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The Agriculture Perspective Plan: The Need for Debate

John Cameron

The Underlying Assumptions of the APP

The Agriculture Perspective Plan (hereafter APP), published by the Agricultural Projects Services Centre (APROSC) in 1995, represents a comprehensive attempt to map a twenty year future for the Nepalese people. The preparation of the APP was funded by the new democratically elected Government of Nepal and the Asian Development Bank. The APP was researched by numerous national and international consultants working to high level working parties. It is now at the centre of the national development strategy.

The APP aims to break with past trends, primarily through increased investment in irrigation, fertilizers, research and motorable roads. But optimism about the impact of this investment programme is based on an assertion in the Executive Summary unexamined in the main text that a sound basis for radical change has been laid in the previous twenty years in terms of a multiplicity of complex institutions, substantial physical infrastructure, technology-based increases in resource productivity, and strong multiplier effects. Unfortunately, no evidence is cited for this optimism outside the few "boxed" case-studies, which by their very nature are exceptions which suggest the rule has been much less encouraging.

Focusing on the household, the dominant view in the APP appears to be that the majority of rural households in Nepal are:

- middle-sized land-holders with room for manoeuvre;
- seeking higher net incomes through maximising marginal rates of return using market forces;
- willing to take significant uninsured risks on the basis of technical advice from State or private sector agents;
- possessing surplus availability of women's time and energy;

- locality "loyal" in terms of input sourcing, consumption patterns, and, reluctance to migrate;
- willing and able to be environmentally aware and participate unselfishly in groups restricting access to Common Property or Pooled Resources;
- willing to take environmentally more vulnerable land out of use if new technology makes some other land more productive.

This is a very specific model of household livelihood characteristics.

On this basis, the APP emphasises the dynamics of the private sector and market forces. The dominant image is a rural economy poised for economic growth. The obstacles to achieving this potential are technological. Policy focuses on these obstacles stressing feeder "agricultural" roads, chemical fertiliser, shallow tubewell irrigation, and research into a Prioritised Productivity Package (PPP) of outputs and their ecological implications.

The fall in costs associated with technological changes will stimulate movement to cropping patterns with cash products aimed at the large Indian market—a market assumed to have an insatiable demand for products from Nepal. Raising incomes of the poorest depends upon the induced linkages and multiplier impacts of growth in agriculture on non-agricultural activities.

This way of thinking is recognisable to anyone who knows John Mellor (the lead foreign consultant) and his work on Malaysia and south India which found expression in *The New Economics of Growth* (1986). In summary, putting the State's efforts into support of "middle" farmers produces strong demand for local non-agricultural goods and services as both agricultural inputs and final consumer goods.

The APP is positive on the likely impact of market liberalisation on degradation of the physical

environment. At the micro-level, where the APP is focused, poverty alleviation will diminish pressure on the physical environment by the desperate, though not by the greedy.

But an alternative view would be that the Nepalese hills have a vulnerability to deepening widespread undernutrition and accelerated environmental decline in event of a sudden reduction in exchange entitlement to basic foodstuffs. A national risk averse, food security approach is then indicated, guaranteeing food supplies for hill people even if market forces are encouraging terai farmers to sell to India. But such an integrated food security approach only receives one passing mention in the APP, despite the first five years of the APP giving food grains production priority in the hills as well as in the terai. Surely a review would be needed before the planned switch in strategy towards commercialisation?

The livelihoods challenge in Nepal is immense and there is little evidence that the foundations for advance in the hills economy have been laid as the APP asserts. The danger of complacency on this matter is that many people are close to the point of livelihood breakdown. A tragic trajectory of malnutrition, ill-health, and death or migration is as likely for many households as adoption of new agricultural technology.

The APP and Livelihood Vulnerability in the Hills

The APP takes no responsibility for explicit initiatives to improve market outcomes for those with weak livelihood circumstances. There is no attempt to place new assets and common property resources in the hands of groups of the poorest. There is no systematic effort in the APP to achieve the best terms of trade in the whole range of relationships in which people with vulnerable livelihoods engage.

There is evidence that common property resources in Nepal are becoming less accessible to the livelihood vulnerable as more powerful households, local communities, Nepalese government institutions, and international governmental and non-governmental institutions put concern about environmental sustainability into practice in a variety of ways. Even placing such resources under nominal "community" control does not guarantee access for the livelihood vulnerable. There are also implications here for a decreasing ability of vulnerable households to maintain livestock on the homestead. Livestock is important as an asset for sale in times of crisis and a central plank of the APP strategy in the hills.

The APP does make references to the need for co-operation over the use of forest and surface irrigation schemes in the hills. But it is almost silent on the challenge of group formation among the livelihood vulnerable. The dominant APP approach for these people is implicitly one of individualised seekers of wage work in a local, competitive labour market.

The real challenge for the poor was described in a study of the lives of 41 randomly selected and directly approached, manual wage-labour dependent households in the Nepalese hills in 1978, concluded it was useful to analyse their actions to survive in terms of four categories (Blaikie, Cameron and Seddon 1979: 75, 76): perpetuated dependency: multiplex relations with patrons include begging and "loans" from fellow-villagers including several employers; income from communal resources of the village and selling productive assets; peasant aspirations: such actions include purchasing assets (notably small livestock), seeking sharecropping arrangements in livestock or land, and individual attempts to register land in the name of the household; conventional alternatives: migration in its many forms and a general search for non-agricultural income (including approaches to government officials in search of peon type work), elementary schooling for children; new departures: certain types of activity could be characterised as "new" in that they were directed towards changing the conditions under which labour is employed and/or group development independent of patrons and government.

These categories also appeared to be sufficient to capture the breadth of experience met in ten 1994 interviews in the Koshi Hills. But as these "poorest" households were identified by their more affluent neighbours, it was not surprising that "perpetuated dependence" was the most frequently observed category.

Of the 41 households in the 1978 survey, 11 were active in all four categories, 3 were inactive in perpetuating dependency, 15 inactive in peasant aspiring, 3 inactive in conventional alternatives, and 19 were not involved in new departures. Nothing has happened in the last twenty years to suggest this situation has fundamentally changed.

Efforts to raise productivity of small-scale agriculturalists through appropriate technology could be supplemented by participatively planned, food-for-work infrastructure activities to directly improve food security of the livelihood vulnerable. Such activities may also serve to tighten the labour market on behalf of wage labour and strengthen negotiating skills. This could help ensure the highest wage rates compatible with real labour productivity, which would be totally consistent with the aims of the National Planning Commission's "Village Labour Banks" (National Planning Commission 1993). It is disappointing that APP activities were not appraised in terms of wage labour exchange entitlements for food insecurity and poverty alleviation.

Migration as a Neglected Issue in the APP

Migration can be a positive means of gaining greater food security for many households. Pastoral practices require seasonal migrations. Trans-Himalayan trade and pilgrimages have been significant features of economic and social life. Livelihoods for large numbers of people

have been gained directly or indirectly—through providing transport services and facilities for travellers. The British and Indian armies have recruited soldiers in Nepal and such service has a vital role in the food security of many communities, and now migration to the Gulf region is playing a similar role. Formal and informal settlement has taken place on the plains of the terai following malaria control measures in the 1950s and this has contributed to greater food security for some households displaced by natural disasters or economic pressures—though the food secure have not been slow to capture such opportunities.

But access to the more positive migration opportunities involves socially discriminatory filters—explicit in the case of recruitment to the British army, implicit in many other cases. Migration also has cumulative reinforcement factors which concentrate higher income opportunities among those households which already have successful migrants. People with restricted access to secure income-generating migration opportunities are likely to be the poorest. Migration of the poorest from the Nepalese hills is much more likely to be an act of desperation than opportunity and involve a move with little net income gain to an Indian city. The APP's trickle down of employment opportunities if it happens, will provide too little too late for such households.

The balance between ecological stress and migration stress is a delicate one. The debate on natural versus human roles in ecological processes in Nepal is unresolved but local evidence from the hills suggests that the 1980s had not been a period of dramatic environmental decline. The case can therefore tentatively be made that the balance in policy may have shifted too far in the direction of the preservation of trees in the hills and away from local livelihoods for the most vulnerable. But a case can be made that continuing, large-scale human emigration is natural and essential to the ecological survival of the Nepalese hills. A recent study takes this argument to the logical conclusion on ecological, efficiency and equity grounds that there is a case for settling food insecure hill people in the currently forested terai as small-holders to create more room for forests in the hills (Ghimire 1992).

The Nepalese development strategy needs to include migration in all its forms as an issue. The APP has little to say on this apart from asserting that people will migrate less to Kathmandu if the APP is successful (for more on the significance of foreign labour migration and remittances, see the essay by Seddon, Gurung and Adhikari in this issue of the HRB).

The Need for a Perspective on Children and the Elderly

The difficulty of identifying and reaching the most food insecure people is further complicated when different forms of household, intra-household relationships and migration are introduced. Households

headed by women are generally more vulnerable to food insecurity as women's rights to property are weaker than men's, but a household in which the most economically active men are absent as migrants will tend not to be regarded as women headed by the surrounding community or government institutions.

Children and the elderly are especially vulnerable to food insecurity when distanced from households with economically active members, but may not necessarily be secure within such households. The young are vulnerable to suffering from food insecurity which limits opportunity to fulfil their physiological potential. The old are vulnerable to poverty in terms of basic food insecurity for a dignified life. The tendency for joint families to dissolve in the face of material pressures can leave the elderly very exposed to low quality of life with resentful children or isolated living. At both ends of the age range there is a gender bias against people who happen to be female.

This qualitative description of multi-dimensional inequality reveals the problems of clear quantitative targeting a group of the most food insecure. The need for food security targeting on children is hinted at in the APP. But using schools for this purpose must accept that effective school attendance in Nepal is still at globally very low rates, tending to be squeezed by the requirements of immediate economic activity. Experiments in directly reaching women, children and the vulnerable elderly, possibly associated with a sensitive population policy, could also have been included in the food security section of the APP.

Women on the Margin in the APP

The APP does show a limited concern in this direction from a "women in development" perspective by including a section on women in every chapter. Unfortunately this degenerates into rather formulaic statements that the APP is good for women and little or no explicit action on women's position is needed. This is hardly an approach in the spirit of 1990s' best practice gender analysis, and therefore the APP fails to distinguish between the fact that women are heavily engaged in an activity in terms of time and the question of whether they have power over decisions and income derived associated with that activity. The APP also tends to assume that women have time and energy to undertake the extra work involved.

All the APP key commodities for the hills pose problems for a livelihood vulnerability focused development strategy. They can only carry real benefits for vulnerable livelihoods if more positive efforts are made to give all livelihood vulnerable people meaningful power over decision-making and new inputs and in markets and government offices.

The APP and Public Policy

The APP is not a uniform text. There is a dominant line of argument which might be identified with a soft neo-liberalism in economics terms, but other voices intrude occasionally setting more state interventionist, more local self-sufficiency goals. Though having read the whole text, a careful reader is left asking what forms of state policy have actually been totally excluded despite the general emphasis on market forces. There is much emphasis on the four central policy planks but the eventual policy stage is broad and the institutional cast-list is long. Nevertheless, the dominant theme in the script stresses confidence in market forces, and the state is given a supporting role, with NGOs reduced to voices off.

The livelihood trajectories of the APP are based on confidence in the techno-ecological, politico-institutional, civil society welfare, and external economic conditions surrounding farm decision-making in Nepal. The APP has a heavy responsibility to bear in thinking through life and death issues for the livelihood vulnerable people of Nepal. The line is difficult to tread between positive thinking and verging on complacency. Some analysts might have drawn the line more pessimistically and built in more livelihood safety nets for the livelihood vulnerable on the grounds that these extra-household relationships are likely to be less benign than envisaged in the APP. Such analysts could draw upon state-of-the-art thinking on the new institutional economics, the politics of Common Property and Pooled Resources as public goods, and the difficulty of accumulating social capital in forms of greater trust and willingness to share risks. This could be used to underpin an alternative model to the APP.

Conclusion

The APP fails to grasp the nature of livelihood inequalities in rural Nepal. There is no targeting of livelihood vulnerable people by economic, social, geographical or age factors. The claim could be made that the APP is a perspective on agriculture and not a comprehensive development strategy. But, as the APP document says itself, agriculture is at the centre of people's livelihoods in Nepal and the APP does accept poverty and food security as lying within its remit.

The APP model would carry more conviction if the APP researchers had used, undertaken or commissioned research to test their assumptions. This is not a covert message of hopelessness, of a radical pessimism unwilling to engage with the policy process other than on utopian terms. It expresses a desire to ensure that people with vulnerable livelihoods in Nepal are visible and given full policy attention. The APP is correct in assuming that agriculture is vital to virtually all livelihoods in Nepal. That places a heavy burden on agriculture policy to deliver explicitly for all, not directly only to those with relatively secure livelihoods and only indirectly to those people who are vulnerable.

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