, Royal Palace, shared his ideas on the topic.

SSEDG is an informal group formed in 1994 to discuss critical issues on social sector development. The group organizes regular meetings for discussions and debates on topics of social sector, especially those associated with human priority concerns.

Dissemination of SACEPS Task Force Study Findings

To disseminate the main findings of the four of the six taskforces and formally launch them at the national level, IIDS, in cooperation with the South Asia Centre for Policy Studies (SACEPS), organized a two-day national seminar, **South Asia Centre for Policy Studies: Task Force Study Findings**, in Kathmandu on 7-8 January 2003.

In his welcome address to the seminar, Dr DN Dhungel, Executive Director of IIDS, stressed that policy research and think-tank institutions could play an important role in the promotion of the welfare of the people. He hoped that the eagerness to cooperate for the welfare of the peoples of the region, evinced by professionals from different countries of the regions in all programmes so far organized under the SACEPS, would be cashed in on for the economic and social betterment of the peoples of South Asia.

Addressing the seminar, Mr QAMA Rahim, Secretary General of the South Asia Association for Regional Cooperation (SAARC), called for a more coordinated regional approach to the development of energy resources and their rational distribution and use for the benefit of the region as a whole. He was of the view that cooperation between participating countries should be based on agreed principles, which should include sustainability in resources, equitable sharing of benefits and balanced development between countries.

The chief guest, Prime Minister Lokendra Bahadur Chand of Nepal, addressing the meeting, noted that the areas covered by the taskforces were not only relevant to South Asia's prosperity but were also indispensable to accelerate the pace of sustainable development in the region. He further said that frequent interactions on substantial issues among the non-government sector of this region would greatly supplement government efforts in improving the quality of life of the peoples of the region. Adding that there was no alternative to regional cooperation in South Asia, he noted that pro-active role of the

civil society in deliberations on developmental issues will not only highlight the potentials and importance of regional cooperation, but will also help enhance cooperative endeavours for overall progress and prosperity of the countries in the region. He hoped that the recommendations of the meeting would be valuable to the SAARC member countries in adopting appropriate policies and programmes that give substance to their cooperative endeavours.

To help identify the existing problems and constraints, as well as suggest measures to foster cooperation among the countries of this region in the areas of common interest, SACEPS has constituted six taskforces, viz: (1) Investment Cooperation in South Asia; (2) Energy Cooperation in South Asia; (3) Issues related to South Asia's Strategy for the Next Round of World Trade Organization's Negotiations; (4) Implications of Building a South Asian Free Trade Area; (5) Macro-Economic Policy; and (6) Social Charter for South Asia. The eleventh SAARC summit, held in Kathmandu, had agreed to accelerate cooperation in the core areas of trade, finance and investment to realize the goal of an integrated South Asian economy in pursuance of its goal of a phased and planned process, leading to a South Asian Economic Union. The findings of these various taskforces are expected to be useful policy inputs to the individual governments and collectively to the SAARC.

The Chairperson and Executive Director of IIDS, which is a member of the SACEPS, are on the board of this South Asian network.

Consultation Workshop on Draft Citizens' Charter for South Asia

A one-day **National Consultation Workshop on Draft Citizens' Charter for South Asia** was organized by IIDS on 6 November 2003. The Institute had earlier prepared the Charter for submission to the South Asia Centre for Policy Studies (SACEPS). The Charter is the outcome of the 10th SAARC Summit, held in Colombo in 1998,

which had agreed to develop a social charter which would 'focus on drawing up targets with a broad range to be achieved across the region in the areas of poverty eradication, population stabilization, the empowerment of women, youth mobilization, human resource development, the promotion of health and nutrition, and the protection of children.'

In the changing conditions of the regional economy of the SAARC and the process of globalization in which these changes are taking place, the Charter seeks to fulfill three important goals:

- (1) Define the past commitments and the ongoing and future efforts within a larger framework of social values and norms that would guide social policy in the countries of the region.
- (2) Translate these commitments as far as possible into rights, entitlements and obligations, providing a clearer frame of social accountability for states than those existing at present.
- (3) Develop a collective vision to respond to the vastly accelerated processes of globalization and liberalization that have impact on South Asian societies, posing new threats of marginalization of weaker segments of society.

At the workshop, discussions were held on the following seven themes: (1) Eradication of Poverty; (2) Empowerment of Women; (3) Rights and Wellbeing of Children; (4) Rights and Wellbeing of Youth; (5) Human Resource Development; (6) Social Integration and Good Governance; and (7) Implementation, Monitoring, Evaluation and Advocacy.

Talk Programme: Political Economy of Economic Reforms

IIDS organized a talk programme, **Political Economy of Economic Reforms**, in Kathmandu on 11 August 2003, Mariano Tommasi, professor and chairperson of the Department of Economics at San Andres University, Argentina, and vice president of the Latin American and Caribbean Economic Association delivered the talk programme.

Prof. Tommasi, in his address, said that economic reforms of any country basically depend on its

policymaking process and political institutions. Giving the example of Argentina, Prof. Tommasi said that reforms had no permanent effects and public policies were the outcome of actions and political transactions. In his words, 'Good public policies require political environments which permit the enforcement of bargains and foster cooperation. The important factor to focus on is how to play politics so that we can get maximum benefits.' Referring again to Argentina, he said that many problems emerged one after another in that country when the central policy based on liberalization and privatization failed; the privatization that was introduced without proper preparation proved disastrous. So, he advised Nepal to not change economic policies without proper homework and study.

Representatives of HMG, banks, business, sector universities, political parties, media, non-government organizations and others participated in the programme. ***

SOCIAL SERVICES

EX-Post Evaluation of JICA Projects

IIDS carried out ex-post evaluations of two projects implemented with Japan International Cooperation Agency's (JICA) financial assistance. For this purpose, Mr Madhav Bahadur Pantha, a fisheries consultant, was assigned with the evaluation of the Natural Water Fisheries Development Project and Dr Akal Bahadur Singh, Road Consultant, was assigned with the evaluation of the Construction of Sindhuli Road.

JICA conducted ex-post evaluations of selected projects, including project type technical cooperation and grant aid, that were completed three to six years ago. There were two main objectives of the ex-post evaluation: (1) to extract lessons learnt and offer recommendations to improve the planning and implementation capacity of the implementation agencies through the evaluation of mainly the impact and sustainability of the selected projects; and (2) to meet the accountability towards the Japanese taxpayers through the production of reports in both electronic and printed forms.

GENDER MAINSTREAMING

Status and Dimensions of Trafficking within Nepalese Context

The draft report of the study, *Status and Dimensions of Trafficking within Nepalese Context*, was submitted to United Nations Development Fund for Women (UNIFEM), which is funding the study, in March 2003.

The study has two broad objectives. The first objective is to prepare an inventory of organizations working in anti-trafficking initiatives and the second objective is to review and analyse various dimensions of trafficking and identify gaps in plans and policies, laws and enforcement, programme implementation and strategy adopted to undertake initiatives on the basis of the information collected.

The study employs both primary and secondary sources of information. It uses both formal and informal methods of collection of both quantitative and qualitative data.

In the process of study, consultation meetings were held with the members of the Steering Committee and staff concerned of UNIFEM to receive their feedback and inputs on the questionnaires. The Institute started conducting this study in December 2001. The fourth and last meeting of the Study Advisory Committee of the study was held on 27 March 2003.

HRD NEWS

A training-cum-workshop, **Logical Framework Analysis**, was organized for its staff members by IIDS in Kathmandu from 17 to 25 February 2003. Almost all central and field staff members from action research, general research, editorial, administration and account units took part in the training-cum-workshop, which comprised both theoretical and practical sessions.

The training-cum-workshop was organized in the context of the Self-Reliance Development of the Poor by the Poor (SRDPP) programme, an action research programme currently being implemented in Lamjung and Nawalparasi districts by IIDS. It was financially supported by HELVETAS, which is also the funding agency for the SRDPP programme in the above two districts.

At the training-cum-workshop, a logical framework for the SRDPP-Nawalparasi for the period 2003-2006 was also developed.

At the conclusion of the training-cum-workshop, Dr DN Dhungel, Executive Director of IIDS, gave away certificates to the participants. The training-cum-

workshop is expected to enhance the participants' ability to design better programmes and projects with greater participation of target communities, and thus meet and address their needs and expectations more accurately.

Mr Baburam Shrestha, an independent consultant, was the resource person for the training-cum-workshop.

■■■

Dr Dwarika N Dhungel, Executive Director, and Dr Vikash Raj Satyal, Statistician, attended the **Technical Consultation on Mainstreaming Child Labour Concerns in Development and Poverty Reduction Strategies**, held in Geneva, Switzerland, on 1-2 December 2003. The consultative meet intended to contribute to the integration of child labour concerns in strategies, policies and programmes for development and poverty reduction. More specifically, this two-day meeting discussed, based on various national policy studies, selected issues relating to child labour as a problem of development and poverty; assessed draft

guidelines on mainstreaming child labour concerns in development policy frameworks and poverty reduction strategies; and considered the future of the Development Policy Network for the Elimination of Child Labour (DPNet) and proposed a programme of action to promote the integration of child labour concerns in national and international strategies for development, poverty reduction and promotion of decent work.

The two-day meet was organized by the International Programme on the Elimination of Child Labour-IPEC.

■■■

Dr Khim Kabi Sharma, Sr Research Fellow, presented a paper, entitled **Assessment of the Achievements of World Summit Commitments: The experience of Nepal**, at an expert group meeting organized by UN ESCAP, Bangkok, from 16 to 19 September 2003.

The objectives of the meeting were to: (a) advise the UN ESCAP Secretariat of key issues concerning the implementation of the commitment made in the World Summit for Social Development (Copenhagen) for action as they pertain to poverty alleviation, supporting full employment and social integration; and (b) develop recommendations that would serve to guide the Secretariat in the future activities and work programme.

Dr Sharma's paper illustrated that, since 1990, there have been some positive changes in the reduction of poverty, improvements in employment opportunities and integration of marginalized communities. But the changes are realized only very slowly due to a synergetic effect of political instability, insincere political commitment, insurgency, corruption and lack of resources.

■■■

Muna Nepal, Programme Officer, and Bhupendra Batsa Lamsal, Field Officer, participated in the **Regional Training in Micro-finance for the Practitioners of South and Central Asia**, organized by the Non-Aligned Movement Centre for South-South Technical Cooperation, Indonesia, and

Bangladesh Rural Advancement Committee, Bangladesh, in Dhaka, Bangladesh, from 24 to 28 March 2003. The main objectives of the training were to facilitate experience sharing among micro-finance institutions and practitioners of south and central Asia regions and to gather and learn the experience of successful micro-finance institutions of Bangladesh .

■■■

Prof MK Dahal and S Aryal visited Indian cities of New Delhi during 4-14 January and Mumbai during 15-24 January 2003 to collect data and information on the investment policy, nature and functioning of joint ventures in India and to identify the perceptions of government officials, representatives of the private sector and leading scholars on the prospects and problems of India's joint ventures in Nepal.

■■■

Prof MK Dahal, S Aryal and Shiv Raj Bhatt participated in the annual conference of SANEI , held in Colombo, Sri Lanka, on 15-17 August 2003. At the conference, Prof. Dahal and Aryal presented the preliminary draft report of the study, **Improving Nepal-India Economic Relations: A Study of the Impact of Foreign Direct Investments and Transfer of Technology in Nepal**.

■■■

Shankar Pauydal, Sr Action Research Officer, participated in the **Sub-regional Training Workshop on Literacy and Non-Formal Education as Means to Poverty Evaluation**, held in Dhaka, Bangladesh, from 5 to 14 July 2003. The ultimate goal of this workshop was to contribute towards improving the quality of life of the people by using literacy and non-formal education as means to poverty alleviation. The objectives of the workshop were to enhance the capacity of the participants by linking literacy and NFE with poverty alleviation process; preparing and managing plans; designing and utilizing poverty-sensitive learning materials, and providing training to national literacy and NFE personnel.

■■■

S Pauydaal participated in the **Training Workshop on Life Skills for Women**, jointly organized by the DACAW Section and the Communication, Advocacy and Life Skills Section, UNICEF-Nepal Country Office, on 8-10 December 2002. The aim of the training was to train a pool of national trainers in life skills, increasingly recognized as an effective means to helping individuals make informed choices and responsible decisions on matters affecting their lives.

■■■

Shiv Raj Bhatt, Research Officer, participated in the workshop, **Framework for Poverty Monitoring and Assessment System (PMAS)**, organized by the National Planning Commission (NPC) with the support of UNDP, in Kathmandu on 17 April 2003. The workshop was organized to discuss the preliminary draft of the PMAS framework prepared by the NPC with the technical support of UNDP.

■■■

SR Bhatt participated in the training, **Moderator Development Programme on SWOT Analysis and Strategic Planning**, organized by Faire Trade Group in Kathmandu on 18-20 April 2003.

■■■

SR Bhatt participated in the national workshop, **Road to Cancun**, jointly organized by the South Asia Watch on Trade, Economics and Environment (SAWTEE) and ActionAid Nepal, in Kathmandu on 10-11 July 2003. The objectives of the workshop were: (a) to provide a platform for civil society organizations, planners and policymakers, business sector and other stakeholders to discuss various issues concerning the WTO; and (b) to prepare a national declaration in the run-up to the Fifth Ministerial Conference of the WTO, to be held in Cancun, Mexico, in September 2003.

■■■

SR Bhatt participated in the Annual Conference of South Asian Civil Society Network on International Trade Issues (SACSNITI), **South Asian Agenda for**

the Cancun Ministerial, jointly organized by SAWTEE and the Consumer Unity and Trust Society (CUTS), Jaipur, India, in Kathmandu on 24-25 July 2003. The objective of the conference was to organize a meeting of civil society organizations, research institutions and others for discussing WTO and related issues and to prepare a South Asian civil society declaration in the run-up to the Fifth Ministerial Conference of the WTO.

■■■

SR Bhatt participated in the national workshop, **Protecting Farmers' Right for Food Security and Sustainable Development**, jointly organized by the USC Nepal and the Nepal Alliance for Food Security at Dhulikel on 6-7 August 2003. The objective of the workshop was to prepare a declaration paper for protecting farmers' rights in the context of liberalization, globalization and WTO and to educate the policymakers about this issue.

■■■

SR Bhatt participated in the **Course in Environmental and Natural Resource Economics**, jointly organized by South Asian Network of Development and Environmental Economics (SANDEE), World Bank Institute, Washington, DC and the United Nations Environment Programme Regional Resource Center for Asia and the Pacific (UNEP-RRCAP), Asian Institute of Technology (AIT), Bangkok, Thailand, on 30 October-16 November 2003.

■■■

SR Bhatt participated in the regional conference-cum-training programme, **Post Cancun Agenda for South Asia**, jointly organized by SAWTEE and CUTS, Jaipur, India, in Kathmandu from 30 November to 2 December 2003. The broad objectives of the three-day event were: (a) equipping the South Asian stakeholders, including civil society representatives, government officials and negotiators, as well as general public, with necessary knowledge relating to emerging WTO issues; (b) identifying the areas of common concern of the South Asian nations and converging other individual concerns towards forming a common position for the purpose of negotiating at the WTO

as a South Asian bloc; and (c) training the different stakeholders on newer and emerging issues that are being confronted at the global level.

■■■

SR Bhatt participated in the seminar, **National Water Plan in Water Resource Strategy**, organized by the Department of Water-Induced Disaster Prevention (DWIDP), Ministry of Water Resources, in Lalitpur on 17 January 2003. The seminar was organized to review the tasks undertaken so far, as well as to obtain guidance and suggestions on the National Water Plan.

■■■

SR Bhatt participated in the seminar, **Poverty Alleviation: Businessmen's Perspective**, organized by the Nepal Chamber of Commerce in Kathmandu on 24 January 2003. The interaction programme was organized to discuss what should be the role of industrialists and business community for poverty alleviation the overall goal of Nepal's Tenth Five-Year Plan.

■■■

SR Bhatt participated in the Monthly Forum on Globalization and WTO with the thematic focus, **Nepal's Accession to WTO: Challenges and Prospects**, jointly organized by SAWTEE and ActionAid Nepal in Kathmandu on 9 February 2003. The forum was organized with the objectives of: (a) critically analysing the provisions of the SAFTA treaty; (b) identifying challenges and opportunities that SAFTA would bring for Nepal; and (c) initiating discussion among key stakeholders at the national level on the issues of unfinished business of SAFTA.

■■■

SR Bhatt participated in the seminar, **Exporting to India: Prospects and Challenges**, organized by the Trade Promotion Centre in Kathmandu on 13 March 2003. The main objective of this event was to promote trade and industry between Nepal and India.

■■■

SR Bhatt participated in the Monthly Forum on Globalization and WTO with the thematic focus, **What Should be the Position of Nepal for the Cancun Ministerial**, jointly organized by SAWTEE and ActionAid Nepal in Kathmandu on 7 May 2003. The forum was organized to examine the kind of position Nepal should take on various issues being discussed at the Fifth Ministerial Conference of the WTO.

■■■

SR Bhatt participated in the Monthly Forum on Globalization and WTO with the thematic focus, **Nepal's Commitment During WTO Accession**, jointly organized by SAWTEE and ActionAid Nepal in Kathmandu on 27 August 2003.

■■■

SR Bhatt participated in the Monthly Forum on Globalization and WTO with the thematic focus, **Cancun Debacle: What Next?**, jointly organized by SAWTEE and ActionAid Nepal in Kathmandu on 24 September 2003. The objectives of the forum were: (a) to create awareness amongst different stakeholders about the outcome of the Cancun ministerial meet; (b) to prepare future strategies to cope with the challenges that WTO membership would bring; and (c) to form a national position based on consensus for the purpose of future negotiation under the WTO framework.

■■■

SR Bhatta participated in the seminar, **Nepal's Entry into the World Trade Organization: Process, Challenges and Prospects**, jointly organized by the Nepal Intellectuals' Council and Mountain Resources Management Group in Kathmandu on 29-30 December 2003. The seminar was organized with the objective of familiarizing the participants with the WTO, and assessing the pros and cons of various steps to be taken in the course of Nepal's accession to this trade body.

■■■

Recent IIDS Publications

Structural Adjustment Policies and Poverty Eradication reviews the government's structural adjustment policies and their overall impact on the economy in terms of financial, fiscal to external trade development. The authors, Meena Acharya, Yuba Raj Khatiwada and Shankar Aryal, critically examine whether the financial sector development has increased access of the poor to financial resources.

Price Rs350 or US\$25

Governance Situation in Nepal, by Dwarika Nath Dhungel, is a product of the data collected for a survey, conducted by the World Governance Survey, to have a better understanding of the aspects of governance in Nepal that matter the most and to provide more informed



policy advice to public at large. It covers six dimensions of governance: participation in the political process; interest aggregation system; government stewardship; civil service and policy planning; relationship between the state and the market; and dispute resolution system.
Price Rs325 or US\$25

An Introduction to the Non-profit Sector in Nepal, by Diwaker Chand, attempts to describe the role and function of the non-profit sector in Nepal, which, from an embryonic stage in the 1970s, established itself in the 1990s and continues to grow with the new millennium. It examines the elements of the current non-profit sector, mainly focusing on the contemporary aspects of the non-profit sector.



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