Nepal Human Development Report 2004

Empowerment and Poverty Reduction

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Foreword

The political change of 1990 in Nepal inspired hope throughout the country that multiparty democracy would enable all citizens to voice their aspirations and participate in shaping policies that would enlarge their social, cultural and economic opportunities and reduce poverty. However, the linkages among democracy, equity and poverty reduction are by no means automatic or straightforward. Even in countries where political democracy has deep strong roots, significant numbers of citizens feel powerless to influence their governments. In Nepal, with its very young democracy, policies and institutions have not yet been able to address issues of exclusion and discrimination that have provided fertile ground for the conflict that now threatens to reverse the progress achieved during the last 14 years. While macroeconomic policies have helped to enhance the economic growth rate, challenges lie ahead in making the growth pro-poor and enabling people disadvantaged by entrenched socio-cultural practices to participate in mainstream development processes.

The Nepal Human Development Reports prepared since 1998 have flagged issues of inclusive development, equity, and good governance. The 1998 Report advocated reorientation of the economy, society, and polity for better human development outcomes. The 2001 Report focused on the role of governance in fostering equity and diminishing poverty. It was gratifying to find that its analyses and recommendations influenced Nepal's 10th Plan/Poverty Reduction Strategy Paper (2002-07). The present Report, the third of this series, ventures into a subject now intensely debated worldwide: the empowerment of citizens and its role in producing social and economic outcomes.

The NHDR 2004 probes various means of empowering Nepal's weak, marginalized and alienated groups – notably women, *Dalits,* indigenous people, people with disabilities, children and senior citizens – so as to make present power structures far more inclusive, to mitigate poverty and to reduce the risk of violent civil strife. It highlights the historic exclusion of the geographic areas in which the present conflict began almost 50 years ago, the Mid- and Far Western Development Regions. The Report also examines how people can strengthen their individual and social capacities to take advantage of the opportunities opened up by the post-1990 reform process – how they can hold their governance institutions accountable and enhance their position in accessing vital resources. Even more important, this NHDR explores how the values, priorities and agency of citizens at the grassroots level can move to the centre of nationwide development efforts and thereby strengthen the social fabric of the country as a whole.

In a world gripped by economic globalization, permeated by an information revolution, and threatened by relapses into despotic populism, all the areas cited above represent largely unmapped territory for social scientists and development practitioners everywhere. In focusing on the specific situation of Nepal, the NHDR 2004 makes two significant contributions to current attempts worldwide to chart the changing dynamics of human development:

- A human empowerment index whose matrix can provide governments with data for decisive action on economic, social and political exclusion, especially in areas of concentrated poverty;
- A study of the accomplishments and shortcomings of a wide range of social mobilization practices in catalyzing grassroots empowerment.

Nepal's ethnic and linguistic diversity, coupled with the sheer physical barriers that have discouraged the construction of a dense nationwide transport and communications network, poses particular challenges to the country's development – as the present insurgency has shown. In addition, the social cleavages originating in the caste system continue to obstruct the welfare of the vast majority of Nepalese. Once a means of controlling scarce labour resources as well as preserving social order, these intricate divisions now prevent most of the country's citizens from contributing to national progress as well as raising their own living standards.

While the Report presents a frank analysis of the problems that now face Nepal, this provides encouragement to many within and outside the country who are dedicated to a just and peaceful resolution of the current conflict. The Report also contains signposts for preventing the outbreak of others in the future. Resolving many of today's troubles throughout the country calls for confronting their historic roots, both modern and ancient. All viable democracies draw on the history of their peoples. Most are multicultural, some multilingual as well. All depend on a *continuous* empowerment of their citizens for their political sustainability. Moreover, as this Report demonstrates, empowerment in one dimension of life, such as knowledge, usually catalyzes empowerment in another, such as health or socio-political participation.

Many of Nepal's traditions augur well for strengthening its nascent democracy. A number of the proposals outlined in the last chapter of this Report also point to ways in which the country can capitalize on recent developments of its integration into the world economy so as to benefit a great majority of its poor people and empower them to propel equity forward for realizing the promise of the 1990 People's Movement. Nepalese everywhere have a stake in discussing these ideas and communicating their reflections to their fellow-citizens, bearing in mind that democracy is never a finished work. Though the Report concludes with recommendations geared to Nepalese needs, it nonetheless advances a number of ideas that may prove useful to decision-makers in other countries that face similar problems.

Like its predecessors, the Nepal Human Development Report 2004 was prepared by a team of diverse independent authors and reflects their views rather than those of the government or the United Nations Development Programme. The authors were drawn from a wide range of stakeholders including academia, civil society, independent researchers, and those representing excluded groups like the [*Dalits*] and indigenous people. The reform agenda of the final chapter, as well as the analyses that precede it, therefore draws on a wide range of experience and opinions. One of the remarkable features of this exercise has been the fact that its participants took the current crisis as an opportunity for reexamining Nepal's development agenda in its entirety and for raising controversial questions that reach far beyond media headlines. We hope it will encourage leaders and planners in other strife-ridden countries to do likewise.

Yuba Raj Khatiwada
Member
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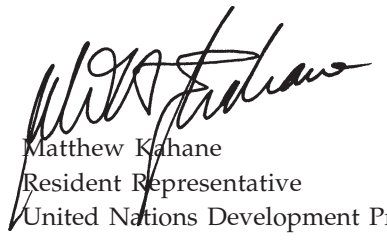

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Contributors

Sriram Raj Pande developed the conceptual framework, distilled the background papers and shaped the reform agenda for dynamic transformation. Bikash Sharma developed the Human Empowerment Index and worked very closely with the lead author throughout the preparation of this Report. Dilli Raj Khanal was also constantly involved at every substantive stage.

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UNDP Readers

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Recognizing all the assistance cited above, the authors assume full responsibility for the opinions expressed in the pages that follow.

Keshab P. Bhattarai
Joint Secretary, National Planning Commission and
National Project Director, Building Capacity to Promote Human Development

Abbreviations

AAN	ActionAid/Nepal
APP	Agriculture Perspective Plan
BAP	Bisweshwor Among the Poor
BASE	Backward Society Education
BCE	Before Common Era
CARE/N	Cooperative Assistance and Relief Everywhere/ Nepal
CBED	Community Based Economic Development
CBOs	Community Based Organizations
CBS	Central Bureau of Statistics
CE	Common Era
CEAPRED	Centre for Environment and Agriculture Policy Research Extension and Development
CEDAW	Convention on Eradication of Discrimination Against Women
CIAA	Commission for the Investigation of the Abuse of Authority
CIDA	Canadian International Development Agency
COPE	Community Owned Primary Education Project
COs	Community Organizations
CPN (UML)	Communist Party of Nepal (United Marxist Leninist)
CRC	Convention on the Rights of the Child
CWIN	Child Workers in Nepal
DDC	District Development Committee
DEPROSC	Development Projects Service Centre
DFID	Department for International Development
EFA	Education for All
FCHV	Female Community Health Volunteers
FECOFUN	Federation of Community Forestry Users
GDI	Gender-related Development Index
GEM	Gender Empowerment Measure
GER	Gross Enrollment Rate
GNP	Gross National Product
GTZ	Deutsche Gesellschaft fur Technische Zusammenarbeit
HDI	Human Development Index
HEI	Human Empowerment Index
HDR	Human Development Report
HMG	His Majesty's Government
HPI	Human Poverty Index
ILO	International Labour Organization
IMR	Infant Mortality Rate
INGOs	International Non-governmental Organizations
LDF	Local Development Fund
LFP	Livelihood and Forestry Program
LSGA	Local Self-Governance Act
MDGs	Millennium Development Goals
MoWCSW	Ministry of Women, Children and Social Welfare
NEA	Nepal Electricity Authority
NGOs	Non-governmental Organizations
PACT	Private Agency Collaborating Together
PRSP	Poverty Reduction Strategy Paper
RUPP	Rural Urban Partnership Programme
SAARC	South Asian Association for Regional Cooperation
SAP	South Asia Partnership
SAPPROS	Support Activity for Poor Producers of Nepal
SFCL	Small Farmers Cooperatives Limited
SFDP	Small Farmers Development Programme
SMB	School Management Board
SMAs	Social Mobilization Agencies
SMCs	Socially Mobilized Communities
SMEs	Small and Medium Enterprises
SNV	Netherlands Development Organisation
SOLVE	Society for Local Volunteer Effort
SSMC	Survey of Socially Mobilized Communities
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAID	United States Aid for International Development
VDC	Village Development Committee
VDP	Village Development Programme
WEP	Women's Empowerment Programme
WHO	World Health Organization
WTO	World Trade Organization

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OVERVIEW

Empowerment and poverty reduction

Nepal has made progress in raising living standards over the last 50 years, particularly since 1990. Yet the country's level of human development remains among the lowest in the world. Development outcomes have varied inequitably, manifesting themselves in gender, caste, ethnic and geographic disparities. The Nepal Human Development Report 2004 sets out to address four crucial questions that lie at the heart of the crisis facing the country today:

- Why do the poor still remain disempowered?
- Why have development efforts to date fallen short of tackling critical social and economic issues?
- How has this affected the process of deepening democracy?
- Why have these factors led to heightening the conflict?

Nepal is hardly alone among the numerous countries worldwide that have allowed both historical and contemporary factors to perpetuate the gaps between its haves and have-nots. This has continued despite the country adopting human development as its overarching goal since the promulgation of its Ninth Five-year Plan in 1997 and thereby the principle of placing all its citizens, including the poorest and most vulnerable, at the centre of its development strategy. The policies of successive governments since the restoration of democracy in 1990 have fostered the creation of an enabling environment for increased economic growth, higher educational attainment, expanded health services and the delivery of safe drinking water, among other dimensions of progress. The proliferation of non-governmental organizations and social mobilization processes have increased social awareness. Together with a free press and increased communication capacity, these socio-economic factors have enhanced democracy and general consciousness of human rights. Disadvantaged and marginalized groups have used new opportunities to organize themselves and voice their concerns. But these advances have not yet reduced the powerlessness of the vast majority of its citizens or significantly diminished the isolation, vulnerability and marginality in which they live. Indeed, the country's low per capita growth rate and high disparities in income distribution have limited the impact of economic growth on the poverty of that majority and starved the nation as a whole of the contributions that these very citizens could make to the development of Nepal's well-being – economically, socially, culturally and politically. Now, facing the worst crisis in its modern history, the country must take a critical step further and place the empowerment of these citizens at the centre of its application of the human development paradigm. Without radical shifts in current policies and resource allocations, Nepal will not be able to sustain the progress it has made to date. Hence the central theme of this Report.

The conventional anti-poverty approaches followed by many developing countries,

Nepal is hardly alone among the numerous countries worldwide that have allowed both historical and contemporary factors to perpetuate the gaps between its haves and have-nots

which focus almost exclusively on income and basic needs, have generally failed to reduce powerlessness and the negative attributes usually associated with it. By contrast, the empowerment approach – with its stress on enhancing individual entitlements, capabilities, rights and freedoms – is one of the four pillars of human development and effectively reinforces the other three: equity, productivity and sustainability. It creates the conditions necessary to enable the poor to take advantage of poverty-reduction opportunities by strengthening their socio-cultural, economic and political capabilities. Empowerment also entails a restructuring of opportunities themselves from both the "supply side" – that of national action to make state institutions more responsive to people and to remove existing social barriers and discrimination – and the "demand side" – the initiatives taken by the poor themselves through social mobilization at the grassroots level. In short, empowerment becomes sustainable only in an environment where policies and institutional reforms complement grassroots initiatives to address political, social and economic empowerment simultaneously – the policy environment generally termed "pro-poor".

The People's Movement of 1990 raised the aspirations of the marginalized sections of Nepal's population, but could not adequately deliver on its promises of socio-economic betterment

Growth becomes pro-poor when it uses the assets that the poor own, favours the sectors in which the poor work, and takes place in the areas in which the poor live. The People's Movement of 1990 raised the aspirations of the marginalized sections of Nepal's population, but could not adequately deliver on its promises of socio-economic betterment. Despite some improvement, the level of the welfare indicators of the socially/economically excluded groups remain very low. Efforts to raise the living standards of the poor have been insufficient; inequity and inequality persist. These failures, in turn, have fueled the violent conflict that now engulfs the country.

A strong association exists between democratic governance and empowerment. Together, they have the potential to make development equitable and inclusive. To facilitate this synergy, this Report offers three tools:

- A new Human Empowerment Index (HEI), which draws together the economic, socio-cultural and political dimensions of empowerment and shows how the neglect of one or more of these factors exacerbates disempowerment in the others and breeds grievances that erupt into lawlessness. Successive analyses trace the manifestations of these three dimensions across Nepal's development regions and the major groups of its disadvantaged citizens: women, *Dalits* (oppressed community), indigenous people, the physically disabled, children and the elderly.
- An original study of social mobilization efforts throughout the country, showing the ways in which they can catalyze poverty reduction, heighten empowerment and foster peace. The social mobilization process helps people move from the passive status of welfare recipients to that of citizens who possess vital knowledge of their communities and therefore know best how to effect – and direct – change at the local level.
- A detailed nine-point reform agenda for dynamic transformation throughout Nepalese society through radical shifts in policies, priorities and institutions.

Regional disparities amid low achievement

Human development in Nepal has not taken place fast enough to ensure the well-being of its people and defuse the socio-economic sources of conflict. Nor has it reduced vast regional disparities. The country's national Human Development Index (HDI) improved marginally from 0.403 in 1996 to 0.471 in 2001. But HDI in its urban areas (0.581) outstrips that of the rural hinterlands (0.452) where the majority of the population lives. HDI is lowest in the mountains followed by the Tarai and the hills. Similarly, the far western and mid-western develop-

ment regions lag far behind the others; most of the districts where HDI falls below 0.4 lie in these two regions (see map 1). Moreover, between 1996 and 2001, the gap in HDI between the highest- and lowest-scoring development regions widened from 0.074 to 0.091. Considerable disparities in the Gender-related Development Index (GDI), Gender Empowerment Measure (GEM) and Human Poverty Index (HPI) also exist within and across regions.

The HEI is a powerful tool for identifying and addressing specific issues of exclusion, incongruities among the critical aspects of empowerment and multiple disempowerments in areas of concentrated poverty. The national HEI (0.463) stands close to HDI. The Index shows considerable regional disparity and mismatchings among the three dimensions of empowerment – social, economic and political. Economic empowerment (0.337) is the lowest and political empowerment the highest (0.646) – with social empowerment (0.406) in between.

While the high level of political empowerment is a clear manifestation of democratic practices and the rising aspirations of the people, low incomes, limited access to productive assets, and a lack of gainful employment opportunities that severely limit the expansion and exercise of human and social capabilities reflect the low level of economic empowerment. Poverty reduction cannot take place on a sustained basis when both economic and social empowerment remains so low. These imbalances provide fertile ground for conflict.

While the level of economic empowerment is lowest in the mountains, this ecological belt also lags behind the other two in all the dimensions of empowerment. Nor has significant progress been achieved in the mid-western and the far western development regions. The typical case of multiple disempowerment is evident in the mid-western hills and far western Tarai, where people experience very low status in all three dimensions of empowerment. By contrast, the

MAP 1 **Human development status by eco-development region**

Discriminatory practices rooted in ethno-caste system have dominated Nepalese culture for centuries

mid- and far western mountains show the largest mismatch among the three components of empowerment. Its magnitude became a source of disenchantment exploited effectively by the Maoist insurgency; these areas became the stronghold of their thrust into the rest of the country.

Discriminatory practices rooted in ethno-caste system have dominated Nepalese culture for centuries. Across regions, discrimination based on patriarchal structures has often stripped the majority of Nepalese women of their dignity, self-respect and confidence. And although the National Country Code of 1963 and the Constitution of 1990 prohibit all forms of discrimination against *Dalits*, untouchability continues in practice. In addition, the historic exclusion of some regions disempowers a number of Nepal's indigenous minorities and undermines their cultures as well as livelihoods; among many, landlessness is increasing at an alarming rate. While discriminatory practices prevail in all countries with or without legal sanction, those of Nepal have a distinct regional character; the continued impoverishment and underdevelopment of the mid- and far western development regions in particular constitute a glaring example of geographic exclusion that has shut every population segment – irrespective of caste, religion and sex – out of mainstream development.

POLICIES AND INSTITUTIONS – ARE THEY INCLUSIVE AND PRO-POOR?

The empowerment process cannot become sustainable without eliminating entrenched socio-cultural norms and discriminatory practices. Despite the many new policy initiatives in the social sector, access to and distribution of education and health facilities still remain inequitable across regions and socio-economic groups. Access to basic education continues to lie beyond the reach of most poor and disadvantaged groups because of in-

MAP 2 Human empowerment status by eco-development region

sufficiencies on the supply side (limited physical access and poor quality) and barriers on the demand side (high perceived costs in relation to foregone benefits). The access of the poor even to the government-subsidized education system is low. Some affirmative action (positive discriminations) in school and university enrolment, civil service appointments, and teacher recruitment has been initiated; but exclusionary practices persist. Despite efforts to devolve authority in basic social services, local communities still play no significant role in policy decisions or in the operation and the monitoring of either education or health services. In the absence of universal and compulsory primary education and healthcare, the deprivations of the disadvantaged will continue.

Macroeconomic policies have been largely ineffective in promoting pro-poor growth and ensuring equitable income distribution. The magnitude, quality and distribution of growth have a direct bearing on economic empowerment and poverty reduction. Macroeconomic policies in Nepal have been reoriented to the world outside; the industrial, trade, foreign exchange, monetary, financial and fiscal regimes have been liberalized. Immediately after the introduction of the Agriculture Perspective Plan (APP), both input and output markets in agriculture were deregulated and price subsidies in fertilizers and capital subsidies in shallow tubewells abolished. However, supply response in the agriculture sector has been poor; terms of trade have deteriorated during the last few years. On the one hand, the emphasis on deregulating input and output prices in an agrarian structure dominated by marginal and small farmers, and on the other, the continuous inflow of subsidized agricultural products from India, has inhibited agricultural growth. In addition, the level of development expenditure in agriculture has decreased. The slow and piecemeal implementation of the APP has resulted in the low diversification and productivity growth in agriculture, the sector in which the vast majority of the poor are concentrated.

Structural impediments in the agrarian system have also hindered the response of agriculture to economic liberalization and deregulations. The access of poor farmers to quality inputs, services and institutional credit has not improved. In addition, the country's heavy concentration of industrial activities with very low backward linkages has severely limited pro-poor growth. Despite structural shift in outputs, no commensurate transformation in employment patterns has taken place. The share of agriculture in total output has declined, nearly half of its relative share being compensated by increases in the value added, particularly in the service sector. The composition of exports, too, reflects a shift in the economic structure, with manufacturing exports replacing exports of primary products. However, because of weak backward linkages and a concentration on a few products dependent on imported raw materials, the benefits of macroeconomic policy change have been limited primarily to the urban business community. This has resulted in weak macro-micro linkages for reducing poverty and empowering the poor and the disadvantaged groups. Without pro-poor policies and institutional reforms at the meso level, it will be difficult to strengthen macro-micro linkages and make development inclusive.

Macroeconomic policies have been largely ineffective in promoting pro-poor growth and ensuring equitable income distribution

There has been expansion of infrastructures such as transport, communications and electricity over the years, but the coverage of these services and their affordability for the poor have remained very low. Lack of forward linkages and continued low access to institutional credit have also limited the growth of small and medium-sized industries. The predominance of unskilled workers in the labour market remains a barrier to enhancing productivity and competitiveness. The country's undeveloped market institutions have obstructed the enforcement of rules and regulations for creating an adequate incentive structure in the market.

Policy reforms and new initiatives taken under the Poverty Reduction Strategy Paper (PRSP) since 2002 have yet to show visible impact in promoting broad-based, pro-poor growth. Pro-poor policies are yet to be worked out to strengthen the linkages between employment, growth, and the empowerment of the poor. The rate of decline in the share of agricultural employment is much slower than the rate of decline in agriculture's contribution to the Gross Domestic Product (GDP), indicating that agricultural productivity has declined over the years. Employment opportunities are largely confined to the low-paid, low-skilled informal sector, which lacks any social security system. With the existing low levels of employment elasticity, economic growth, and the current sectoral composition of growth, two-thirds of the new entrants in the labour force – 200,000 each year – are unlikely to be absorbed in the labour market. Because this dearth of employment opportunities inhibits the empowerment process, a critical development challenge is the creation of new job opportunities and promotion of decent work.

The piecemeal approach of the reform process against the backdrop of increasing popular awareness of human rights fueled contradictions in Nepalese society, leading to violent conflict

All in all, a "top-down" development paradigm directed by the country's elite, coupled with slow progress in devolution, has found itself overwhelmed by narrowly-based growth policies, widened income inequalities and increasing conflicts in the distribution of national income and assets. There clearly exists a need to create an enabling environment for empowerment through substantial shifts in policies and priorities by linking the Millennium Development Goals (MDGs) with the PRSP, among other development initiatives, roadmaps and tools.

The piecemeal approach of the reform process against the backdrop of increasing popular awareness of human rights fueled contradictions in Nepalese society, leading to violent conflict. The People's Movement of 1990, together with the democratic constitution and the promises of the main political parties, generated high expectations that could only be frustrated by the growing gap between commitments and outcomes. Legal, policy-related and institutional discriminations persisted, limiting both equitable access and opportunities to the poor and the disadvantaged in all three dimensions of empowerment: the political, the social and the economic.

Post-1990 reforms in state, political and local institutions were either inadequate or too slow to promote good governance and ensure better delivery of development outcomes. Traditional power relations continued to obstruct the social transformation process. No concerted efforts were made to change rules, regulations and exclusionary institutional practices to offer the poor and the disadvantaged fair representation in either state or political institutions. At the same time, infighting among the mainstream political parties intensified. Political instability increased; the government changed 13 times in 12 years. The political crisis deepened as the tenure of the local bodies came to an end in 2002 – with no extension at just the time when the escalating conflict foreclosed the possibility of holding local elections nationwide. The dissolution of the House of Representatives in 2002 – in unlikely prospects for holding new general elections – resulted in a political vacuum at both central and local levels, disempowering the country's citizens and weakening its nascent multi-party democracy. Unless radical and dynamic transformation through inclusive and substantive pro-poor policy and institutional reforms takes place along with the restoration of peace, Nepal will be unable to overcome the current crisis successfully.

EMPOWERING THE DISADVANTAGED GROUPS – STRUGGLE AGAINST DISCRIMINATION AND EXCLUSION

Discrimination based on patriarchal structures has resulted in stripping the dignity, self-respect and confidence of the majority of Nepalese women, a particularly important

population segment because it cuts across all groups. The Constitution of 1990 stipulates non-discrimination and equality as fundamental rights. However, other state laws and institutions still relegate women to inferior status. Women's participation in development has been initiated since two decades; but the outcomes have been low. Literacy rate of women is 22% less than that of men while maternal mortality rate is one of the highest in the region. Women have very limited access to and control over resources, and their representation in the government and political parties is low.

Despite the subordination and inequality that women face, they are slowly moving towards empowerment. The political process, economic activities and social mobilization are helping women to come out of exclusion. Their gains, however, have not been balanced against discrimination/exclusion in terms of caste/ethnicity, religion, age and disability. Given the geographic dimension of exclusion in Nepal, the path towards empowerment for these citizens lies in the devolution of true authority to their local governance bodies.

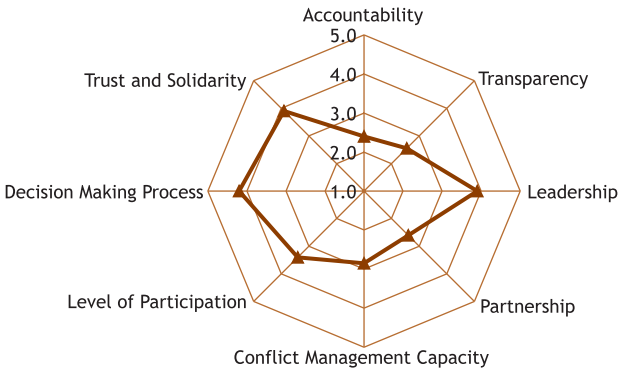
The restoration of democracy in 1990 gave greater voice to subjugated groups and drew the attention of policy makers and development partners towards them. New institutions have been created to promote their rights and enhance their empowerment. But social and economic indicators reveal wide inter-caste disparity in development outcomes. Most indigenous people and *Dalits* still face exclusion and disempowerment. Generalized empowerment strategies and plans of action, therefore, become meaningless if marginalized and disadvantaged groups remain isolated or ignored, particularly because mainstream development policy and programmes almost invariably fail to reach them. Given their vulnerability to sickness, economic shocks, crop failure, natural disasters, and violence, specially tailored policies, strategies and plans of action are required to benefit the marginalized and disadvantaged groups through awareness raising and capacity-building, education, economic advancement, and political empowerment.

Mobilizing the Poor and the Disadvantaged

As a vehicle of organizational capacity-building, social mobilization functions primarily as a mechanism of empowerment. Social mobilization reduces poverty because it is based on the premise that the poor are willing and able to carry out a number of functions themselves to improve their situations, given encouragement to form their own organizations for promoting their development through their own efforts and participating actively in decision-making that enhances their livelihoods.

A special study of socially mobilized communities (SMCs) in ten districts of all five development regions undertaken for this Report scored the degree of empowerment attained in each by asking its members to rate the organization in terms of its level of participation, decision-making processes, transparency, accountability, trust and solidarity, leadership, partnership and conflict management capacity (see figure 1). By and large, the study confirms the

Figure 1 **Level of empowerment of grassroots organizations**



mismatchings in the three dimensions of empowerment revealed by the HEI.

Though social mobilization processes in Nepal play important socio-political roles through greater inter-ethnic and inter-communal interactions, problems of exclusion persist. The inclusion of ultra-poor groups in social mobilization processes requires an affirmative action policy and strategic steps to involve them by creating assets and opportunities for them at the household level, together with appropriate capacity-building to create an enabling environment for empowerment and a safety net for the ultimate protection of the most vulnerable members of the community, young and old. Thus targeted programmes should be built into holistic social mobilization efforts and SMCs can overcome their current tendencies to exclude the ultra-poor while at the same time ensure that the non-poor are also included to reduce tensions within the community.

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A broad-based social mobilization effort to upscale the good practice models with strong partnerships and linkages has yet to emerge in Nepal. It could well scale holistic empowerment at the grassroots level up to the regional and national levels. Such an approach also appears critical to strengthening decentralization, as it has significant potential for integrating grassroots initiatives with meso and macro level policies and institutions. From a policy perspective, therefore, Nepal faces a major challenge in replicating and upscaling the most successful practice models. Although some donor-supported social mobilization programmes, such as the UNDP-supported Village Development Programme (VDP), are thinly spread in many districts, they could be used as "motherboards" to upload current and future vertical programmes, so as to provide services at low – even zero – marginal cost.

Had social mobilization over a sustained period of time organized people for socio-economic ends and also connected them politically to a responsive state through electoral or participatory development processes, the early signs of today's conflict could have been detected and addressed with the seriousness they merited. The current challenge for SMCs now confronting armed conflict is continuing to engage in whatever elements they can. While social mobilization is revolutionary, revolution need not necessarily be violent. Ongoing mobilization ventures in many districts have also helped to discourage people from joining the insurgency. Although such efforts are difficult to foster in the absence of peace, the preservation of all possible components of SMCs is now essential.

A REFORM AGENDA FOR ENHANCING EMPOWERMENT

Deepening democracy is a key to enhancing empowerment. Without strengthening democratic institutions that enhance the decision-making powers of the disadvantaged groups, initiatives to increase empowerment cannot be sustained. Yet once citizens have experienced democratic political practices, social imbalances are bound to surface, whether because of historical or contemporary factors. The fact that these imbalances have now exacerbated violent conflict throughout Nepal points clearly to a need for radical, dynamic social transformation through systemic reforms in policies and institutions. The current conflict has not only eroded the social capital that existed within communities (the binding elements of trust), but has also severely disrupted indigenous forms of social networks and institutions (the bridging of these elements).

The human empowerment analysis set out in this Report provides policy signals not only as to the kinds of social, economic and political interventions essential to reducing disparities at the local level, but also the scale of such corrective measures. So far, the devolution of authority, capacity-building and accountability to local bodies in accordance

with the principle of local self-governance and the spirit of the Local Self-Governance Act (LSGA) of 1999 has not occurred fast enough to consolidate the empowerment of people at the grassroots level. But devolution will not work effectively without partnerships and other forms of collaboration, both horizontal and vertical, that ensure the communication of the voices and choices of the poor to governance bodies well beyond their immediate communities.

Nepal's reform agenda should therefore concentrate on the following thrusts:

- Deepening democracy
- Removing discriminatory laws and practices
- Making macroeconomic policy reforms pro-poor
- Transforming agriculture
- Expanding equitable education and health facilities
- Building infrastructure
- Creating employment opportunities
- Empowering the disadvantaged and marginalized groups
- Investing in the organizational capacity of the poor.

Changing the long-standing institutional culture that governs Nepal's decision-making processes simply will not take place without radical changes in mindsets of those who work within them. This process need not take generations. The second half of the 20th century witnessed changes that were largely unimaginable before the advent of decolonization. As new information technologies have begun transforming the topography of knowledge worldwide, moving knowledge and know-how in both directions across the global North and South, they have also contributed massively to changes in attitudes and behaviours. There is no reason to believe that the country that gave the world the transformative experience of Buddhism in the 5th century Before Common Era (BCE) cannot mobilize the indigenous capacities of its diverse people to transform mindsets legally sanctioned by the 19th century *Muluki Ain* (Country Code). Similarly, many of Nepal's diverse religious traditions augur well for transformations of the current status of women and other excluded and exploited groups.

As the Nepal Human Development Report (NHDR) of 2001 stated, "Social mobilization existed in Nepal long before the concept was articulated in [contemporary] terms." If human development flourishes best when it draws upon the indigenous capacities of a country, Nepal has a rich source to mine. It is therefore incumbent upon all the country's stakeholders to replicate and upscale the best practice models that are now at hand, building transparency, accountability and inclusiveness into the core of organizational and programme development packages. These certainly will not be the last word in social mobilization, simply because the process continues to evolve – as does the concept of human development itself.

Changing the long-standing institutional culture that governs Nepal's decision-making processes simply will not take place without radical changes in mindsets of those who work within them

CHAPTER 1

Empowerment – the centerpiece of development

Nepal has made progress in raising living standards over the last 50 years, particularly since 1990. Yet the country's level of human development remains among the lowest in the world. Development outcomes have varied inequitably, manifesting themselves in gender, caste, ethnic and geographic disparities. Poverty has become intractable. Employment opportunities have become increasingly scarce. People's needs have gone unfulfilled, institutions have weakened, and policies have not been sufficiently pro-poor, leaving vast segments of the population outside mainstream development.[1] The outbreak of armed violence has exacerbated all these problems, pushing the country into deeper crisis.

Development challenges

Why do the poor still remain disempowered? Why has development efforts fallen short of tackling critical social and economic issues? How has this affected the process of deepening democracy? And why have these factors led to heightening the conflict? These are crucial, intertwined issues that lie at the heart of the multifaceted crisis facing the country today.

The decade following the restoration of multiparty democracy witnessed a number of economic reforms and development initiatives. The adoption of a liberal, market-oriented development strategy led by the private sector has helped to stimulate investment and growth. Nonetheless, development efforts have been largely unsuccessful in integrating the vulnerable and marginalized groups. The governance system has remained nonfunctional because deeply rooted processes of exclusion have compounded failures at the institutional level and in implementation processes. The country has yet to attain success in promoting equitable participation and ownership, transparency and accountability, and the efficient use of public resources.[2]

Development outcomes have varied inequitably, manifesting themselves in gender, caste, ethnic and geographic disparities

The Nepal Human Development Report 2001: Poverty Reduction and Governance[3] undertook a detailed assessment of the country's governance structures in relation to the apparent intractability of poverty. The Report identified weak governance as the root of national disappointments, "notably an absence of citizen participation in the decision-making processes that shape their lives…" The Foreword of that Report continued:

"…This may seem odd; we normally think of reducing poverty in terms of providing jobs, infrastructure, healthcare and schools – in short the social and economic aspects of progress. We do not connect these benefits directly with broadening the freedoms that enable people to make real choices towards leading full and productive lives. Even at the dawn of a new millennium, we still tend to consider people's expressions of their preferences a concomitant – even an effect – of economic growth and general modernization of living conditions…"

Given the strong association between sound and effective democratic governance and empowerment, this Report examines how the concerns of the poor can be addressed through empowerment that provides equal opportunities to all, regardless of sex, caste, creed or religion – an empowerment that leads to fair, impartial access to decision-making processes at different levels and, equally important, equity in accessing and controlling resources.

Nepal can fight poverty successfully only if the government brings the empowerment agenda to the center of its poverty reduction strategy

Building on the analysis and recommendations of the Nepal Human Development Report 2001, this Report argues that Nepal can fight poverty successfully only if the government brings the empowerment agenda to the center of its poverty reduction strategy, addressing the concerns of the people and delivering on promises made since 1990 with the restoration of democracy. And only under a strong and effective democratic polity can the empowerment agenda be realized and become sustainable. The two issues are inseparable.

Conceptual framework

During the last two decades, the term "empowerment" has become a keyword of development discussions worldwide, accruing as many definitions and connotations as the word development itself *(see technical notes, annex 1.3)*. This Report explores its meaning in the context of life in Nepal today, defining empowerment as the process of transforming existing power relations and of gaining greater control over the sources of power. Empowerment builds people's capacity to gain understanding and control over personal, social, economic and political forces to act individually as well as collectively to make choices about the way they want to be and do things in their best interest to improve their life situation.[4] This definition captures the spirit of human development, which is defined as "creating an environment in which people can develop their full potential and lead productive, creative lives in accord with their needs and interests.… to be able to participate in the life of the community."[5]

Nepal's Tenth Plan/PRSP (2002-2007) attempts to redress the crisis now facing the country by placing peace-building and security centre-stage and by positing a four-pronged approach that comprises:

- Sustained high and broad-based growth, focused particularly on the rural economy;
- Accelerated human development through the effective delivery of basic social services and economic infrastructure;
- Social and economic inclusion of the poor, of marginalized groups and of backward regions; and
- Good governance for development outcomes that foster social and economic justice.

The Tenth Plan also offers a variety of strategies for drawing the excluded into the mainstream of Nepal's development. These include new alliances between major economic stakeholders and local governments to generate employment opportunities and increase income at the grassroots level; special monitoring of deprived areas, marginalized groups and women; and special projects and programmes, based on nation-wide needs assessments, to improve regional balance and make visible progress towards the MDGs. However, the Plan cannot reduce poverty significantly without systematic efforts to augment and harmonize the three fundamental components of empowerment: the economic, the political and the socio-cultural.

- **Economic empowerment,** the element with which most of us are most familiar, concerns the expansion of access to productive assets, including physical and financial opportunities, to pursue economic gains. Although this component of empowerment necessarily involves the distribution of capital and of income-generating opportunities, economic empowerment also entails ensuring that the workings of the market and relative prices can enhance the economic agency

of citizens. While poverty and economic vulnerability cannot be reduced without strong private sector activity, economic growth cannot become sustainable unless it is broad-based and roughly egalitarian. In short, it is self-defeating to exclude such groups as women and *Dalits* from equitable engagement in productive employment and other income-generating activities.

- **Political empowerment** involves enlarging the capabilities associated with democratic self-governance. It ensures not only respect for the fundamental dignity of the human person and the basic rights set out by international norms, but equitable representation in decision-making processes and institutions – especially those that can demand accountability from public servants and the private sector bodies entrusted with public resources. It includes freedom to participate in political dialogue, to dissent from majority or accepted views, and to mobilize for change[6] – a crucial agency function of this sphere. Political empowerment also encompasses legal empowerment, generally understood as the process of acquiring the knowledge essential to protect one's rights and to assert them under the law.
- **Socio-cultural empowerment** entails strengthening the social fabric by augmenting a complex network of human qualities – both individual and collective – whose sum and synergies we call "social capital". It is the process through which people and groups become aware of the interplay of societal and cultural forces at work in their lives and learn how they can act individually and jointly to influence and eventually control the dynamics of these factors. Socio-cultural empowerment therefore spans a broad spectrum of human development parameters, from access to safe water, primary health care and basic education through skill acquisition, including the ability to use communication media.[7] In addition, it encompasses social status, cultural expression and the sense of belonging to social entities that range from households through youth clubs and religious congregations to ethnic groups and a national polity. This sense of belonging engenders the trust that allows societies to function and enables individuals to act together to secure, safeguard and further what they value.

Improvement in one dimension of empowerment can play a catalytic role in bringing change in the other two. Expanding human knowledge and capabilities certainly has an indirect influence on economic and political empowerment.[8] Nonetheless, as this Report will demonstrate, direct linkages are hardly automatic, let alone rapid and self-perpetuating in virtuous synergies, i.e., sustainable. Sustainable empowerment requires an integrated approach and tools to make this integration operational. Thus, an integrated approach is required to address sustainable empowerment, which occurs when people are empowered socially, economically and politically. To make this approach operational, the HEI has been constructed for the first time by bringing together social, economic and political dimensions of empowerment in a holistic perspective.

The [Tenth] Plan cannot reduce poverty significantly without systematic efforts to augment and harmonize the three fundamental components of empowerment

The Venn diagram, presented in figure 1.1 illustrates the relationships among social, economic and political empowerment and their place in the larger canvas of human development.

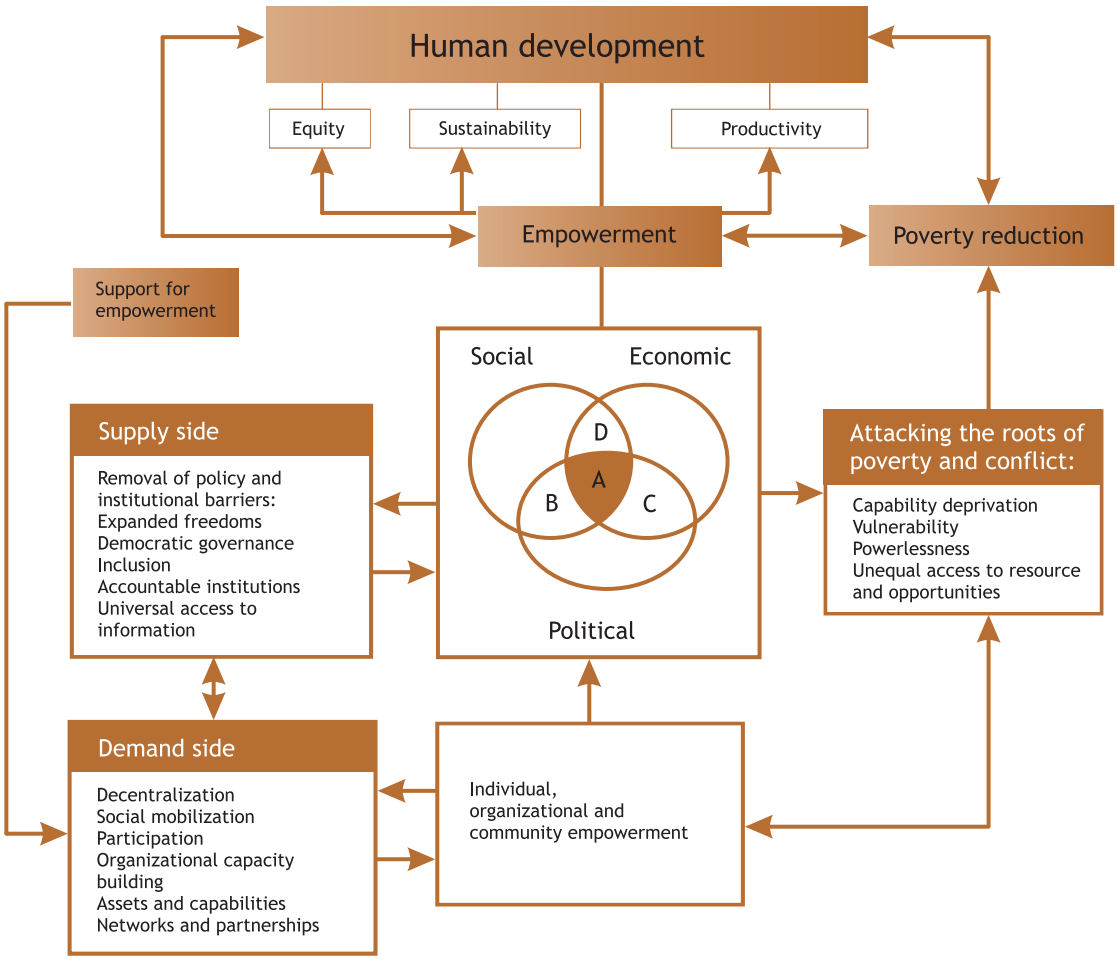
Sustainable empowerment is defined as a situation where people are empowered socially, economically and politically. The Venn diagram shows that interactions between social and political empowerment without economic empowerment make people's empowerment unsustainable (area B). Likewise, area D represents a situation where a lack of political empowerment will make social and economic empowerment unsustainable. Hence, promoting sustainable empowerment (area A) requires an integrated empower-

ment-led strategy for poverty reduction and human development. The framework also offers a potential roadmap for making empowerment strategies operational and for measuring their impacts.

Building on the four critical elements of empowerment described in box 1.1, three essential pillars of empowerment are necessary: making state institutions responsive to people; removing social barriers and discriminations; and strengthening local organizational capacity and social capital.[9]

- Making state institutions more responsive to people requires changes in three branches of government – executive, legislative and judiciary. These include reforming public administrations, reforming the legal system, decentralizing power and promoting democratic politics and practices.
- Removing social barriers and discriminations on the basis of region, ethnicity, race, gender, religion and socio-economic status enable people to take advantage of opportunities for economic and social advancement to lift them out of poverty. Social institutions can reinforce existing inequalities or serve as vehicles to overcome them. Barriers need to be removed wherever they limit access to productive resources/assets (the extent of this inequality) and access to education, health, and other public services.

Figure 1.1 Conceptual framework of empowerment and human development



- Strengthening local organizational capacity-building and social capital, especially through social mobilization, plays a vital role in enhancing the productivity of assets available to the poor; in protecting the fulfillment of their basic needs; and in managing risks and conflict. Increasing both vertical and horizontal social capital, both their density and their linkages, is vital not only to improving access to resources – winning benefits for local communities – but to resolving local disputes at their source and thereby curbing the spread of conflict beyond a scattering of isolated instances.

As a number of leading social scientists have pointed out during the last few years, this last type of action is particularly important in poor countries that have rich traditions embedded in "processes of cooperative and cumulative learning, typically passed on orally, [through which] they have worked out how to survive in often difficult and harsh conditions... As countries transform themselves, they have to develop different capacities. But it is important to recognize that they do so not merely as an aggregate of individuals. National capacity is not just the sum total of individual capacities. It is a much richer and more complex concept that weaves individual strengths into a stronger and more resilient fabric. If countries and societies want to develop capacities, they must do more than expand individual skills. They also have to create the opportunities and the incentives for people to use and expand these skills. Capacity development therefore takes place not just in individuals, but also between them, in the institutions and networks they create..."[10]

Results within this framework can be achieved only through genuine democracy that guarantees human rights and freedoms. Deepening democracy is thus essential to promoting transparent, responsive, participatory, inclusive and accountable governance. Development experience clearly shows a two-way relationship between good governance and empowerment.[12] Empowerment – through inclusion, voice, and accountability – also promotes social cohesion and inclusiveness. Evidence further demonstrates that the breakdown of social cohesion and trust leads to war and civil conflict.[13] Consequently, mainstreaming the empowerment agenda

BOX 1.1 Critical elements of empowerment

Certain elements are almost always present in successful empowerment efforts. The four key elements of empowerment that must underlie institutional reforms are:[11]

- **Inclusion/participation.** Opportunities for poor people and other excluded groups to participate in decision-making are critical to ensure that the use of limited public resources builds on local knowledge and priorities and brings about commitment to change. However, sustaining inclusion and informed participation usually requires changing the rules so as to create space for people to debate issues and participate in local and national priority-setting and the delivery of basic services.

- **Access to information.** Informed citizens are better equipped to take advantage of opportunities, access services, exercise rights, and hold both state and non-state actors accountable. Disclosure of information about the performance of institutions promotes transparency in government, public services, and the private sector, while the laws about rights to information and freedom of the press provide the enabling environment for informed citizen action.

- **Accountability** encompasses the obligations of political authorities, parties and representatives to explain their intentions and conduct to their constituencies and to voters at large and the responsibility of government agencies to fulfill their administrative and social commitments to citizens by presenting transparent periodic reports of their work for public scrutiny and discussion. Citizen action can reinforce political and administrative accountability mechanisms and build pressure for improved governance and transparency.

- **Local organizational capacity.** Organized communities are more likely to have their voices heard and their demands met than unorganized communities. It is only when groups connect with each other across communities and form networks or associations (federations) that they begin to influence government decision-making and gain collective bargaining power.

These four elements are closely interlinked and can be successfully applied to four critical development objectives: ensuring the provision of basic services, enhancing local and national governance, broadening access to markets and guaranteeing access to justice.

Source: World Bank 2002a.

lies not only at the heart of deepening democracy, but also addressing the ongoing conflict in Nepal.

Conventional anti-poverty approaches, which focus almost exclusively on income and basic needs, have generally failed to reduce powerlessness and the negative attributes usually associated with it, notably isolation, vulnerability and physical weakness. By contrast, the empowerment approach – with its stress on enhancing individual entitlements, capabilities, rights and freedoms – is one of the four pillars of human development and effectively reinforces the other three: equity, productivity and sustainability.[14] It creates the conditions necessary to enable the poor to take advantage of poverty-reduction opportunities by strengthening their socio-cultural, economic and political capabilities. However, empowerment becomes sustainable only in an environment where policies and institutional reforms complement grassroots initiatives to address political, social and economic empowerment simultaneously – in short, the policy environment generally termed "pro-poor".

Empowerment makes growth pro-poor by broadening human capabilities and improving the distribution of productive assets

Growth has to be pro-poor to make a dent on poverty. Empowerment makes growth pro-poor by broadening human capabilities and improving the distribution of productive assets. For a given rate of growth, poverty will fall faster in countries with more equitable distribution of income than in those where income inequalities are higher.[15] Evidence from Nepal clearly illustrates how economic growth has had limited impact on poverty reduction due to the inequitable and unequal distribution of income and assets.[16] Therefore, empowerment must drive the policy framework for attaining pro-poor growth.

Policies, institutions and governance have to be geared towards eliminating all kinds of discrimination, including injustice and lack of equal opportunities in the socio-economic and political processes, so as to promote legitimate empowerment. In a traditional, feudalistic/caste-based society, such political, social and economic transformations have to be more broad based and progressive than in other societies that have managed to shed most of these shackles. In the absence of such transformations, conflict and even armed violence are prone to erupt as desperate efforts to acquire power. This is what Nepal faces today. To address this situation, empowerment must come to the forefront of the societal transformation agenda.

Organization of the Report

The chapters that follow illustrate the interplay of empowerment factors from both the "supply side", that of national policy and planning, and the "demand side" of community action. Chapter 2 surveys Nepalese development and empowerment by geographical region, district and rural-urban locations. Chapter 3 takes a critical look at the socio-cultural, economic and political empowerment in the context of national policy and institutions so as to identify existing policy and institutional barriers to empowerment, while chapter 4 examines these barriers from the points of view of poor and disadvantaged groups. Chapter 5 highlights social mobilization practices in Nepal and the ways in which they can catalyze poverty reduction and heighten empowerment. On the basis of all these analyses, the final chapter sets out a series of holistic policy recommendations whose time for implementation has come.

CHAPTER 2

Human development and empowerment in Nepal today

Just as the HDI, and others developed since, seek to capture elements of life beyond per capita income, many countries have tried to devise indicators that can both reflect and influence short-term policy changes in particular socio-economic contexts. In this chapter, we will look at development and empowerment to date in Nepal through the lens of the major measurement tools that have evolved in the global Human Development Reports since 1990 and draw them together into a new HEI. Because this new index appears remarkably sensitive to short- and medium-term policy changes in the economic, social and political dimensions of empowerment, it may help Nepalese citizens redirect their development towards poverty reduction, especially at the district level (see annexes 1 and 2).

The human development index

According to the UNDP Human Development Report 2004, Nepal's HDI score stood at 0.504 – a graduation from low HDI status to medium HDI. But the figure is lower than all the South Asian nations except Pakistan. Using the latest data available from the 2001 census and other sources (see annex 1.1 and 1.2), the HDI value is estimated to be even lower: 0.471.[1] HDI in the urban areas (0.581) outstrips that of the rural areas (0.452) in which the majority of the Nepalese people live (see figure 2.1). The proximate causes that underlie this striking disparity are higher per capita income and better access to social and health services in the towns and cities.

Figure 2.1 Human development in rural and urban Nepal

When we disaggregate HDI in Nepal's ecological zones, development regions and sub-regions, as well as at the district level, significant differences emerge (see annexes 2.1, tables 1 and 2). HDI in the mountain scores lowest (0.386), followed by the Tarai (0.478) and the hills (0.512); people in the mountain are poorer than those in the Tarai and the hills. The far western and mid-western development regions score the lowest HDI values of the country.

Not surprisingly, life expectancy at birth, adult literacy and mean years of schooling and the Purchasing Power Parity (PPP) income across regions show different patterns that reflect the uneven distribution of resources country-wide and differences in accessibility as well. There also exist considerable inter-district disparities in HDI: of the 75 districts, the lowest HDI score is found in Mugu, followed by Bajura, Kalikot, Bajhang and Jajarkot, and the highest in Kathmandu, followed by Bhaktapur (see table 2.1 and map 2.1).

TABLE 2.1 Classification of districts by human development status

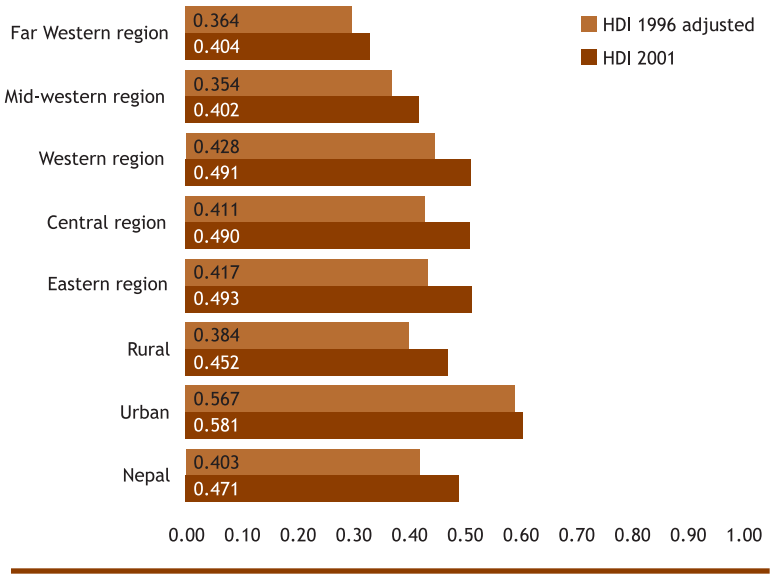
Range of HDI values	Names of districts in ascending order of HDI	No. of districts
Less than 0.400	Mugu, Bajura, Kalikot, Bajhang, Jajarkot, Jumla, Achham, Humla, Dolpa, Dailekh, Rolpa, Rukum, Baitadi, Rasuwa, Salyan	15
0.400-0.449	Doti, Mahottari, Sarlahi, Rautahat, Dang, Dhading, Sindhupalchok, Pyuthan, Darchula, Siraha, Bardiya, Ramechhap, Dadeldhura, Kapilbastu, Khotang, Kailali, Parsa, Dhanusha	18
0.450-0.499	Dolkha, Saptari, Gorkha, Nuwakot, Kanchanpur, Bara, Gulmi, Taplejung, Sindhuli, Arghakhanchi, Bhojpur, Banke, Solukhumbu, Makwanpur, Okhaldhunga, Sankhuwasabha, Nawalparasi, Mustang, Panchthar, Surkhet, Palpa, Udayapur, Baglung, Lamjung, Jhapa, Myagdi	26
0.500-0.549	Sunsari, Manang, Parbat, Dhankuta, Chitawan, Ilam, Terhathum, Tanahu, Morang, Syangja, Kavrepalanchok, Rupandehi	12
0.550 and over	Lalitpur, Kaski, Bhaktapur, Kathmandu	4
	TOTAL	75

HDI over time

To make the present HDI based on 2001 data comparable with the 1998 HDI, based on 1996 data, the 1996 HDI has been recalculated using the same logarithmic transformation method for the calculation of income index (see annex 2.1, table 9). Such income adjustment increases the 1996 HDI to 0.403 from its original value of 0.325 for the country as a whole. This means that the HDI has in fact increased to 0.471 in 2001 (present estimate) from 0.403 in 1996. As the table shows the percentage increase is relatively lower in the far western and mid-western development region than in other development regions. Interestingly the percentage increase in HDI has been less than 3% in urban areas compared to 17% in rural areas (figure 2.2).

However, a comparison of the present HDI (0.471) – based on 2001 data with the previous 2001 HDI (0.466) based on 2000 data – shows only a slight improvement in human development as a whole throughout the country.[2]

Figure 2.2 Changes in HDI between 1996 and 2001



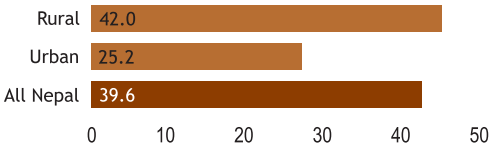
THE HUMAN POVERTY INDEX

The Human Poverty Index value for Nepal is estimated at 39.6, a figure fairly close to the HPI (41.2) reported in the global Human Development Report 2004. The HPI value exceeds that of all the other South Asian countries, except Bangladesh and Pakistan. Human poverty in rural areas (42.0) surpasses that of urban areas (25.2) (see figure 2.3). The incidence is most pronounced in the mountain, followed by the Tarai and the hills. Likewise, it is heavily concentrated in the mid-western and far western development regions and is highest in the mid-western mountain – 1.7 times higher than that of the central hills where the HPI value is recorded to be the lowest. Similarly, considerable disparities in human poverty exist across districts (annex 2.1, table 3 and 4 and map 2.2).

HPI over time

As with HDI, the previous 1998 HPI based on 1996 data has been recalculated by dropping the proportion of population without access to health services. This adjustment has reduced the 1996 HPI marginally to 48.1 from its original value of 49.7. A comparison of human poverty indices shows an improvement in HPI from 48.1 in 1996 (the 1998 HPI) to 39.6 in 2001 (current HPI; see figure 2.4). Making further adjustments in the 2001 HPI for malnourished children from 1-5 years to 1-3 years to make the two reference points comparable, the HPI in 2001 drops marginally to 38.6 (see annex 2.1, table 9 for details). The decline in HPI has been highest in the mid-western, western and central development regions with the least progress in the far western development region. Ecologically, there has been least progress in poverty reduction in the Tarai and the mountain compared to the hills (annex 2.1, table 9).

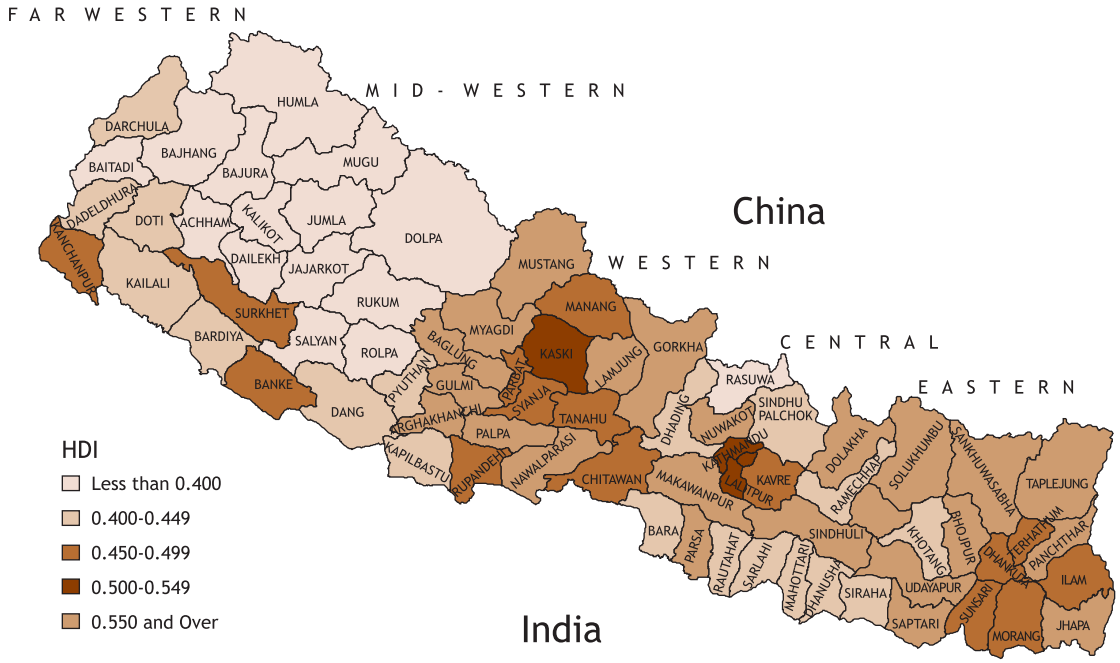
Figure 2.3 Human poverty in rural and urban Nepal



The gender-related development index

The Gender-related Development Index is simply the HDI adjusted downwards for gender inequality. The greater the value of GDI, the lower the degree of gender disparity in human development. GDI in Nepal has a score of 0.452 as against the HDI value of 0.471; this suggests that the depth of gender disparity in opportunities is not very great. The GDI for the rural areas (0.430) is significantly lower than for the urban areas (0.562), indicating a higher degree of gender inequality in rural areas (see figure 2.5). Among the ecological belts, women in the mountains have a lower GDI value than

MAP 2.1 Human development status by district



MAP 2.2 Human poverty status by district

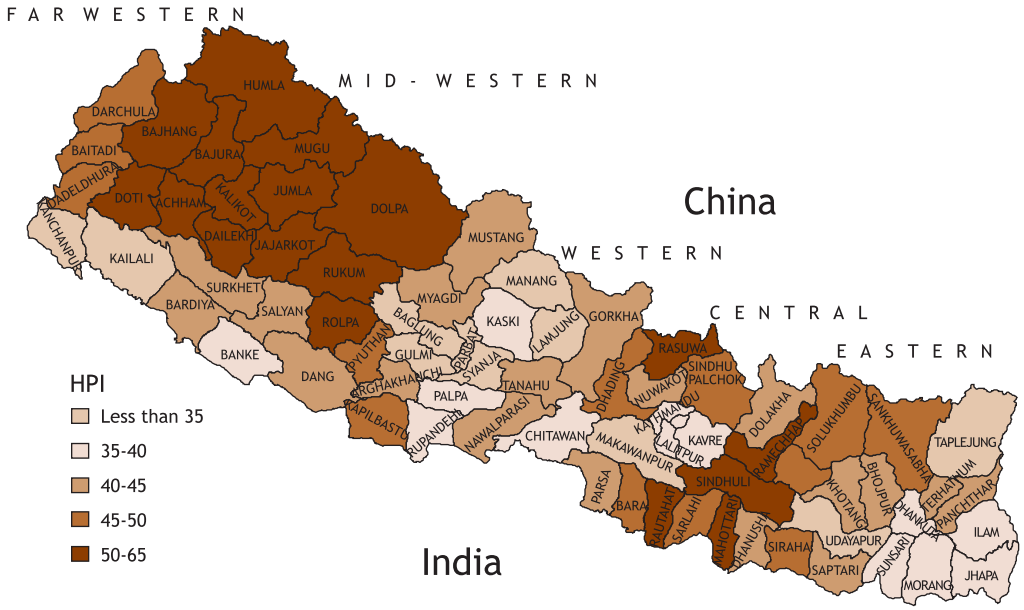
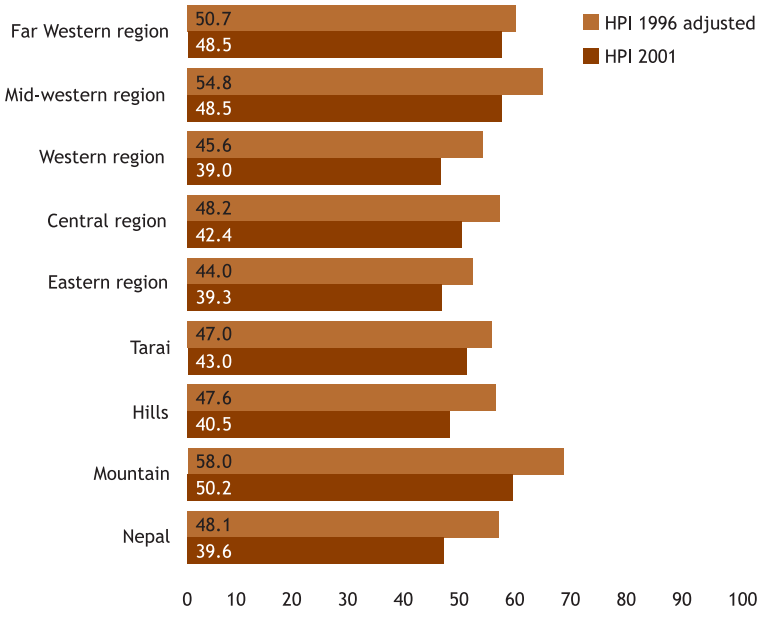


Figure 2.4 Changes in HPI between 1996 and 2001



those in the hills and the Tarai. Similarly, among development regions, women in the eastern and western regions have higher GDI scores (0.475 and 0.477) than those in the other development regions (see annex 2.1, table 5). The magnitude of gender inequality in human development indicators is more pronounced in the rural areas, especially in the mountains and far western region as indicated by their relatively lower GDI/HDI ratios. The gender disparities across districts are shown in map 2.3 (see also annex 2.1, table 6).

The GDI over the period 1996-2001 has increased to 0.452 in 2001 from 0.345 in 1996.[3]

The gender empowerment measure

The Gender Empowerment Measure score of Nepal indicates that women are much less empowered than men in the political, economic and professional domains. Women's share of earned income is about one half of that of men, while their participation in the political process is only one fourth of that of men. The gap widens in their participation in professional and administrative jobs. Women in rural areas are much less empowered than those in the towns and cities (figure 2.6). Likewise, women in the mountains and the

Tarai – and especially those located in far western and mid-western development regions – are less empowered than those in other regions. The GEM value across eco-development regions ranges between 0.309 in the far western mountain to 0.511 in the western mountain. Wide disparities also exist in the level of gender empowerment across districts (annex 2.1, table 7 and 8 and map 2.4). GEM in Nepal between 1996 and 2001 more than doubled, although the two figures are not directly comparable.[4]

Figure 2.5 Gender-related development in rural and urban Nepal

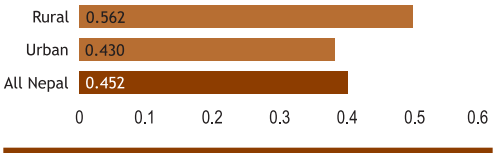
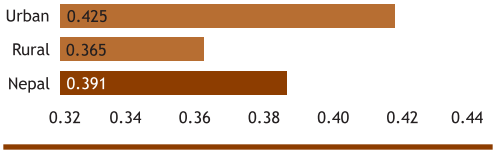


Figure 2.6 Gender empowerment measure in rural and urban Nepal



THE HUMAN EMPOWERMENT INDEX

The new Human Empowerment Index has been constructed by bringing together the available social, economic and political indicators into a composite index of empowerment. It has taken a holistic perspective to measure the empowerment level of all Nepal's citizens in the same spirit as the HDI.[5] The HEI value for Nepal is estimated at 0.463, indicating a low level of empowerment; this is fairly close to that of HDI value (0.471). For the country as a whole, the level of economic empowerment (0.337) dips below that of social empowerment (0.406), while political empowerment stands at 0.646 (see figure 2.7). The low level of economic empowerment reflects the low level of income, limited access to productive assets and lack of gainful employment opportunities – which severely limits the scope to use the expanded human and social capabilities. The levels of social mobilization

MAP 2.3 Gender-related development status by district

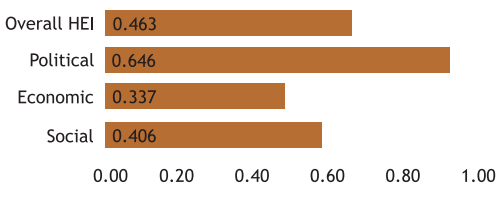
MAP 2.4 Gender empowerment status by district

The current level of both economic and social empowerment remains far too low to effectively address the overarching goal of poverty reduction on a sustained basis

and communication outreach are fairly low compared to the health and education indices, resulting in the low level of social empowerment.

The current level of both economic and social empowerment remains far too low to effectively address the overarching goal of poverty reduction on a sustained basis. Indeed, this low level of economic empowerment is unlikely even to sustain existing social empowerment unless economic opportunities are expanded to utilize the existing human and social capabilities. The existing mismatching of socio-economic and political empowerment also indicates clearly the need for more balanced interventions on all three fronts for sustainable empowerment and poverty reduction.

Figure 2.7 Dimensions of empowerment in Nepal



While a strong correlation exists between social and economic empowerment, political empowerment is weakly correlated with both economic and social empowerment (see also annex 2.2, table 9).[6] The higher level of political empowerment is the outcome of the higher voter turnout and candidacies per seat in local election – only two available objective indicators included in measuring political empowerment. These two objective indicators available at the district level cannot fully capture the concept of political empowerment.[7] However, the higher political empowerment is a clear manifestation of people's rising expectations. This and related issues are discussed at length in chapter 3 of this Report.

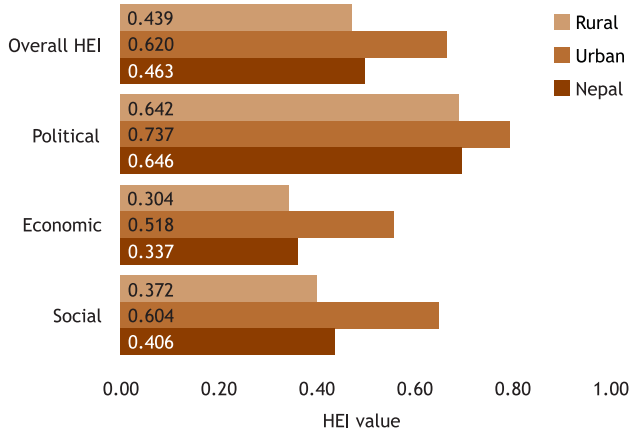
The rural-urban gap in human empowerment

The HEI for rural areas (0.439) is about 70% that of urban areas (0.620), while the HEI for urban areas is approximately 34% higher

than that for the nation as a whole (see figure 2.8). The level of political empowerment is much higher than social and economic empowerment in both rural and urban areas. Indeed, the urban areas surpass the rural hinterlands in terms of all three dimensions of empowerment. In addition, the rural-urban gap in social empowerment is relatively more pronounced than disparities in economic and political empowerment. For example, the social empowerment in rural areas (0.372) is just 60% of that in urban areas (0.604). The causes underlying such conspicuous disparities in social empowerment are the relatively better access to social infrastructure (education, health and communication media) and income-earning opportunities that the residents of towns and cities enjoy. The educational index, health index and communication media index in urban areas are 2.4, 1.6 and 3.4 times greater than in rural areas. Over 50% of the rural adult population (15+) are still deprived of basic capability in education compared to one third of the adult population in urban areas. An infant in the rural area is exposed 1.4 times more to risk of death (70 per 1,000 live births) compared to an infant in the urban area (51.7). The extent of chronic malnutrition measured in terms of stunting (height for age) among children (under 5 years) is 1.4 times higher in rural areas than in the urban areas. Sanitation coverage in the rural areas is extremely low compared to that in urban areas. The rural population is still deprived of mass communications media; the communications media score of rural areas (0.214) is only 29% of that in urban areas (0.732) – a gap created largely by extremely low outreach of telephone facilities in the rural areas.

In terms of economic empowerment, the value for rural areas (0.304) is about 59% that of urban areas (0.518) – an outcome attributed largely to higher per capita income, along with better access to economic infrastructure and employment opportunities. For example, the per capita income level in rural areas does not even equal half that of urban areas. Similarly, the proportion of electrified rural households is just one-fourth of that of urban areas, while the share of non-agricultural employment is only 36 percent. The rural urban disparity in political empowerment is relatively less pronounced compared to that of social and economic empowerment; the political empowerment score in urban areas is only 15% higher than that of the countryside.

Figure 2.8 Dimensions of empowerment in rural and urban Nepal

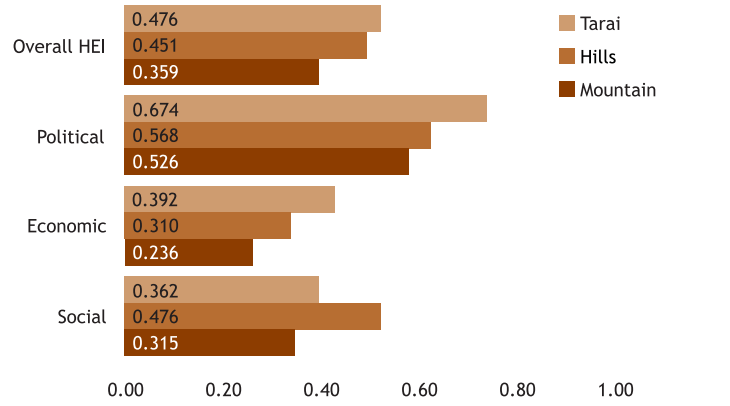


Empowerment across ecological regions

The level of human empowerment decreases as we move from the south (Tarai) to the north (mountain). Historically an area of much hardship and inaccessibility, the mountain lags behind other regions in all components of empowerment (see figure 2.9). Given its limited access to economic infrastructure and productive assets, low income and limited employment opportunities outside agriculture, the mountain ranks among the lowest levels of economic empowerment.

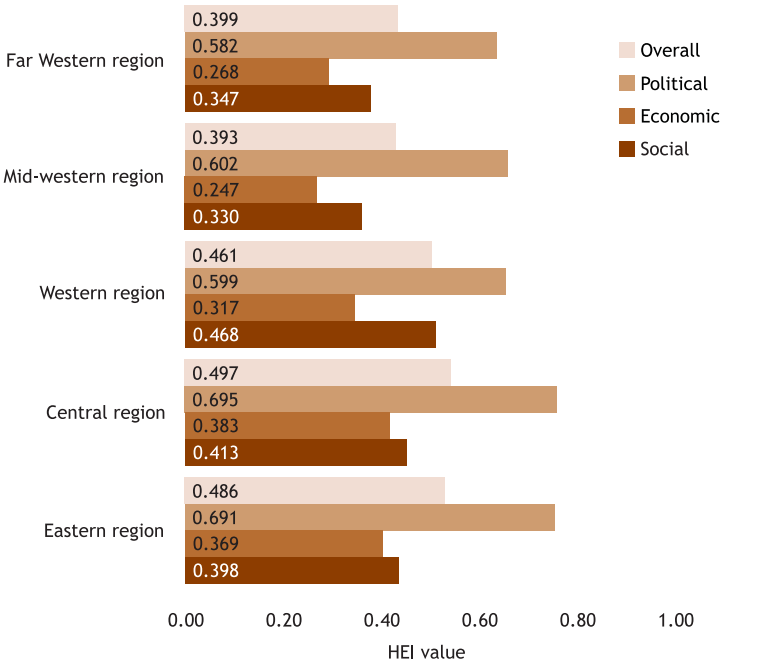
By contrast, the Tarai plains have long been an area with relatively higher level of economic infrastructure and opportunities. Not surprisingly, the HEI value of the Tarai is about 32% higher than in the mountain. The higher HEI of the Tarai stems primarily from its relatively higher position

Figure 2.9 Empowerment across ecological regions



in political as well as economic empowerment. The economic empowerment index of the Tarai is 16% higher than that of the national average. Yet the social empowerment index of the Tarai is 23% lower than that of the hills: the higher position enjoyed by the Tarai people in social mobilization outreach is largely offset by their low position in education- and health-related indicators of social empowerment. However, if we compare the situation across development regions, wide disparities exist in the levels of empowerment even within those that are better-off.

Figure 2.10 Empowerment across development regions



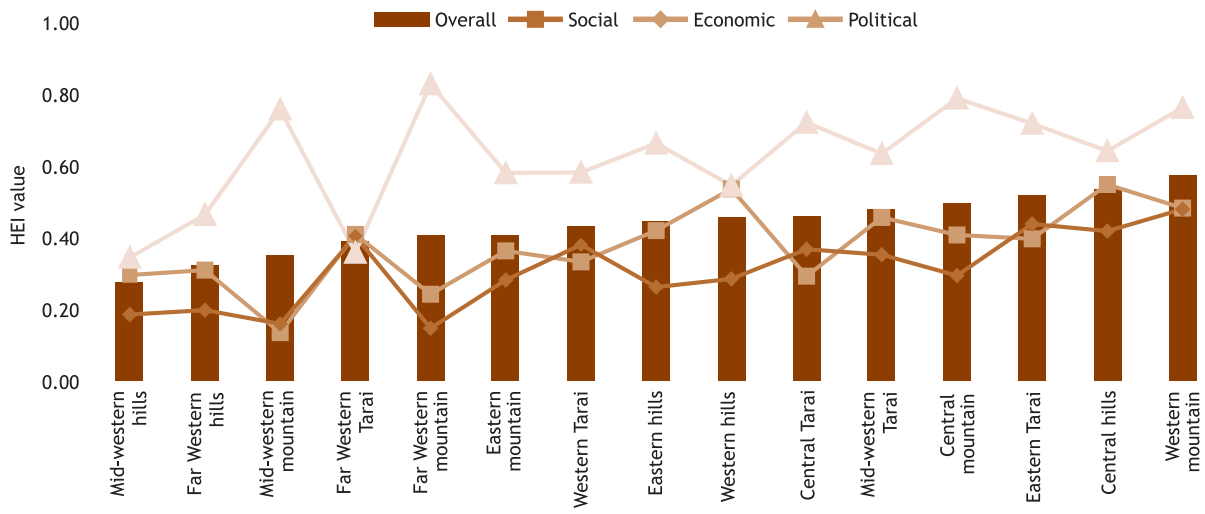
Human empowerment across development regions

The HEI shows marked disparities in human empowerment across the five development regions. The HEI is the highest in the central development region (0.497), followed by the eastern development region (0.486). By contrast, the mid-western (0.393) and the far western (0.399) development regions reveal the lowest HEI score – some 15% below the national average (see figure 2.10). These two lowest-scoring regions lag behind other development regions in all dimensions of human empowerment. The level of social empowerment in the mid-western region is just one third that of the national average whereas its level of economic empowerment is about half that of the national HEI score. People in the mid-western development region experience far greater deprivation in health and social capabilities than those in the far western development region; its infant mortality and child under-nutrition rates rank among the highest of all development regions. It has also the lowest per capita income and other low indicators of economic empowerment compared with the other development regions. Caught among concentrated poverty, disempowerment and violent conflict, people in this region remain largely neglected; in the absence of substantial shift in national policy and priority in resource allocation, this deprivation seems unlikely to change.

Disparities in human empowerment across eco-development regions

Nepal's disparities in human empowerment become much starker when we compare HEI values across the 15 eco-development regions – products of the three ecosystems and the five development regions. The western mountain, which includes the Manang and Mustang districts with highest per capita income, has the highest rank,

Figure 2.11 Empowerment status across eco-development regions



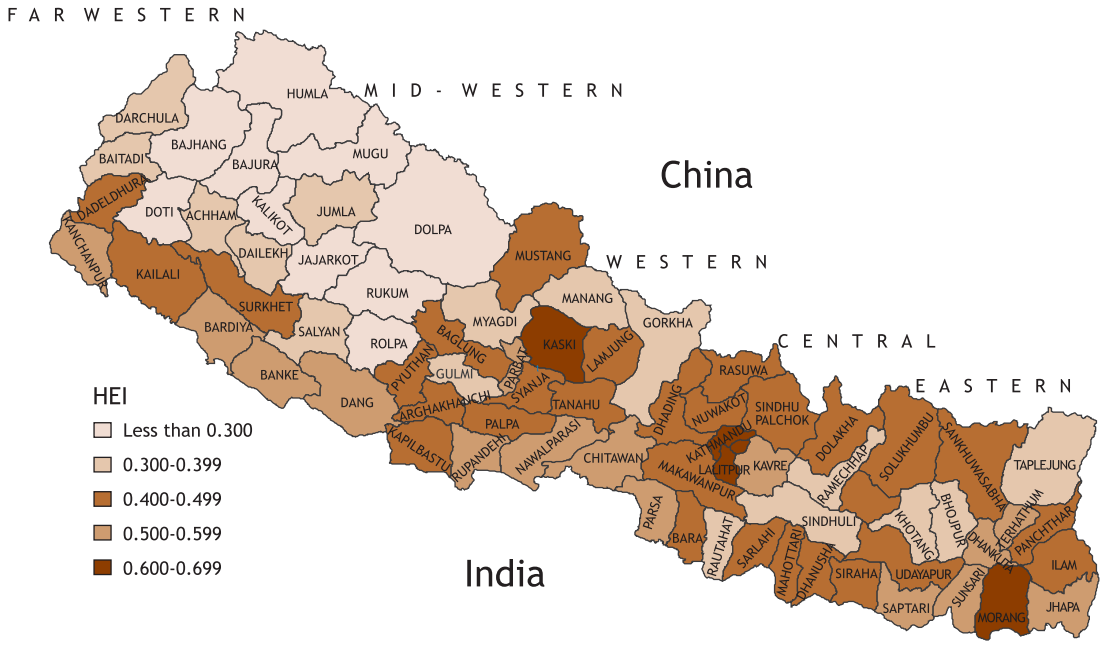
followed by the central hills, which include the largely urban Kathmandu Valley. The eastern Tarai and central mountain are the other two regions that score higher than the national average. By contrast, the mid-western hills (0.276) and far western hills stand out as the two most disadvantaged regions; their HEI values are, respectively, 40% and 30% lower than the national HEI score (see figure 2.11).

Social empowerment exceeds economic empowerment in all the eco-development regions except for the mid-western mountain, central, eastern and western Tarai. The mismatch between social and economic empowerment is less pronounced than the gap between socio-economic and political empowerment across the regions. The disparity observed in socio-economic empowerment scores across these regions suggests an uneven distribution of basic social services and economic opportunities. The mid-western hills and far western Tarai illustrate the typical case of multiple disempowerment, where people experience very low status in all three dimensions of empowerment. The gap between social (and/or economic) and political empowerment is particularly striking in the mountainous areas of all the five development regions. Again, the mid- and far western mountain reveal the largest mismatch, between their lowest socio-economic empowerment levels on the one hand and, on the other, the highest political empowerment levels. While their high political empowerment reflects the rising expectations of people in these regions, their low levels of social and economic empowerment point to a denial of access to opportunities in which citizens could expand and utilize their capabilities. So great a mismatch can also be taken as a source of disenchantment that leads to conflict in various forms.

Inter-district disparities in human empowerment

The values of HEI disaggregated at the district level show that the citizens of Kathmandu – followed by Lalitpur, Kaski, Bhaktapur and Morang – enjoy far greater empowerment than citizens in other districts. By contrast, the lowest levels of empowerment are found in Rolpa, followed by Rukum, Doti, Mugu, Dolpa, Humla, and Kalikot districts. The level of human empowerment in Kathmandu (0.66) is more than four times that of Rolpa (0.14), about

MAP 2.5 Human empowerment status by district



The higher level of political empowerment relative to social and economic empowerment may well be a source of disenchantment that culminates in varied forms of conflict

four times that of Rukum (0.17) and more than twice that of Doti, Mugu, Dolpa, Humla, and Kalikot, the most deprived and disempowered districts in terms of almost all indicators and components of empowerment.

Classification of districts in five groups in terms of HEI values (see table 2.2 and map 2.5) shows that most low-scoring districts are located in the mid-western and far western development regions. Only five districts – Kathmandu, Lalitpur, Kaski, Bhaktapur and Morang – enjoy an HEI level within the 0.6-0.7 range. Altogether 55 of the 75 districts of the country fall into the low human empowerment category (less than 0.5) and the remaining 20 districts into the medium human empowerment category (0.5-0.7). None reaches the high human empowerment category (above 0.8). Moreover, the low HEI-scoring districts for the most part rank at the bottom rung in terms of all three components of empowerment. Social empowerment scores are lowest in Mugu (0.05), followed by Humla, Dolpa, Rolpa, Jumla and Bara. Economic empowerment is lowest for Sindhuli[8] (0.10), followed by Rolpa, Dailekh and Dolpa. The lowest political empowerment scores are found in Manang (0.08), followed by Rolpa, Rukum and Doti. In 45 districts, social empowerment falls below the national average, while 43 have economic and political empowerment values below the national average score.

The analysis of human empowerment among the low-scoring districts reveals a considerable mismatch between political and socio-economic empowerment in most districts (see figure 2.12). These are also the isolated districts suffering from high levels of socio-economic deprivation and violent conflict. Mugu, Dolpa and Humla clearly typify case of social exclusion in which people remain markedly deprived of social capability attainment or social empowerment relative to their economic empowerment levels. Six districts of the mid-western and far western regions (namely Mugu, Bajhang, Kalikot, Dolpa, Bajura and Jajarkot) rank lowest in the health capability score (below 0.30) – just half the national health score.

Table 2.2 Classification of districts by human empowerment status

Range of HEI value	Names of districts in ascending order of HEI	No. of districts
Less than 0.300	Rolpa, Rukum, Doti, Mugu, Dolpa, Humla, Kalikot, Bajura, Bajhang, Jajarkot	10
0.300-0.399	Jumla, Achham, Baitadi, Sindhuli, Gorkha, Darchula, Dailekh, Salyan, Ramechhap, Khotang, Manang, Bhojpur, Taplejung, Gulmi, Myagdi, Rautahat	16
0.400-0.499	Pyuthan, Baglung, Palpa, Dadeldhura, Solukhumbu, Mahottari, Dhading, Lamjung, Sarlahi, Rasuwa, Panchthar, Siraha, Dolkha, Udayapur, Sankhuwasabha, Okhaldhunga, Argakhanchi, Surkhet, Sindhupalchok, Makwanpur, Bara, Dhanusha, Mustang, Kapilbastu, Syangja, Kailali, Nuwakot, Tanahu, Ilam	29
0.500-0.599	Parsa, Saptari, Bardiya, Kavrepalanchok, Parbat, Nawalparasi, Terhathum, Kanchanpur, Sunsari, Rupandehi, Dang, Dhankuta, Jhapa, Banke, Chitawan	15
0.600-0.699	Morang, Bhaktapur, Kaski, Lalitpur, Kathmandu	5
	TOTAL	75

With the exception of Rolpa, Rukum and Doti, where people experience multiple disempowerment – relatively lower positions in terms of all components of empowerment – marked gaps exist between the political and socio-economic empowerment among these lowest-scoring districts. And again, the higher level of political empowerment relative to social and economic empowerment in these districts may well be a source of disenchantment that culminates in varied forms of conflict.

Comparison of HEI with human development indices

This section explores how the human empowerment index and its components are associated with human development and its associated measures, particularly the HPI. The ranking of regions and districts based on HEI is first compared with the ranking based on HDI followed by a simple correlation and bivariate regression analysis.[9] The overall score of HEI is fairly close to that of HDI, and this suggests that the level of human empowerment is reflected in the low level of human development. Although the ranking of regions based on HEI is broadly comparable with the ranking based on HDI, it is not compatible in some cases. Ecologically, HEI places Tarai (0.476) at the highest position followed by the hills (0.451) while Tarai ranks second to hills in terms of HDI. Similarly across the development regions, HEI places central development region at the top position whereas the HDI places the eastern development region in the top position and the central development region in the third place (figure 2.13). The degree of regional disparity is relatively more pronounced in the HEI than that of HDI. This suggests the importance of empowerment approach to poverty reduction.

As with the regions, the ranking of districts based on the HEI is not compatible in some cases. For example, the HEI ranks Chitwan

Figure 2.12 Decomposition of empowerment across lowest-scoring districts

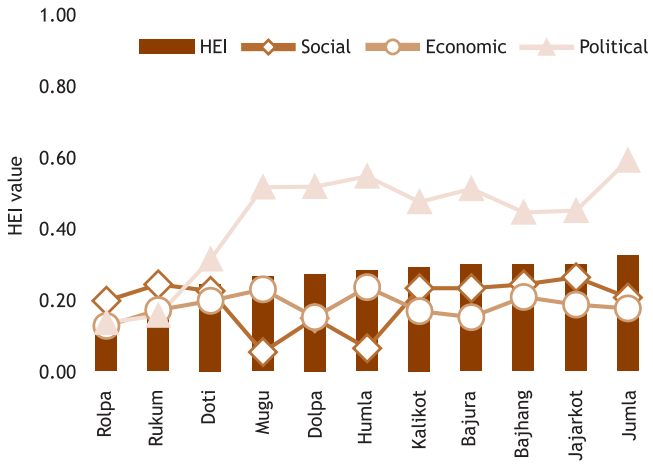
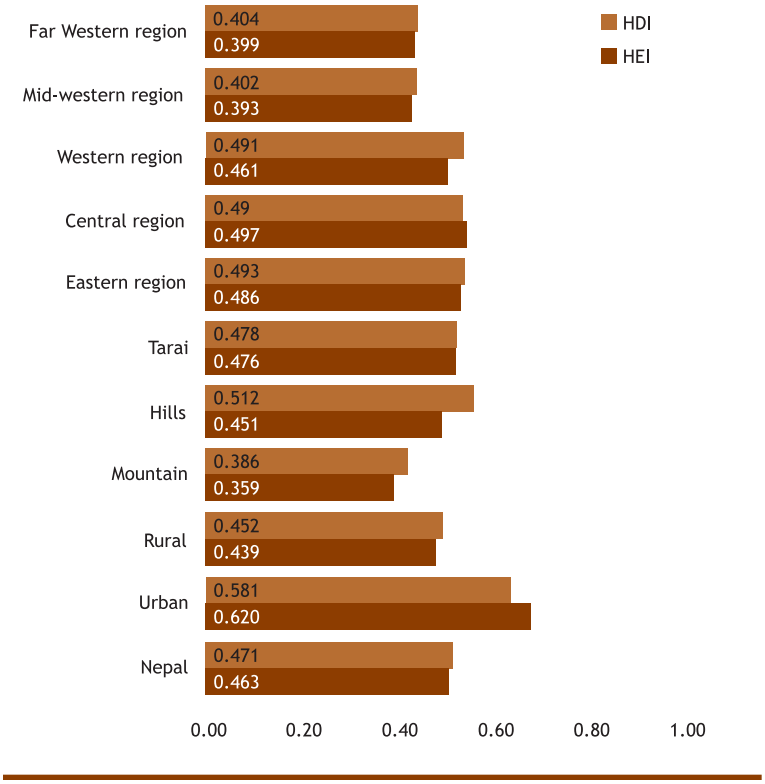


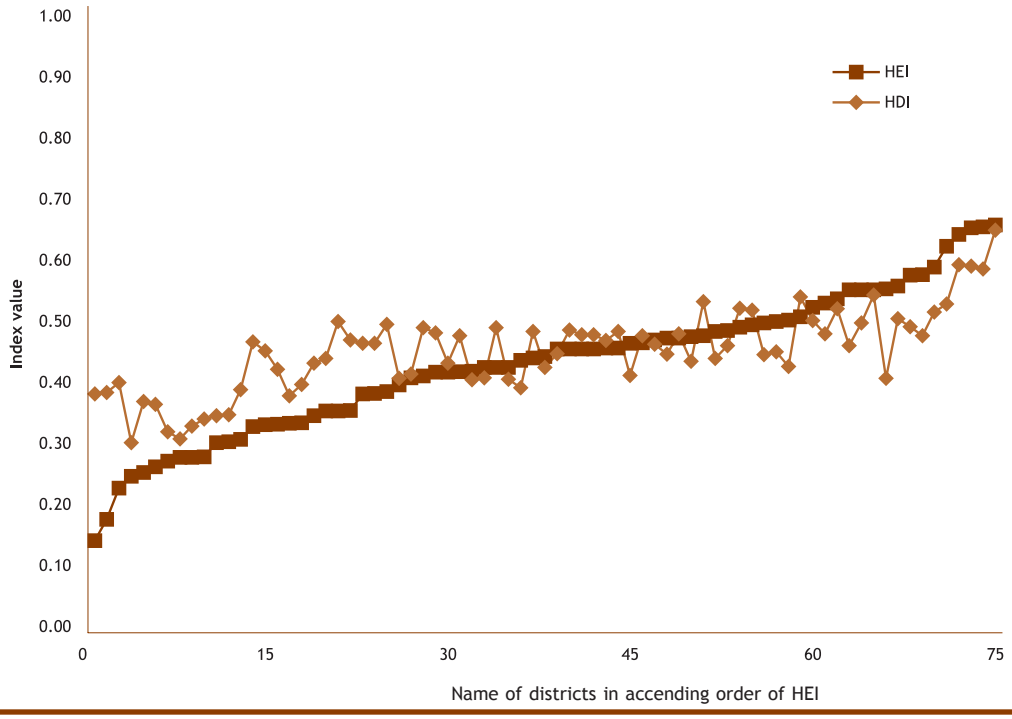
Figure 2.13 Disparities in HEI and HDI across regions



at the 6th position while the HDI places it at the 12th position among the 75 districts. HDI places Syangja at the 7th position but HEI places it at the 25th position. Among lowest scoring districts, Rolpa ranks lowest followed by Rukum in terms of HEI while HDI rank them at the 11th and 12th positions respectively. Further, the gap between the top- and bottom-scoring districts is much wider in the case of HEI than in the case of HDI. For instance, HEI score of Kathmandu, Lalitpur and Kaski, is more than three times higher than that of two lowest-scoring districts – Rolpa and Rukum – whereas the HDI score of top three districts is more than two times higher than that of the lowest HDI scoring districts, Mugu and Bajura.

Figure 2.14 illustrates how the ranking of districts based on HEI compares with the HDI scale. Interestingly, the HDI exceeds HEI at the lower end of development scale where human poverty is concentrated. HEI may therefore serve as a powerful tool for

Figure 2.14 Relationship between HEI and HDI across districts ranked in ascending order of HEI



identifying the areas of concentrated poverty (multiple disempowerment) and unsustainable empowerment (mismatch between socio-economic and political empowerment) crucial for devising successful policy interventions on poverty reduction and sustainable human development.

Although HEI correlates significantly with HDI, the correlation is not perfectly uniform; much of the variation in the relationship remains unexplained (see annex 2.2, table 9). Some interesting findings emerge from a simple bivariate/regression analysis conducted to investigate how different components of HEI, HDI and HPI are influencing each other. The findings show:[10]

- The effect of HEI on HDI is stronger than that of HPI.
- Progress in social empowerment will have more impact on HPI than progress in HDI.
- Economic empowerment is more powerful than per capita income in explaining HPI.
- HEI appears to be more responsive to change in economic empowerment than similar unit change in other components of empowerment.

Some implications of the human empowerment index

Like other indices, the HEI provides a picture of the levels of human empowerment and how these levels in social, economic and political terms manifest themselves across regions. From a policy perspective, one important question that arises is what HEI, as compared with HDI and its associated measures, can add to our information about the broader concept of human development.

As indicated above, although the HEI value for Nepal as a whole is fairly close to that of HDI, indicating the robustness of HEI, much of the variability in the relationship remains unexplained. It seems to stem from the fact that HEI captures poverty-reducing opportunities, as well as social economic and political capabilities, more than the HDI and other associated indices such as GEM and HPI. A comparison of the ranking of the districts based on HEI with those based on HDI indicates that HEI is a more powerful index, particularly at the lower end of the development scale. The composite index of human empowerment – consisting of a larger set of short and medium-term progress indicators crucial to measuring capabilities and choices in all spheres of life (the social, political and economic) – can serve as a powerful tool for devising more successful national policies and strategies for reducing poverty and for transforming inequitable distributions that contribute to conflict. HEI can thereby help us enhance the process of human development.

As the technical note (annex 1.3) indicates, HEI still calls for refinement. It certainly does not supplant HDI as a critical pillar of human development. However, it does capture a concept of human development that goes beyond what HDI and other associated measures now provide. It enriches our understanding of the current levels of disparities in capabilities on all fronts and thereby points to the nature of interventions required to address specific issues of exclusion by measuring levels of mismatchings and multiple disempowerments in areas of concentrated poverty.

To return to some of the central questions raised by the Nepal Human Development Report 2001, HEI shows how and where excluding whole regions or groups of people from one or another area of empowerment violates their human rights. In addition, these exclusions deprive the nation as a whole of the contributions these deprived citizens could well make to economic, social, cultural and political life. Exclusion therefore works against the norms of civilized order, damaging both individuals and society as a whole – often irreparably.

Exclusion [therefore] works against the norms of civilized order, damaging both individuals and society as a whole – often irreparably

CHAPTER 3

Barriers to empowerment

Policies and programmes alone cannot guarantee empowerment. Unless people's individual and social capabilities can enhance their position in competitive bargaining or to hold institutions accountable, they may not be able to take advantage of the opportunities created by reforms. Both policies and institutions must be examined to assess their relevance to the challenges faced by the poor – and the very causes of their poverty.

Socio-cultural empowerment

As chapter 1 pointed out, socio-cultural empowerment is the process through which people and groups become aware of the societal and cultural forces at work in their lives and learn how to influence their dynamics – particularly those of deep-rooted social inequality and exclusion. If we understand the term "culture" in the widely accepted sense of all the capabilities and habits acquired by human beings as members of societies, we can begin to appreciate the weight of Nepal's deeply hierarchical social structures with their interlocking systems of caste and ethnicity.[1] Despite the country's 100 ethnicities, 92 languages and nine religions, its people can be broadly examined in five cultural categories: caste-origin Hindu groups; *Newars*; the ethnic/tribal groups (nationalities); Muslims; and "others".[2] These categories have significantly impeded the pace of empowerment.

Nepal has been described as a "Hindu kingdom and Hindu polity, though not necessarily a Hindu society" and as "cultural pluralism within a hierarchical caste system", certainly since the 18th century. The many communities subordinated by the unifying King Prithvi Narayan Shah and his followers "responded with accommodation and assimilation, but also with out-migration or resistance, sometimes violent".[3]

Nepalese culture is rooted in discriminations based on religion, which have perpetuated both practices of untouchability and the exploitation of women

Nepalese culture is rooted in discriminations based on religion, which have perpetuated both practices of untouchability and the exploitation of women. It has also worked against the preservation of the cultures of various ethnic groups, including indigenous people of the country. Without eliminating these biases, the empowerment process cannot become sustainable. Despite the provisions in the Constitution of 1990, which clearly state the freedom to "profess and practice one's own religion", Hindu values have exerted vast influence over the nation's other religions and its general cultural practices. Although the National Country Code of 1963 abolished the caste system, it remains very much alive in practice. Indeed, the National Country Code amended in 1992 has upheld the preservation of "traditional practices".[4] Even the Constitution contains some degree of ambiguity in this regard.

The low status of women, systems of patrilineal descent, patri-local residence and rules of inheritance interact to isolate and subordinate women throughout the country. Gender issues are thus interwoven systematically into the basic social structure of

Nepalese society, as are other traditional cultural values. Deeply embedded, they obstruct the empowerment of the poor and the disadvantaged groups throughout the country.

The effectiveness of educational reforms

In 1951, Nepal could boast a literacy rate of only 2%; 321 primary schools and 11 high schools constituted the whole of its public educational establishment. By 2002, the literacy rate had mounted to 54%, the number of primary schools to 25,927, lower secondary schools to 7,289 and secondary schools to 4,350.[5] Under the 1971 National Education System Plan, the government assumed the full cost of primary education and 75% of the costs of vocational school. However, the state-controlled education system discouraged people's participation in school management, undermined educational quality and also ignored the deep-rooted discriminatory practices of the school system.

Unless primary education is made compulsory, the principle of universalization will not become operative

The new Constitution of 1990 guaranteed the universal right to education and therefore encouraged the introduction of preferential policies for educating girls and other disadvantaged groups. Since 1992, the government has taken a number of additional steps to increase access to education and improve its quality, including the establishment of the National Education Commission to frame policy and oversee the implementation of a variety of programmes and projects aimed at enhancing basic and primary education. Since 1996, early childhood education (at the pre-primary level) has been emphasized in conjunction with the slogan "Education for all" to meet the goal of universal education by 2015. School management also changed, with added emphasis on the community management of schools.

The Ninth Plan period (1997-2002) witnessed additional reforms, notably:

- Ensuring that within one decade, all children enrolled complete a five-year primary education;
- Developing an integrated cycle of secondary education linked to the labour market and widely accessible to girls and to poorer students;
- Improving the quality of university and other tertiary education;
- Introducing greater cost recovery and targeting public subsidies to students from poor households, thereby restructuring a system that subsidizes the upper classes, especially because of skewing towards the tertiary level;
- Developing a school management system; communities now manage their own primary schools, with a view to reducing costs, broadening access and improving quality through local supervision.
- Encouraging further private sector investment in education. In 2001, private schools constituted 8.7% of all primary schools, 17.8% of all lower secondary schools and 21.3% of all secondary schools, percentages that are increasing.[6]

The Tenth Plan/PRSP (2002-07) envisages the extension of education in the spirit of Education for All (EFA). Accordingly, EFA 2004-2009 was initiated at the beginning 2004. This programme is expected to cope with the country's low literacy and the low access of girls, *Dalits*, ethnic communities, disabled persons and people living below the poverty line – and to achieve the goal of "education for all by 2015". A number of innovations have therefore been undertaken in the education sector to ensure universal primary education and to attain equity. Nonetheless, despite all these initiatives and others, Nepal's education system has been unable to enhance the access of women, disadvantaged indigenous communities and *Dalits*. The shortfalls reinforce the impression that state-subsidized education benefits the privileged:

- Neither "backward" communities nor settlements in the mountain and remote hill regions have adequate access to education; the rural/urban gap persists;
- Less than half of all children complete the primary cycle and only 10% of those entering grade 1 reach grade 10, even af-

ter repeating several times; less than half of the secondary level students pass the School Leaving Certificate (SLC) examination; pass rates in higher secondary and at the University are comparable.

These inequities stem both from the supply side (limited physical access and poor quality of schooling) and the demand side (high perceived cost of education in relation to foregone benefits). They also suggest that unless primary education is made compulsory, the principle of universalization will not become operative. The high subsidies to tertiary education, the politicization of educational institutions and the rigidity of general education have all discouraged reforms of the present education system. In addition, most teachers receive little training; no provision exists for pre-service training, there is very limited in-service training, and teachers are poorly motivated because of inadequate incentives, coupled with few options for career growth.

Moreover, community participation in the education system has remained low, in large measure because the centralized system of teacher recruitment, resource allocation and monitoring school operations have excluded community members from decision-making processes. Local elites continue to dominate even the school management committees, silencing the voices of women, *Dalits* and disadvantaged/indigenous groups. However, there are some innovative community-managed schools, which have proved to be quite successful as demonstrated by the UNDP-supported Community Owned Primary Education (COPE) project in some districts of Nepal (see box 3.1).

The effectiveness of health reforms

In 1971, Nepal had only 58 hospitals, 277 medical doctors and 2,098 hospital beds.[7] By 2001, these figures had increased, respectively, to 89, 5,415 and 5,310, plus 3,921 nurses.[8] As in education, the democratic change of 1990 fostered many new policy and programme initiatives, including:

- The 1991 National Health Policy aimed at expanding primary healthcare facilities for the rural population and giving priority to preventive health services so as to reduce infant and child mortality rates.
- Emphasis on community participation at all levels of healthcare especially through the participation of female community health volunteers (FCHVs) and traditional birth attendants. And, indeed, the 45,000 FCHVs have contributed significantly to polio eradication, Vitamin A distribution and family

BOX 3.1 A model school in a remote area of Okhaldhunga district

The story of Sansari Primary School located in Khijijichandesori, a small village in the western part of Okhaldhnuga district, is a bright example of what can be achieved by communities' commitment and combined resources, especially in rural and disadvantaged areas. In 2000, this site was selected by the DDC for the establishment of a COPE school. The community launched the Sansari Primary School, conducting grade one at the house of a local resident. They formed a School Management Board (SMB). As part of the COPE programme's approach to ensuring the sustainability of schools, it initiated a link between the school and the Sansari Community Organization, a local UNDP-supported community savings group. The VDC supported the operation of the Sansari savings group from then on. The community constructed the COPE school building by mobilizing local resources; each household contributed 10 days' labour to erect a structure with four rooms and a two-room toilet.

Currently, 83 pupils, 43 of them girls, are receiving primary education (from grade 1 to 4). The school serves the disadvantaged community of the VDC; most of its students come from a "backward" *Sunuwar* group. Its three local female teachers are all trained. The SMB has approximately Rs. 60,000 in the school fund, which is invested with the Sansari savings group at an interest rate of 24%, most of which is used for school operation costs, while the remainder is reinvested in the school account. The SMB meets every month to discuss issues related to the school. It has formed a very active parent-teacher association, which regularly provides feedback to teachers about the performance of the students. This school is regularly monitored by the SMB, along with a monitoring committee formed by the parents.

The Sansari Primary School has become the model community school of the entire district, often cited as such by the district Education Office in commenting upon government-run primary schools. The performance of the students is highly rated, as parents are happy with their children's learning achievements.

Source: Community Owned Primary Education Programme (COPE), UNDP/HMG/N 2004.

planning practices.

- According priority to the supplies of drugs by increasing domestic production.
- The special focus of both the Second Long-term Health Plan (1997-2017) and the Nepal Health Sector Plan (2002-2007)[9] on improving the health of the most vulnerable groups, notably by placing technically qualified health personnel in under-served areas.
- The formulation of Nepal Health Sector Reform Strategy to move the health sector towards strategic planning and sector wide approach. This strategy has three programme outputs – prioritized essential health care services, decentralized management of health facilities and the expansion of public/private partnership. The Nepal Health Sector Strategy Implementation Plan (2004-2009) provides operational guidelines to implement the activities of the Health Sector Reform Strategy during the first five years. The main focus of the Plan is to expand outreach and improve the quality of essential healthcare services with special emphasis on the poor and vulnerable groups.

Life expectancy in Nepal remains one of the lowest in South Asia, while its infant and maternal mortality rates rank among the highest with appalling statistics

Nonetheless, life expectancy in Nepal remains one of the lowest in South Asia, while its infant and maternal mortality rates rank among the highest with appalling statistics:

- Nepal's infant mortality rate (IMR) of 64 per 1,000 live births in 2001 compares ill with that of 17/1,000 in Sri Lanka.[10] The female rate (96) is slightly lower than the male IMR (100) and rural babies are exposed 1.6 times more to risks of death than their urban counterparts.
- Maternal mortality, a key indicator of reproductive healthcare services, stands at 539 per 100,000 women aged 15-49 years,[11] one of the highest in the world;[12] 27% of all deaths of women aged 15-49 years are attributed to childbirth complications. This level of maternal mortality stems in large measure from the low level of access to antenatal, delivery and post-natal care; about 90% of births take place at home and without professional health assistance.
- Gradually, HIV/AIDS has emerged as a major problem;[13] WHO estimates more than 50,000 cases and a prevalence rate of 0.29%.[14]

Nepal's public sector per capita health allocation – US$ 2 per annum in 1999/00 – compares unfavourably with the average per capita annual cost of US$ 12 for essential healthcare alone in a developing country in the mid-range of the HDI.[15] Even the fiscal year 2003/04 allocation still stood at US$ 2 per capita. Accessing public healthcare outlets and procuring the drugs they prescribe consumes 59% of household expenditure on health. The regional distribution of available facilities is also highly uneven, with the mid-western and far western development regions and mountain ecological belts lagging far behind the others. Life expectancy in the mountain trails that of Tarai by 7 years; rural people generally live 10 years less than their urban counterparts.

For the most part, the country's health services are centrally managed – with little participation by local communities in either health policy decision-making or the monitoring of health service delivery. Procurements, staff recruitment and transfers, and supervision of local health institutions remain outside local purview, one factor in the shortfalls of local authorities in fostering a sense of stakeholding in the delivery of public health services. Moreover, the state has not set out clear roles and responsibilities for the central and district level health authorities regarding decentralization. Nor has it provided an effective system to ensure the quality and fair pricing of private sector health services. Although the involvement of the private sector in service delivery has expanded service availability, these services remain costly, effectively shutting out the poor. And in the

absence of a universal healthcare system, the poor, women and disadvantaged groups remain deprived of the basic services necessary for a decent life in a competitive society.

Although the rural health service infrastructure is both large and relatively equitable in its penetration of the countryside, the quality of its services remains extremely poor because of a number of administrative problems:

- Inadequate number of medical and paramedical staff positioned in Primary Healthcare Centers and Service Centers;
- Inadequate residential accommodation for health staff;
- Unsatisfactory supply and maintenance of equipment, medicines and vaccines.

Unless these needs are met by the regular budget, the health infrastructure will remain an unproductive investment.

Encouraging community participation in primary healthcare by their members' involvement in decision-making processes would give local units greater responsibility for planning and budgeting, collecting fees, and determining how collected funds and government transfers would be used. This would

- improve incentives for fund collections;
- increase accountability;
- ensure appropriateness of services to the local service centre; and
- minimize administrative costs.

The effectiveness of local institutions for the promotion of primary healthcare requires empowering local bodies through the devolution of power and other necessary support. Universalizing primary health is even more urgent. Until it becomes the fundamental goal of health policy, all other goals and objectives matter very little.

Drinking water

Drinking water facilities have strong implications for the domestic work burdens of women and girls, time-saving for more productive work, sanitation services and the health benefits that they promote. But access of the Nepalese people to drinking water services is low. Although drinking water coverage reached 71.6% of the population in 2002, the quality of water supply is very poor. Contaminations at source, at water collection points, in water collection jars and in storage within households, among other dangers, are common in Nepal, contributing significantly to high rates of water-borne diseases such as diarrhea, dysentery, jaundice, typhoid and cholera. In addition, arsenic contamination in tube-well water is now emerging as a major problem.

Although drinking water from pipes, tube-wells and boreholes is regarded as safe, its quality from different sources is poor, and does not meet either the former or recently defined national standards. In 2001, it is believed that only 4.4% of the total population had access to first-grade quality water and only 6.4% to the medium-quality standard. Approximately 60% of the population falls into the third category supplied with a basic service level of drinking water facilities. Current plans call for providing 25% of the total population with high-quality drinking water, while almost the entire population now living with the basic service water supply will move into the second category, having access to medium quality water by 2015.

Government budgetary allocations to the drinking water sector have declined in recent years, from approximately 4% in 1990 to 2% of the entire budget in 2002. Greater resources demanded by the Melamchi Water Project are likely to crowd out the resources available to small drinking water projects. The sustainability of water supply projects has also remained challenging. The process of urbanization has exerted strong pressures for faster extension of water supply services with greater resource demands.

Social protection

The social protection system safeguards people who cannot find jobs, who cannot work because of sickness, disability, old

Universalizing primary health is even more urgent. Until it becomes the fundamental goal of health policy, all other goals and objectives matter very little

age or maternity, who have lost breadwinners, or who suffer from natural disasters, armed conflict or forced displacement. Because poverty in Nepal is deep and widespread throughout a large population base, vulnerability is high because of the large number of people near the poverty line for whom even a marginal income fluctuation can have serious consequences. Limited government budgetary capacity constrains a broader provision of significant social assistance arrangements. Although a variety of formal safety net programmes (such as food for work, cash transfers and food subsidies) exist, their coverage is very limited; only a small fraction of the population has been benefited from these schemes.

The present economic reform programme risks marginalizing people who cannot compete in the marketplace or survive its vagaries

Nepal recently initiated universal social security through the introduction of social assistance to the citizens above the age of 75, the disabled, and widows. No single institution in Nepal has the mandate for supervising social security affairs. Provident funds and pensions, the most popular social security arrangements, are confined to the government sector and some of the public enterprises that cover no more than 5% of the labour force.

Nepal has a predominantly informal economy; the formal sector can currently provide job opportunities to less than 10% of the employed labour force. This means that social protection schemes designed for the formal sector can cover a very small proportion of the population at this stage of development. While a number of social security schemes exist in the public enterprises, they are neither uniform nor justified in terms of the financial capabilities of these bodies – an issue that often provokes labour conflicts and strikes. Moreover, as most of such benefits remain unfunded,[16] the sustainability of such schemes is questionable and constitutes another major policy challenge in this general area.

Access to basic social services is one of the major protections against unemployment and other income risks. To reduce their financial vulnerability and to achieve a decent standard of living, people must have access to basic public goods, including basic and primary education, primary healthcare and nutrition, drinking water and sanitation. Progress in poverty reduction, empowerment and human development in Nepal is critically dependent on expanding the provision of basic social services.

The present economic reform programme risks marginalizing people who cannot compete in the marketplace or survive its vagaries. New labour market arrangements such as contracting, sub-contracting and outsourcing pose new threats to the social security of the labour force. Protecting people from income risks and actually empowering them economically require putting extensive social protection institutions and practices in place.

Economic empowerment

Macroeconomic policies and empowerment

Macroeconomic policy affects the empowerment of people because of its impacts on allocations of resources and access to them, along with income distribution and wealth. Generally, macroeconomic policy that promotes economic growth empowers the poor by creating or expanding income-earning opportunities. It also helps generate public resources for pro-poor development programmes. However, the impact of macroeconomic pro-growth measures on poverty itself depends on the magnitude and quality of growth.[17] And this quality, in turn, depends on:

- the sources of growth,
- its distribution,
- its employment potential, and
- access to productive resources.

Policies that influence the allocation of resources will have differential impacts on output and employment. For instance, high levels of deficit financing can adversely impact the poor through rising interest rates

and price effects. Another way in which macroeconomic policies impact empowerment is the inclusion – and extent – of price controls, licensing rules and other regulations. If the policy is too interventionist and favours one segment of the population at the cost of others, distributional conflicts usually emerge. Conversely, policy that does not promote efficiency with an equitable structure of incentives leads to further marginalization of the poor. The relative strength and bargaining power of various socio-political groups influences the direction and magnitude of macroeconomic policies themselves. Consequently, we must look at the nature of macroeconomic policies as both the cause and effect of empowerment. Their content and pattern decisively influences the speed and direction of empowerment overall.

The effectiveness of macroeconomic policies

During the last two decades, Nepal's macroeconomic policies have undergone drastic changes in orientation from the domestic to the external. As in many other developing countries, before the mid-1980s, the state determined the country's economic policies and undertook various interventions that encouraged distortions and inefficiencies, fueling huge fiscal and external sector deficits and high inflation. As a result, structural adjustment programmes were introduced to stabilize the economy, to reorient production structures towards the market system, to create the "correct" incentives for increased private sector involvement in economic activity and to increase openness. These reforms emphasized maintaining short-term stabilization and promoting long-term growth – and were intensified after the restoration of multi-party system so as to further openness and the liberalization of the economy.[18]

The agricultural sector has witnessed major policy reforms since the mid-1990s. The Agriculture Perspective Plan (APP), launched in 1996, underscored the need to prioritize agriculture in the growth process, evolved an integrated agriculture development strategy, and aimed at enhancing production and productivity through modernization and commercialization of production. To accelerate growth, APP has proposed substantial increases in investments in irrigation, rural roads, fertilizer and technology. However, several recent policy initiatives have ignored the APP phasing strategy for abolishing input and output subsidies. Thus, as subsidies in fertilizer, irrigation and credit have been withdrawn, administered food prices have been lifted too – on the assumption that relative changes in the agriculture input and output prices would boost the growth of the sector through production incentives and thereby help solve people's livelihood problems.

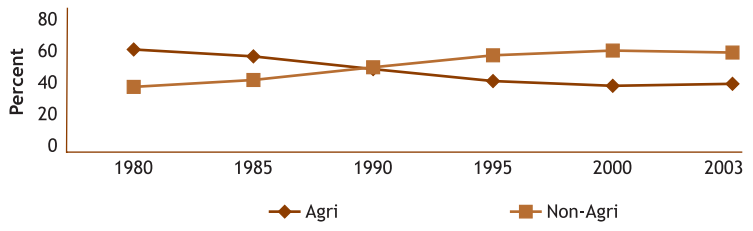
Policy that does not promote efficiency with an equitable structure of incentives leads to further marginalization of the poor

Heavily regulated and protected for several decades until the mid-1980s, Nepal's industrial sector has experienced the de-licensing of industries; the opening of foreign investment up to 100% equity participation; a reduction in tax rates; and the privatization of government enterprises, among other reforms. In addition, the liberalization of trade, foreign exchange and tariff regime were similarly undertaken to promote market-orientation – on the premise that a vibrant industrial sector with sufficient backward linkages would evolve, ensuring broad-based growth.

Monetary and financial sector reforms have included the deregulation of interest rates and liberalization of financial activities for private sector participation in banking and finance. This has led to an expansion of micro-finance activities, resulting in improved access to institutional credit. Still, however, less than 20% of the country's population now has access to institutional credit. Since 1998, Nepalese monetary policy has been made more flexible with a view to lowering interest rates and promoting investment.

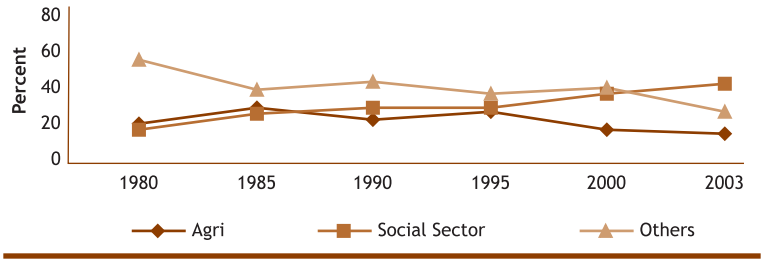
The trade liberalization initiated in the mid-1980s accelerated during the early 1990s. Almost all imports are now subject to an

Figure 3.1 Sectoral composition of GDP



Source: MoF 1990/1991 and 2002/2003.

Figure 3.2 Sectoral composition of development expenditure



Source: MoF 1990/1991 and 2002/2003.

open general licensing system. Tariff rates have been reduced and their structure rationalized. With expectation of wider market opportunities and broad-based growth under the World Trade Organization (WTO) trade regime, additional trade openness policies are now being pursued. Foreign direct investment of up to 100% has been invited in most of the areas, except for cottage industries and those related to security. Nepali currency has been made fully convertible in the current account. Nonetheless, the exchange rate against Indian rupee remains pegged.

On the fiscal front, a restructuring of various tax slabs has been carried out with drastic cuts in the tax rates. The value added tax (VAT) has been introduced by replacing sales and other small indirect taxes. A new income tax law has also been enacted. Fiscal balance and macroeconomic stability now have priority. In accordance with Nepal's PRSP, public expenditure has begun focusing explicitly on poverty reduction programmes, an initiative reflected in the Medium-Term Expenditure Framework.

As figure 3.1 shows, a major structural shift in output has occurred, together with the spectrum of macroeconomic reforms. The contribution of agriculture to total output has declined. Nearly half of the fall in relative share of agriculture has been compensated by increase in the value added of finance and real estate, followed by trade, restaurants and hotels, manufacturing and construction, and social services. The composition of exports, too, reflects this shift in economic structure. Manufacturing exports have overtaken food and animal products. However, because of weak backward linkages, as well as concentration in a few products based on imported raw materials, the benefits produced by this sector have been extremely uneven – indeed, limited largely to the urban business community. Although fiscal balance has been maintained over the years, this has been derived from cuts in the level of development expenditure – mainly in the economic sectors. As figure 3.2 indicates, the agriculture sector has been hard hit.

All in all, the macroeconomic policy reforms have had limited impact on promoting broad-based growth. Consequently, despite moderate economic growth rate during the 1980s and the 1990s, it has not been pro-poor.[19] Agricultural growth has been too slow to diversify its production structure. Growth in other sectors has been urban biased, generating income-earning opportunities to limited groups – with the result of rising income disparity. The withdrawal of subsidies without proper sequencing and a phase-out plan consistent with APP has impaired growth in the agricultural sector. Moreover, the inflow of subsidized food grains from India has generally discouraged producers. This inflow, together with poor infrastructure and weak and fragmented markets has undermined any expected supply side response.[20] To complicate this general effect, low and declining public investment has had adverse effects on expanding support services and introducing new technology in agriculture – thereby discouraging private sector investment in agriculture as well.

In the meantime, Nepalese industry has faced stiff competition because of high transaction, transit and infrastructure costs, as well as low productivity.[21] The liberal industrial policy failed to establish backward linkages because of insufficient policy incentives to industries based on domestic resources – producing both poor macro and micro linkages. The collapse of small and medium industries further accentuated the problem. All these factors have thwarted growth in agriculture and industry, severely limiting the economic empowerment of poor farmers.

Although financial liberalization has indeed helped expand the number of financial institutions, it has broadened financial services largely in the urban areas – and largely for their big business houses. But efficiency in the financial system has remained a critical problem. This has also prevented reducing the gap between lending and deposit rates. Similarly, financial liberalization has resulted in closures and mergers of rural financial networks where the need for financial services is growing. The coverage of micro-finance institutions is low and their service costs high. The phase-out of the priority sector credit programme and the withdrawal of the interest subsidy without alternative arrangements has also created a resource crunch for poor farmers. Moreover, the outbreak of armed conflict has further squeezed financial services in the rural areas; only a few micro-finance institutions and non-governmental organizations have been working in the countryside and supporting the income-generating activities of the poor. But because of their limited outreach and the fact that the hard-core poor are less likely to be mobilized in the micro-credit process, the overall impact of financial liberalization on poverty reduction and empowerment has been insignificant. In the absence of competitive marketing structures and effective monitoring and regulatory mechanisms, the deregulation of state-controlled prices and the privatization of both essential services and commodities encouraged upward price adjustments.

Building economic infrastructures and strengthening markets

The development of basic infrastructure services like transportation, communication and electricity contribute to sustainable growth, poverty reduction and empowerment of the people by reducing transaction costs and encouraging economic activities that help promote and heighten production for the markets – all these kinds of actions lead to shifts in the production and employment structure.[22] The communication network facilitates information flow about prices and marketing prospects. Economic infrastructures also contribute to developing human capital by ensuring better access to schools and health facilities.[23]

Transportation

Nepal's road network expanded from 1,198 km in 1962 to 15,905 km in 2000; of the country's 75 districts, 60 are now connected by road. However, the most remote districts and backward areas still lack roads. Moreover, the existing road network is predominantly fair-weather and low quality. This has hobbled farmers' shifting from subsistence to commercial production. In the regions with extended road networks, commercial agriculture has been evolving rapidly, indicating roads play a key role in agricultural transformation. The weak supply response of the rural economy has adversely affected the poor and disadvantaged.[24] High costs and inferior road services also have hindered the growth in the small-scale industries and business services that benefit the poor. In addition, the transportation of essential commodities to the remote areas has become prohibitively expensive since the withdrawal of transport subsidies. The inability to expand agricultural roads in line with APP has adversely impacted the creation and expansion of rural markets.[25] Even in the areas where transport networks

The outbreak of armed conflict has further squeezed financial services in the rural areas; only a few micro-finance institutions and non-governmental organizations have been working in the countryside and supporting the income-generating activities of the poor

are available, the poor and vulnerable remain unprotected because of the lack of complimentary investments.

Road construction and maintenance through a participatory approach is relatively new. The Tenth Plan, LSGA and annual budgets together spell out the roles and responsibilities of the various agencies, including local bodies and user groups. But the institutional mechanism to promote efficiency, check leakages and enhance capacity at the local level has yet to evolve.[26] The APP has also prioritized the construction of agricultural roads to expand intra-district road networks and link infrastructure facilities with production, exchange and marketing. Since private sector involvement in the establishment and expansion of air services gained momentum after liberalization, it is hoped that the recent adoption of a build-own-operate-transfer act will encourage private investment in roads as well.

Even in the areas where transport networks are available, the poor and vulnerable remain unprotected because of the lack of complimentary investments

Directly or indirectly, Nepal's inadequate road network has undermined the empowerment process. First, the delivery of basic services to the areas that still lack road connections has been extremely difficult – a problem compounded by the conflict situation, which denies people such essential items as basic foods. Second, the absence of roads has constricted social mobilization and community participation in development activities. Finally, inadequate or non-existent transport infrastructure has constrained access to markets and information.

Communication

The restoration of democracy accelerated the expansion of the communication sector. A large portion of the households in both rural (50.3%) and urban areas (64.8%) has access to radio. The distribution of telecommunication services, however, shows a clear urban bias. While 20.2% of urban households have television sets, the rural areas account for only 1%. The national ratio of 14 telephones per 1,000 people still concentrates largely on towns and cities; 55% of the Village Development Committees (VDCs) still have no telephone facilities.[27] Although access to information has improved, it has faltered in publicizing economic opportunities. Likewise, such gaps have adversely affected the functioning of the markets that directly impact vulnerable groups.

Moreover, the allocation of funds during the last few years indicates low priority to rural telecommunication services[28] – despite the fact that the Nepal Telecommunication Corporation has adequate resources to give the hinterlands far greater attention. Policies and institutional arrangements for new incentives to attract the private sector to telecommunications have recently been initiated; but have so far been inadequate. This has affected not only timely availability, but also affordability of telecommunication services.

Electricity

Nepal has been able to harness only 0.63% of its hydropower potential.[29] Until the mid-1990s, the government accorded priority to the medium and large-scale hydropower projects, all executed by the state-owned Nepal Electricity Authority (NEA). The liberal policies embodied in the Power Development Policy of 2000 encouraged joint venture companies and local entrepreneurs to invest in small and micro-hydro projects. But only 31.1% of households nationwide had access to electricity in 2001.[30]

While 82.5% of the urban population enjoys electricity, only 21% of rural households have access to this form of power. Electricity has been expanded to only 41% of the VDCs.[31] The distribution among the ecological regions is even more uneven; only 6.1% and 9.8% of households living in the far western mountain and far western hills, respectively, have access to electricity. Further, per unit electricity prices in Nepal are the highest in the South Asian region, directly affecting the competitiveness of industry and also taking it well beyond the reach of the poor.

The generation and distribution of electricity has focused on the grid system, which has prevented penetration into the rural areas. Electricity (including alternative sources of energy) plays an important role in the empowerment process; it expands opportunities for initiating a number of productive activities, including processing industries, and reduces the drudgery of women. However, the NEA cannot reach out to rural areas in part because of the prohibitive power purchase agreements it signed with private investors.

The creation of the Power Development Fund in 2003 has provided some incentives to local entrepreneurs. Similarly, new initiatives taken to allow cooperatives to distribute electricity at the village and community levels should contribute to expanding access in the rural areas. The hydro-power development strategy of the past failed to take account of more efficient and cost-effective ventures; without the establishment of an inventory, expensive projects were selected and implemented. The frequent hikes in electricity rates have encouraged inefficiency and made electricity increasingly unaffordable at the same time. The preconditions attached to the payment of the electricity purchased by the NEA from joint venture companies have escalated electricity prices on an annual basis (see annex 3, table 1). Consequently, the NEA has to bear huge liabilities – which, again, are shifted to the consumers, including potentially productive enterprises.

Market institutions

Market institutions and enforcement mechanisms play decisive roles in influencing the pace and direction of economic empowerment. Institutions that foster widely shared and participatory growth enhance both income and employment opportunities. Reductions in transaction costs, guarantees of property rights and enforcement of contracts improve efficiency and generate greater resources for poverty reduction. In short, market institutions become pro-poor when they have inbuilt incentive structures that promote the expansion of medium and small enterprises.[32]

The economic reforms of 1991 also focused on market institutions. The new enterprise, foreign investment and technology transfer and privatization acts had special provisions to enhance market functioning. The years since have witnessed the establishment of numerous financial institutions, co-operatives, insurance companies and micro level credit institutions.[33] Nepal is now a member of the WTO, whose rule-based trading arrangements will in principle provide predictable market access, increased flows of information, enhanced access to technology – and thereby expand economic choices and opportunities. The country must build upon past reforms so as to benefit from its membership of this global trade body.

Despite some positive results, the reforms of the 1990s did not achieve the outcomes desired for a variety of reasons, among them:[34]

- The initial conditions, including existing physical infrastructure, along with rules and regulations required for market development, were not duly considered;
- The reforms were focused mainly on trade, industry, finance and taxes – with little attention to institutional reform of the agricultural sector;
- Deregulation policies were expedited without addressing market efficiency and governance-related issues.

Consequently, medium and small enterprises either collapsed or found themselves unable to expand in the absence of institutional incentive structures. This not only weakened the link between agriculture and non-agricultural sectors, but also prevented the transformation of the urban informal sector. Emphasis on openness and free trade policies alone can adversely affect pro-poor growth if the institutions that safeguard the interests of various socio-economic groups are not created.

Per unit electricity prices in Nepal are the highest in the South Asian region, directly affecting the competitiveness of industry and also taking it well beyond the reach of the poor

Current multilateral and regional trading arrangements limit the scope for promoting human development. For example, while the WTO Agreement on Agriculture may work to stabilize food prices and ensure food security, cheap imports can put the livelihood of traditional farmers at risk. Similarly, the Agreement on Trade-related aspects of Intellectual Property Rights (TRIPS), which requires the protection of patent rights on seeds, agriculture inputs and pharmaceutical products, may adversely affect food security. The Agreement on Subsidies and Countervailing Measures (ASCM) may limit the incentives necessary for promoting small and medium enterprises. And the Agreement on Trade-related Investment Measures (TRIMS) limits a country's scope for imposing conditions on foreign investors for the use of local materials. Depending upon their impact on production structures, liberalizing a national economy and increasing commercialization can – and usually does – affect women negatively as well. All in all, failing to mitigate such impacts through policy interventions can disempower people and widen the development gap.

Emphasis on openness and free trade policies alone can adversely affect pro-poor growth if the institutions that safeguard the interests of various socio-economic groups are not created

Employment opportunities

Wherever land distribution and access to resources are deeply inequitable, employment opportunities become critical to sustaining and restoring dignity. Labour-intensive production techniques, skill development programmes and social security in the informal sector, coupled with the growth of agricultural productivity and the creation of alternative jobs outside agriculture are essential to enhancing empowerment.

Various economic policy initiatives have fostered certain structural shifts in employment. Whereas in 1981, about 91% of Nepal's economically active population engaged in agricultural activities, only 66% did so by 2001. Manufacturing and trade contributed largely to this shift. However, the rate of decline in agriculture's share of employment has been much slower than the decrease of this sector's contribution to GDP; this indicates that agricultural productivity has diminished over the years.

Employment opportunities have been confined largely to the informal sector – low-paid, low-skilled and lacking any social security system. Self-employment still accounts for more than 67% of livelihoods – and of the total self-employed population, 78% work in agriculture. This has deepened underemployment throughout the sector, now estimated at 32.3%.[35] Moreover, according to the labour force survey, 73.3% of the non-agricultural labour force works in the informal sector. Together with agricultural activities, largely unorganized and self-employed in nature, informal sector employment has mounted as high as 93.6%. And as two-thirds of these workers are unskilled, they have little access to training opportunities.[36] Unorganized, bereft of collective bargaining power and job security, they continue to operate outside the realm of public policy.

Policy reforms and new initiatives taken in accordance with the PRSP have yet to show visible impact in promoting broad-based economic growth and employment opportunities – resulting in weak links between employment, growth and the empowerment of the poor. Employment elasticity of growth has remained low, estimated at 0.30-0.35 over the last two decades. Consequently, if Nepal attains a growth rate of about 4.0%, as it did during the Ninth Plan, only 100,000 jobs can be created annually. At the present level of economic growth, two-thirds of the new entrants into the job market are unlikely to be absorbed into the working labour force. Empowerment demands the creation of new job opportunities and the promotion of work consistent with human dignity.

The education system also lacks vocational training that would lead to jobs.[37] To date, private sector undertakings have proceeded

without standard policy guidance, resulting in poor quality of training. Institutional arrangements in vocational and training programmes overlap. The government has not yet set clear-cut policy or created mechanisms to administer and monitor such programmes. On the one hand, inflexible labour law has encouraged an informalization of employment, while, on the other, the absence of social security in the informal sector has increased vulnerability in the labour market. This situation jeopardizes the empowerment of wageworkers.

Access to productive assets

Land in Nepal is a major productive asset and a traditional source of power. Land ownership is also a symbol of economic and social status. Poverty is therefore closely linked to the distribution of land-holding and its productivity.[38] In Nepal, a wide disparity exists in the distribution of land, with inequality of 0.544 as measured by the Gini coefficient.[39] According to the Agriculture Census 2002, 47% of the land-owning households owned only 15% of the land with an average size of less than 0.5 hectares, whereas the top 5% owned nearly 37% of the land. Almost 29% of rural households do not own any farmland.[40] The gender dimension of land ownership is even more critical; men own almost 92% of these holdings. Land ownership also exhibits caste and ethnic disparities; most *Dalits* are landless.

Past land reform efforts could ensure tenancy rights to just 2% of Nepal's agricultural households. Land redistribution was limited and its benefits went less to the landless than to existing landowners. Land reform has been a major politico-economic agenda item of the governments of the last decade. Recently, the government announced the establishment of a land bank to provide credit to the poor for land purchases. This constitutes a beginning; to make land reform meaningful, much more needs to be done.

Access to institutional credit is even more skewed in favour of big business houses and large farmers. In a traditional system of collateral-based bank lending, land ownership virtually ensures access to institutional credit. This practice has largely barred small, marginal and landless households from institutional borrowing, as 86% of formal credit is granted against the collateral of land and other tangible forms of property. The microcredit system, which provides loans without collateral, has covered less than 200,000 households, some of which are actually non-poor. All in all, while the deregulation of financial services and reforms of the financial sector have enhanced the stability of the financial system, it has not yet extended financial services in the rural areas.

All in all, while the deregulation of financial services and reforms of the financial sector have enhanced the stability of the financial system, it has not yet extended financial services in the rural areas

Food security

Food security is a state in which all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.[41] High population growth, slow growth in agricultural output and lack of adequate livelihood opportunities, among other causes, have translated into various types of food security problems among different population sectors. Nepal's uneven distribution of income and productive assets like land and credit, along with wide differences in soil productivity, have contributed to the country's high incidence of poverty and food insecurity, with marked consequences for people's productive capacity and their capability for acquiring adequate education and health care. Food insecurity has therefore perpetuated poverty and disempowerment. This kind of problem can be addressed only through strengthening the agricultural production base, reinforcing participatory institutional arrangements, fostering gender-sensitive rural and agricultural development strategies, and providing social protection to people at high income-risk.

Some policies and programmes have been implemented for food security during the last several years. These include the implementation of the APP, the food-for-work programme, school feeding programmes, nutrition programmes, food transportation subsidy to deficit districts, and incentives for local food production in these areas. Nonetheless, hunger and food scarcity have become major problems in the food deficit districts. The increase in armed conflict and related violence has exacerbated this problem, as most of the food security programmes run by the government have been disrupted.

Well-functioning institutions lead to good policies, which in turn make the institutions themselves accountable to their grassroots constituents

Political empowerment

Democracy and freedom are the two main pillars of political empowerment. Basic political and liberal rights strengthen human capabilities and facilitate people's abilities to define their needs constructively.[42] Democracy enables citizens to draw attention to these needs and to demand appropriate public action.[43] Only in a democratic environment can basic preconditions of development, including minimum legal and contractual structures and property rights be enforced effectively.[44] Institutions enhance economic performance through incentive structures, which promote efficiency and reduce uncertainties.[45] Participatory democracy delivers higher-quality growth and squarely addresses poverty and empowerment issues.[46] In addition, democratic institutions improve growth performance and reduce poverty in low-income countries by strengthening the rule of law, transparency, accountability and good governance.[47]

Generally, though, in less developed countries, formal democratic institutions tend to be constrained by preexisting power relations and structures that often dominate these fledgling bodies from the outset of their establishment. In traditional societies with strong discriminatory practices, these poorly functioning institutions magnify external shocks, delay policy responses and trigger distributional conflicts.[48] Indeed, armed violence has intensified in countries where state institutions have lost their power and failed to address acute inequities among social groups in the distribution of political opportunities, assets, state jobs and social services.[49] Conversely, well-functioning institutions lead to good policies, which in turn make the institutions themselves accountable to their grassroots constituents.

The democratic constitution and reform initiatives

In Nepal, the promulgation of the democratic Constitution in 1990 restored political freedom and civil rights. Bestowing sovereign power on the people, the Constitution accepts constitutional monarchy and embraces multi-party parliamentary democracy. It guarantees basic human rights to every citizen, including freedom of the press, the right to information and constitutional remedies for violations of these rights. It also guarantees property rights and prohibits all forms of discrimination in the name of religion, caste, race and sex. Though not directly enforceable, social, economic and cultural rights are embodied in the fundamental principles.[50]

In addition, Constitutional provisions enable various institutions to better the functioning of a democratic system. It proposes a two-tier parliamentary system and grants executive power to the Council of Ministers, accountable to Parliament. The Supreme Court is entrusted with the power to interpret the Constitution and protect the fundamental rights of citizens. Other Constitutional bodies include the Auditor-General's Office for maintaining financial discipline in government-funded organizations, the Election Commission for conducting free and fair elections, the Commission for the Investigation of the Abuse of Authority (CIAA), which controls the misuse of power, and Constitutional Council, which recommends appointments to these and

other bodies. The Constitution has also established the National Security Council for civilian control of the military.

However, just as policies and programmes cannot guarantee empowerment, constitutional provisions alone cannot strengthen democracy. Their translation into action depends upon existing practices and enforcement. Effective courts, responsive electoral systems, a functional Parliament and local legislative bodies, and free and open media, along with participatory institutions at both the central and the local level are essential to inclusive governance and effective delivery systems. In a democratic system parliamentary committees have to be proactive and influential. They have to ensure that the law-making processes create viable policies and institutions. Likewise, they have to carry out their monitoring and supervisory responsibilities so as to make governments accountable to the people through Parliament.

State institutions, service delivery and governance

To build an accountable governance system, a high-level commission investigated abuses of authority during the Panchayat regime. Similarly, the High-Level Administrative Reform Commission formed in 1992 made a number of recommendations, including a reduction in the number of ministries and districts, the downsizing of the civil service by 25% and its depoliticization, and the initiation of corruption control measures. However, in the absence of legislative reforms, the downsizing of the bureaucracy could not be carried out. The patronage and client-based system gradually grew dominant, leading to rampant corruption. Only in the late 1990s were several reforms initiated – but on a piecemeal basis. Temporary hiring and frequent transfers were discouraged to check the politicization of the bureaucracy.[51] Some civil service positions were either frozen or abolished. None of these steps, however, could adequately reduce the size of the bureaucracy. Lack of accountability continued to delay or circumvent decisions. Service providers are still non-responsive and discriminatory practices continue unabated – while traditionally privileged groups continue to dominate the civil service.[52]

Fair elections could not be institutionalized. Grassroots voters' low level of political consciousness, abetted by high illiteracy and the various seductions of demagoguery and radical populism, obstructed their judgments of which parties worked for them, committed to Nepal's development. The Election Commission has been ineffective in maintaining checks and balances in the voting process.

Institutional reforms initiated during the last 14 years have been only incremental, falling far short of deepening democracy

Only since the enactment of new law in 2001, has the CIAA been able to take steps towards improving governance. Some politicians and civil servants have been arrested and further investigation is going on. Parliament's committees, notably under the proactive influence of the Public Accounts Committee, also took steps to expose and contain corruption.[53] Similarly, in 2001, Parliament enacted a bill to ensure financial transparency in the political parties. Yet no major reforms were undertaken in the justice system. Major policy decisions were taken without consultation with Parliament. The Auditor-General's Office could not perform effectively. Nor could the Public Service Commission expand the access of the disadvantaged to state institutions. The security forces remained outside the democratic process. In short, institutional reforms initiated during the last 14 years have been only incremental, falling far short of deepening democracy.

The recommendations of Mallik and Administrative Commissions, as well as several Parliamentary Committees have not been implemented in the spirit of reform essential to democratic functionality.[54] The bureaucracy's lack of norms and accountability measures, accompanied by both the patronage system and the absence of legal and institutional provisions for represen-

tation of the deprived in the state institutions, have resulted in ineffective service delivery and discriminatory practices. Even attempts to rectify existing structural weaknesses in society through the promulgation of parental property rights to women or the introduction of new land ceilings could not be realized because of either inadequate provisions or Supreme Court rulings. Although the new Anti-Corruption Act has given more power to the CIAA, corruption continues unchecked in Constitutional bodies and other governance institutions.

Uniform and transparent criteria in selecting candidates for parliamentary elections have yet to be developed, along with structures for financial transparency

The judicial system remains weak, dispensing justice only sluggishly. The inefficiency of the judiciary in acting on the cases before it is illustrated in annex 3, table 2.[55] The absence of free legal services and the sheer physical remoteness of the courts further limit the access of the poor to the justice system. Moreover, the judiciary has failed to hold the executive and legislative branches accountable. All these factors have led at times to illegitimate attempts to assume the judicial role, most notably the insurgents' efforts to establish their own judiciary.

The dominance of the privileged class in Parliament, which has failed to monitor the executive or formulate policies that could help abolish various discriminatory practices and augment social welfare mechanisms in the spirit of the Constitution is illustrated in annex 3, table 3. Six years were needed even to pass the Political Parties Regulation bill. Despite several attempts, Parliament also failed to adopt the Election Reforms bill. The inability to check ad hoc appointments or to control financial irregularities has obstructed both the Public Service Commission and the Auditor-General's Office.[56]

Political institutions, people's representation and social justice

Political parties play a vital role in deepening democracy – if they are responsive to the electorate.[57] They can help transform society by mobilizing their organizational strength and proximity to voters. Although Nepal's major political parties have strong organizational networks at the grass-roots level and represent almost all segments of society, they are still in the process of democratizing their structures and enforcing the governance system. A hierarchical party leadership and exclusiveness in the organization continue to block changes in political power and social relations.

Uniform and transparent criteria in selecting candidates for parliamentary elections have yet to be developed, along with structures for financial transparency. The conflicts of interest among contending groups and coalitions on the one hand and, on the other, the lack of strong inner party democracy in major decision-making processes have led to splits in the major political parties. As annex 3, tables 4 and 5 demonstrate, the political parties have also failed to ensure fair representation of varied socio-cultural groups at all levels of their hierarchies – leading to the contradictions that have permitted the insurgents to gain more and more strength. Despite high voter turnout, the democratic process continues to exclude the representation of the disadvantaged groups.

Social preparedness through political mobilization to enact reforms for adequate representation of women and the underprivileged could not take place. Livelihood issues were slighted by both Parliament and the media, which focused instead on trade and investment issues that benefit only a small segment of Nepalese – certainly not *Dalits*, indigenous people and the women who have formed national organizations to protect their rights, but find themselves still largely powerless in the face of inadequate institutions to address discriminatory practices. This institutional impotence contradicts the obligations of the state to guarantee the fundamental rights of all Nepalese citizens in accordance not only with the country's Constitution, but the 16

commitments it has made concerning human rights at international forums (see annex 3, box 1).[58]

Local institutions and social transformation

Local bodies and civil society institutions play a catalytic role in transforming society, encouraging citizens to voice their views and mobilizing pressure to make institutions work for the poor. The democratic change of 1990 provided an enabling environment for Non-governmental Organizations and civil society institutions to expand their activities throughout the country. Many are involved in social mobilization, local infrastructure building, providing basic social services and protecting human rights. Further, in 1992, the democratically elected government strengthened decentralization processes for the devolution of authority by enacting separate VDC, Municipality, District Development Committee (DDC) and the Local Bodies Election Acts, all of which facilitated the establishment of elected bodies at the grassroots level.

In the spirit of local self-help, the Build Our Village Ourselves programme was launched in 1994 to boost development from the grassroots.[59] The Local Self-Governance Act, adopted in 1999, is regarded as a milestone for enhancing the decentralization of governance; it provides authority to local bodies in collecting taxes, selecting and implementing local-level programmes and preparing periodic district plans. It also reserves 20% of the seats in local bodies for women. The recent handover of schools and health posts to the local communities has also begun to deepen the decentralization process further.

Nonetheless, despite the attention garnered by the decentralization process, the devolution of power and authority to the local bodies has yet to occur. The LSGA1999 contains many contradictions still unaddressed.[60] Nor has there been any serious attempt to implement fiscal decentralization.[61] Local governments lack the legal power to coordinate and supervise any local level programme. There are no clear-cut models for full-fledged participation by the beneficiaries or institutional provisions to ensure the representation of the socially excluded in local governance.

Effective decentralization depends essentially on local capacity-building through social mobilization. NGOs have been instrumental to such processes in addition to their promotion of health, education, and drinking water services, as well as micro-credit programmes. Many have scored major successes in targeted programmes for the poor, *Dalits* and deprived communities. However, the sustainability of NGO-supported programmes has aroused concern. Many NGOs are urban-based and externally funded. Lack of financial transparency, weak coordination and monitoring has undermined their performance and delivery.

Despite the attention garnered by the decentralization process, the devolution of power and authority to the local bodies has yet to occur

Institutional failures and violent conflict

The People's Movement of 1990 that restored multi-party democracy generated high expectations among the Nepalese. In a newly democratic milieu, various societal groups naturally voiced their concerns and demands. The media network and civil society organizations accelerated that process. The new democratic Constitution of 1990 and commitments made by the main political parties to poverty alleviation also raised citizen aspirations. The successive development plans added new hopes.

At the same time, as we have seen throughout this chapter, policies fell behind to generate the kind of growth essential to job creation and equitable income distribution. And as annex 3, box 2 shows, many commitments or agreements with opposition parties remained paper goals. By the same token, orthodox parliamentary practices overlooked the exclusionary social struc-

ture. Deep-rooted social cleavages and discrimination in terms of caste, ethnicity, gender, region, culture and religion provided fertile ground for escalating conflict – simply because socio-political marginalization was being perpetuated at just the moment when political awareness among its principal victims had begun increasing.

Deep-rooted social cleavages and discrimination in terms of caste, ethnicity, gender, region, culture and religion provided fertile ground for escalating conflict

A development paradigm that stipulated directives from the elite to benefit the vast majority of the population – "top-down development" – found itself overwhelmed by narrowly-based growth policies, widened income inequalities and distributional conflict. Rising unemployment and poverty created frustration among young professional people as well as disadvantaged youth and others traditionally excluded from equitable participation. Political instability, manifested in intra-party struggles as well as hung Parliaments, could provide no effective measures to address rising social contradictions. The Maoists took advantage of the situation to expand their networking and to escalate violence. The government's inability to democratize the security apparatus also obstructed possibilities of transforming power relations.

The Maoist insurgency led to the postponement of the mid-term election. This resulted in the country's current political and constitutional crisis. Two years have passed without a representative body at the local level. Nor will Parliament be able to reconvene without a general election – which is itself unlikely to take place before the settlement of Maoist problem. Political reconciliation to strengthen democracy and achieve peace is an absolute precondition for enhancing the capacity of the state to implement pro-poor policies and programmes – and, arguably more important, to open governance institutions to participation by grassroots citizens so that they may begin using their agency to rebuild communities as they themselves see fit.

SUMMATION

The People's Movement of 1990, together with the new democratic Constitution and commitments of the main political parties, created expectations that remained unfulfilled because of an increased gap between commitments and actions and also between actions and outcomes. Legal, policy-related and institutional discriminations continued to inhibit equal access and opportunities for the disadvantaged on the political, social and economic fronts and thus obstructed the constitutional provisions that in principle abolished all types of discrimination and guaranteed social justice. The status quo or piecemeal approach to realizing these rights, coupled with rising popular consciousness of constitutional rights, fueled the contradictions that have led to the violent conflict that cripples the country today. The incongruities between the political and social and economic empowerment indices presented in chapter 2 also reveal these contradictions.

The perpetuation of practices concerning "untouchability" and the exploitation of women have also obstructed the development and preservation of the culture of various indigenous people and other communities. Empowerment cannot evolve sustainably without the elimination of these culture-based discriminations. The education system has been slow to enhance access of women, disadvantaged indigenous community and *Dalits* in education. Barriers on both the supply side (limited physical access and poor quality of schooling) and the demand side (high perceived cost of education in relation to foregone benefit) have contributed to hobbling progress. The government-subsidized education has benefited primarily the privileged. Exclusionary institutional arrangements for hiring teachers and managing schools at different levels have remained obstacles to changing existing discriminatory practices. The

same is true of Nepal's public health system, whose per capita allocations, among the world's lowest, have been exacerbated by steep disparities in access to health services among the country's different regions and communities.

Macroeconomic policies have not worked effectively to promote pro-poor growth and ensure equitable income distribution. The neglect of agricultural development following the APP strategy has accentuated problems in this sector. In addition, over-emphasis on the deregulation of input and output prices in an agrarian structure characterized by marginal and small farmers on the one hand and, on the other, a continuous inflow of subsidized commodities from India have inhibited supply response in agriculture. The decrease of the development budget, low access to institutional credit and the decline of small and medium-sized enterprises have emerged as major problems on the macro policy front. Underdeveloped, low-quality and high cost-infrastructure, along with the predominance of unskilled workers in the labour market, has remained a barrier to enhancing productivity and competitiveness in the economy. Nepal's underdeveloped market institutions have also obstructed the enforcement of rules and regulations that could create an adequate market incentive structure. Last but hardly least, the poor backward linkages of the industrial sector have so far failed to establish the macro and micro linkages necessary for reducing poverty and empowering the country's disadvantaged people.

While the democratic changes of 1990 increased people's political empowerment – as indicated by increases in candidacies and voter turnout in both parliamentary and local elections – subsequent reforms in state, political and local institutions were either too slow or inadequate to ensure better service delivery and governance. On the political front, a status quo approach impeded changes in traditional power and social relations; this, in turn, blocked social transformation processes. No concerted efforts were made in changing rules, regulations and exclusionary practices to ensure equitable representation of the disadvantaged in political institutions. Orthodox parliamentary practices took little account of the exclusionary social structure and thereby fell far short of the abolition of discrimination, the guarantee of social justice and the protection of human rights projected by changes to the Constitution. At the same time, the political instability mounted as infighting increased within the mainstream political parties leading to divisions and reunions, which in turn continued to stall the peace process. Political crisis deepened with the obstruction of elections at both the national and local levels.

Political crisis deepened with the obstruction of elections at both the national and local levels

Without elected bodies to frame laws or implement grassroots development programmes, new initiatives to increase empowerment cannot take effect. Yet once citizens have experienced democratic political practices, social contractions are bound to mount, whether because of historical or contemporary factors. The fact that these contradictions have now resulted in violent conflict throughout Nepal points clearly to a need for radical, dynamic social, economic and political transformation through systemic reforms in policies and institutions.

CHAPTER 4

Empowerment of women and disadvantaged groups

Nepal is hardly alone among the numerous countries worldwide that have allowed both historical and contemporary factors to perpetuate the gaps between its haves and have-nots. But, as earlier chapters have pointed out, the country's rigid exclusionary practices have contributed significantly to the violent conflict that now engulfs its people.

The poor in Nepal range over a wide variety of socio-economic groups irrespective of caste, sex, religion and geographic regions. Women cut across all these categories, whether *Dalits*, indigenous people, individuals with disabilities, or children. Not all traditionally high-caste people are rich. Likewise, not all low-caste people are poor or otherwise disadvantaged. But exclusion has a distinct regional dimension in Nepal; the continued impoverishment and underdevelopment of the mid- and far western development regions constitutes a glaring manifestation of historical geographic exclusion that has shut every population segment – irrespective of caste, religion and sex – out of mainstream development. From this perspective, any analysis of disadvantaged groups that focuses only on *Dalits*, indigenous people, the physically disabled and children will fail to capture the true picture of poverty in Nepal. Moreover, our lack of regionally disaggregated data on various disadvantaged socio-economic groups bars us from carrying out detailed situational analyses. Nonetheless, the groups examined in this chapter are historically the most disadvantaged and therefore those whose study provides the basis for identifying the major paths empowerment should take throughout the country.

Exclusion has a distinct regional dimension in Nepal; the continued impoverishment and underdevelopment of the mid and far western development regions constitutes a glaring manifestation of historical geographic exclusion that has shut every population segment – irrespective of caste, religion and sex – out of mainstream development

Women

Women comprised 50.1% of the total population of Nepal[1] in 2001. Patriarchy pervades most of the country's castes and ethnic groups; Nepal has one of the highest indices of son preference in the world.[2] Boys not only pass on the family name, but represent "insurance" for parents in their old age and can carry out important rituals when parents die. Girls generally work at home and in the fields, considered too unimportant – and risky – to educate, given the high value attributed to virginity and the dangers that schooling in the company of boys and men outside the household might pose to virginity. By contrast, early marriage constitutes a kind of virginity insurance.

Women bear triple work responsibilities in Nepal:

- Reproduction;
- Household work; and
- Employment.

Given traditional gender divisions of labour, women concentrate more on their ascribed reproductive roles and responsibilities while men focus on "productive", income-earning

roles. As in most households worldwide in both developed and developing countries, reproduction is not regarded as work and household work is not considered productive. However, the work burden of women in Nepal (16 hours) is much higher than the global average for three reasons:

- First, reproductive work is much more intense because the home continues to be the centre of nurture and socialization.[3]
- Second, maintaining household is highly work-intensive, particularly during the peak agricultural season.
- Third, participation of women in Nepal in "productive" activities is one of the highest in the world.

The Tenth Plan has, for the first time, included gender and human rights as a crosscutting as well as sectoral issue

The boundaries of all these activities undertaken by women are influenced by factors such as household composition i.e. extended/joint, nuclear and female-headed families, household stratification by economic status – wealthy, poor or landless – the migration of male family members, education, knowledge and health status.[4] Women are also confined to "culturally prescribed" and "socially acceptable" occupations. However, data on many Nepalese socio-cultural practices that discriminate against women are inadequate to date, in large measure because of the sensitivity of the subject.

Legal reforms and policy initiatives

The Constitution stipulates that non-discrimination and equality are fundamental rights. The National Country Code, in its Eleventh Amendment,[5] sets out women's right to property and a conditional right to abortion, an increase in minimum age of marriage (from16 to 18) and equality in grounds for divorce. However, Nepal's State laws, as well as traditional values,[6] still relegate women to inferior status, particularly in the gaps between legal initiatives. For example, a daughter had to return her share of family property after marriage until very recently, when a new court decision has overturned this arrangement. Above and beyond such particular statutes, the failure of legislators, legal interpreters and law enforcers to accept the concept of sexual equality prevents women from exercising their fundamental rights and freedoms.

Until 1980, policies for the integration of women into development processes overall were confined largely to education and training. Since that time, a gradual shift has taken place from emphasis on welfare towards equity and from anti-poverty efforts to an empowerment approach. The Sixth Five-Year Plan (1980-85) contained Nepal's first specific provisions to enhance women's participation in the development process. Successive plans have focused increasingly on improving the status of women through programmes geared to mainstreaming and empowerment. The Tenth Plan has, for the first time, included gender and human rights as a crosscutting as well as sectoral issue.

The National Women's Commission was established in 2002 to advise the government on effective implementation of the international human rights instruments and to develop policies and plans specifically aimed at advancing women. But the Commission lacks a clear legal mandate and some of its work is duplicated by the Ministry of Women, Children and Social Welfare (MoWCSW).[7] Although Gender Focal Points have also been established in the sectoral ministries, government programmes still lack gender sensitivity.

The Task Force established at the central and district levels to check the trafficking of girls remains limited to 26 traffic-prone districts of the country in which traffickers appear to be changing the areas and modes of their trade. While a new plan of action to combat trafficking was adopted in 2003, it focuses largely on children and lacks a strong monitoring mechanism. Nepal is signatory of the South Asian Association for Regional Cooperation (SAARC) Convention on Preventing and Combating Trafficking in Women and Children for Prostitu-

tion and official Nepalese commitment to implementing its provisions. But the instrument has not yet been ratified.

Nepal has reaffirmed its commitments to the 1995 Beijing Declaration on Women: Equality, Development and Peace, including implementing the Platform for Action adopted by the Fourth World Conference on Women. Working policy has been elaborated for gender equality and women's empowerment in this context and includes the following measures:

- the Women's Cell of the Nepal Police now carries out in-depth investigations of problems concerning women and children in 18 districts;
- to measure the participation of women in national development, statistics of gender-related programmes and women's contributions to household activities are being recorded in the National Accounts.
- the MoWCSW conducted gender assessment studies of the education, health and agriculture sectors in 2002.[8] More recently the MoWCSW has also conducted gender assessment and gender budget audits of its own ministry as well as the Ministry of Local Development with the objective of making the ministries more gender sensitive in planning, policy-making, programming, budgeting, monitoring and evaluation process at the central as well as at the local levels.

Nepal's 150 special measures for women regarding political and public participation, education, employment, health, violence against women, court procedure and gender justice, and marriage and family life are spread among 56 different laws, including the Constitution.[9] Despite several welcome outcomes, these special measures have been limited to discrete areas, such as political participation and maternity benefits. The approach has not been holistic.

For the economic empowerment of women, programmes such as micro-credit, income generation, skill development for informal enterprises and preparation for the formation and operation of cooperatives are being undertaken. Increased social mobilization of women has also taken place, together with their active participation in savings and loan programmes, to facilitate their access to production technology, training and market facilities. These and other activities such as entrepreneurship training, have enhanced women's participation in industry, tourism, and forestry. The Users Groups formed by women have had a number of positive effects, despite their limited coverage and prevalence largely in physically accessible areas.

The piecemeal nature of these efforts stems from the fact that the government has yet to adopt a policy of mainstreaming gender as its core strategy in promoting gender equity and equality. For this reason, among others, women's empowerment has not been sufficiently incorporated into the programmes of a number of sectoral ministries.

The government has yet to adopt a policy of mainstreaming gender as its core strategy in promoting gender equity and equality

Outcomes

Education: In spite of significant gains in female literacy – from a mere 12% in 1981 to 43% in 2001 – women lag far behind men in literacy and educational attainment (see annex 4, table 1). In fact, the difference between the male and female literacy rates between 1981 and 2001 remains the same: 22% percent. Only girls below 14 years seem to be catching up with boys of the same age cohort. The enrolment of girls decreases as they get older; boys therefore predominate in secondary and higher education.

Health: Women's life expectancy has improved significantly – from 53.5 in 1991 to 61.5 in 2001 – surpassing the life expectancy of 60.5 for men. The sex ratio as an indicator of women's status has also improved slightly in favour of women: from 105:100 in 1981 to 99.8:100 in 2001.[10] Nonetheless, the infant and child mortality rates remain among the highest in south Asian region. Infant mortality has dropped from 78.5 per 1,000 live births in 1996 to 64.4 per 1,000 live births in

2001 and the under-five mortality rate has declined from 118 per 1,000 live births to 91 per 1,000 live births over the same period. For every 1,000 live births, 79.2 boys and 75.2 girls die before their first birthday. However, 105 boys as compared with 112 girls (per 1,000 live births) die before they reach the age of five – a contradiction of normal biological trends that suggests discrimination against girls in child-rearing practices such as feeding patterns and seeking healthcare (see annex 4, table 2). Women as well as girls also suffer from inadequate nutrition in both quantity and quality of food, perform excessive labour, and have limited access to health and family planning services.[11] Approximately 70% of the women of childbearing age are anaemic – and an estimated 40% have given birth to at least one child between the ages of 15 and 19. Because of poor maternal health and nutrition, 27% of newborns have low birth weights.[12] These high rates also result from a health care system that reaches less than 15% of the population.

Though Nepal has very stringent laws regarding the trafficking of girls and women, this kind of violence persists, largely because of poverty

In addition, the maternal mortality rate (MMR) of Nepali women (539 per 100,000 live births) ranks among the highest in the world.[13] One out of every 185 pregnant women dies because of pregnancy and childbirth-related complications. Currently, only 53.4% of women receive any antenatal care, though this has increased from 28.4% in 1991, and only 18.8% receive post-natal services. Almost all deliveries take place at home; only 13% of deliveries are assisted by a skilled birth attendant.

Nonetheless, the mean age at marriage has risen significantly – from 16.8 years in 1971 to 19.5 years in 2001 for females, and from 20.8 years in 1971 to 21.9 years in 2001 for males – indicating a slow but steady change in social perceptions of the institution of child marriage.

Violence against women: Various forms of violence against women exist in Nepal, among them the following:

- traditional violence *(deuki, jhuma, badi, chhoupadi)*;
- violence based on superstition, such as torture for alleged witchcraft;
- sexual violence (trafficking and sexual harassment);
- family violence (domestic violence, polygamy, child marriage); and
- dowry-related violence (torture, both mental and physical).

The violence and exploitation against women vary with religion, caste, class and geographical location. The problem is more serious among *Dalit* women. Due to the stereotyped roles and economic dependence, women perceive such behaviour as normal; the violence is therefore accepted. Although increasing attention is now being given to reducing violence against women, the problem of domestic violence is on the rise – in part because of the lack of a comprehensive law on domestic violence.

Lack of specific legislation to deal with sexual harassment at work has resulted in non-reporting of incidents. Studies indicate that garment and carpet industries are most prone to sexual harassment.[14] Though Nepal has very stringent laws regarding the trafficking of girls and women, this kind of violence persists, largely because of poverty. The porous border with India also contributes to the trafficking of some 12,000 girls and women annually, approximately 20% under the age of 16, into Nepal's southern neighbour and other countries for prostitution (see annex 4, table 3). In addition, thousands of girls are forced into religiously, culturally and traditionally institutionalized prostitution practices such as *Deuki* and *Badi*. Human rights organizations have reported extensively on this problem,[15] but no serious steps have been taken to reduce it significantly. Although the government scrutinizes women's migration for work abroad, trafficking or smuggling of women continues in this guise; hundreds of girls have crossed into India with false

assurances of employment, eventually to end up in brothels.

Access to resources and control over them: Women have only limited access to resources and only limited control over those they can access. Of the total landholdings, females own only 8.1% and the average size of their land is just two-thirds that of an average male holding. Only 4% of the households have female ownership of both house and land. (see annex 4, table 4). Marital status determines female's access to land and other property. Poor single women, even those with many children, do not receive land in resettlement areas. Although a husband may keep property in the name of his wife, she cannot sell, rent or otherwise transfer it without the consent of her spouse or sons.[16] Access to community resources like forests devolves through household heads – who are usually men. All these limitations, along with household confinement and low educational attainment, restrict women's access to credit; both formal lending institutions and village moneylenders require tangible collateral.[17] Local lenders who do not demand collateral charge prohibitive interest rates and exact free labour as well.

Employment: Most women workers – over 70% – are confined to self-employed, unpaid and low-wage informal sector activities;[18] they have few formal job opportunities. Between 1991 and 2001, women moved gradually from agricultural into non-agricultural work – from 20.1% to 34.31% (see annex 4, table 5). Their employment in manufacturing increased six-fold over the same period; they constituted almost 23% of the labour force in this sector in 2001. Carpets and garments, Nepal's major exports, absorb most of these informal female workers. The fact that the formal sector accounts for only a small share of the total labour force (8-10%) implies that few workers have benefited from wage reforms enacted to date. Although women are slowly joining the expanding modern sector – particularly in manufacturing, trade, commerce and tourism in urban areas – they are concentrated in low-skill jobs because of their lack of education and training opportunities, the biases of their employers and their limited mobility.[19] They have also begun moving into small business and self-employment ventures, looking for salaried jobs and, in this process, they are increasingly migrating to towns and cities for employment in a range of cottage industries, such as carpet-weaving, textiles and handicrafts, as well as vending, petty trade, brewing, and vegetable selling. However, an informalization of the formal labour market is taking place through piecework, homeworking and other kinds of outsourcing that have undermined the collective bargaining power of the workers and increased exploitative working conditions for women.

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Overall, the problems that women face in the labour market stem from the following factors:

- stereotypical roles that confine women to the household;
- women's limited access to education and skill/vocational training;
- discriminatory wage rates;
- legal discrimination and deprivation of the right to property;
- sexual harassment at work;
- exploitative and unsafe working conditions;
- discrimination in employment opportunities;
- lack of gender-sensitive labour policies; and
- inadequate laws on maternity protection and child-care.

Representation in government and political positions: Representation in government and political positions increases people's agency by acquainting them with legislation, decision-making on allocation and distribution of state resources, access to information and delivery of services and involving them in these activities. However, women's representation in the civil service amounts to a mere

BOX 4.1 Group power in community-based economic development

The CBED project aimed at organizing savings and credit groups for both men and women in an effort to launch and intensify local economic activities. Implemented in three districts - Dadeldhura, Jumla and Baitadi - the venture focused on meeting both the practical and long-term strategic needs of women and reached 55 VDCs and two Municipalities with a total population of 200,000. Rural finance strategy is a key component of the project, along with commodity promotion and natural resource management. All-women's groups as well as mixed groups were established. A recent study of CBED's impact on women's socio-economic status and gender relations within the family have revealed a number of positive changes:

- **Participation in development activities:** Many women have become actors in a variety of economic improvement projects, as well as anti-alcoholism and cleanliness campaigns; this has raised their status in family, community and village life.
- **Changes in mobility:** Prior to the project, many women were effectively prohibited from moving beyond the confines of their villages; the possibility of their interacting with outsiders usually made them subjects of gossip. Nowadays, their circulating outside the community is unquestioned.
- **Access to and control over resources:** Since CBED intervention, wives have been consulted by their husbands before making decisions about potential long-term socio-economic activities such as launching a small enterprise, vegetable farming, pursuing credit, purchasing gold and land and selling agricultural products.
- **Enhancement of decision-making capacity:** Community members have taken active part in meetings and become key decision-makers in group as well as household activities.
- **Access to economic opportunities:** Vegetable farming has generated income and improved health and nutrition by making Vitamin-rich foods available for family consumption.
- **Needs fulfillment:** The CBED drinking water schemes, smokeless stoves, kitchen gardening, health, literacy classes, irrigation and nutrition education have benefited many households and their members, including women and girls.
- **Changes in men's attitudes:** Most women in the project now voice their opinions clearly, saying that they no longer feel submissive and are prepared to struggle for their rights.
- **Contributions to time-saving and time allocation:** Because of CBED's support for time-saving devices for women (grain mills, water pumps and filters, improved cooking stoves), their drudgery and work burdens have diminished. Men have also begun - gradually - to help women in onerous chores so as to release them for participation in group activities.

Source: CECI-CBED 2001.

In a culture rife with patriarchal strictures and structures, women now mobilize one another to initiate and effect social change in their communities

8% of approved civil service positions. Moreover, as compared to the 1999 figures, all those of 2000 have decreased – with the exception of the Non-Gazetted level, which shows a 0.2% increase (see annex 4, table 6).

Although an increasing number of women have stood for election to the House of Representatives, their share still hovers at less than 10% (see annex 4, table 7). Those actually elected count for less than 6%. Nor is local government representation encouraging (see annex 4, table 8).

Manifestations of women's empowerment: some experience at the grassroots level

Group formation and the use of group power has often succeeded in Nepal, as amply revealed since the implementation of the Production Credit for Rural Women and Small Farmers Development Programme (SFDP) by the government during the 1980s. This strategy has been replicated in a number of other programmes for women. Box 4.1 summarizes the achievements of the Community-Based Economic Development (CBED) in opening space for the exercise of women's agency and thereby broadening their access to credit, among other forms of empowerment.

In a culture rife with patriarchal strictures and structures, women now mobilize one another to initiate and effect social change in their communities – combating domestic violence and drunken behavior being only two of the common efforts currently undertaken by women's groups across Nepal. Tar-

BOX 4.2 Women's empowerment through decision-making

Between 1997 and 2001, in 21 districts covering 125,000 women as target beneficiaries, the USAID-funded WEP has concentrated on three critical components of women's empowerment: increased literacy; an improved legal environment for women; and strengthening women's economic participation. The Programme defines empowerment as "women making choices to improve their well-being and that of their families and communities" - a process by which women define, challenge and overcome barriers in their lives and, ultimately, change the circumstances that relegate them to subordinate status.

The project has benefited group members enormously. Women now speak openly of freedom from dependency on male family members. WEP literacy classes have increased women's standing within the household, particularly in relation to visiting health clinics, ensuring their children's education and even broadening their physical mobility. Because WEP is also a banking system, even the families and communities became supportive, even encouraging. In addition to Non-formal Education, the technical skills the women acquired benefited their enterprises - another enhancement of their status within their respective households and communities, since group members earned a minimum of Rs. 300 per month. Husbands have even begun performing household chores to give their wives time to attend the WEP meetings. Group cohesiveness has enhanced the social capital base critical to organizational capacity-building and hence empowerment.

Solving problems through collective action became the kind of activity the women favoured most, particularly in terms of curbing gambling and alcoholism, encouraging hygiene and cleanliness, halting domestic violence and child marriage, undertaking the improvement of trails, roads and drinking water facilities, plantation and afforestation efforts, irrigation construction and enhancement and temple and monastery building. Women generally joined their husbands as the main decision-makers concerning community issues; 73% reported that they had assumed responsibilities, along with their husbands, for making decisions that concerned their children's school enrolment and attendance, participation in the group meetings, notably those involving sanitation activities/hygiene programmes, and arranging consultations with the appropriate offices to help resolve community problems. Women tended to become more active after they became participants of Rights ResponsibilitiesAction (RRA) and have worked towards improving the status of women in the family, including issues such as wife-beating, drunkenness, the sale of alcohol, property rights after divorce, second wives, community perception of female tasks, and women's behaviour and participation in productive activities. Women also visited the VDC office, mainly to discuss social reform, personal business or construction and environmental concerns.

Source: Shrestha, A., and J. KC 2001.

geted women and targeted households now exhibit increased influence by women within the domestic sphere and increases in spending on family well-being. In addition, greater and greater numbers of women have participated in the activities of group programmes, such as, literacy classes, mothers' groups, and self-reliance groups that give women opportunities to meet each other, share ideas, and discuss issues. Box 4.2 illuminates how the Women's Empowerment Programme (WEP) has increased women's capabilities by enhancing their decision-making skills.

DALITS

In 2001, *Dalits* comprised 12.9% of the total population of Nepal (2.9 million). *Kami* constituted the largest group, with nearly 30%, while the *Halkhor* were the smallest, with 0.12%. Definitions of the term *Dalit* differ: The National *Dalit* Commission defines *Dalit* as those communities who, by virtue of caste-based discrimination and untouchability, are most backward in the social, economic, educational, political and religious spheres and are deprived of human dignity and social justice. As annex 4, box 1 shows, the Commission has identified 19 caste groups as *Dalits*.

While caste division and the practice of untouchability reaches back to the Aryan invasions that began even before 1500 BCE, the legal authority for suppressing *Dalit* communities anywhere in what is now Nepal dates back only to the 14th century Common Era (CE). King Jayasthiti Malla (1380-1394) formalized the caste system in the Kathmandu Valley by dividing the *Newar* (largely indigenous) population into 64 caste groups, each occupying a distinct functional and occupational category. These castes, then, had no fundamental basis in ancestry or strictly religious ascription, but derived from the nature of work performed.

The Dalits remain the victims of an obsolete political system that rendered them voiceless and choiceless

In the *Newar* caste hierarchy, *Pode* and *Chyame* were treated as *Dalits*. As box 4.3 summarizes their history, the discriminatory practices against *Dalits* continued unabated under the feudal political system and its manorial counterparts during the British Raj in India. The practice of untouchability is even more complicated among the untouchables themselves. *Dumaras* are social outcasts; even *Dalit* children cannot enter their homes, even when these friends wish to do so; they fear punishment by their guardians if such visits become known.

The *Dalits* remain the victims of an obsolete political system that rendered them voiceless and choiceless. Even at the beginning of the 21st century, such derogatory words as *'bada'* and *'chhota'* continue in common usage. They were removed from the National Country Code of 1963. Over and above the prevailing discriminatory vocabulary, the *Dalits* are largely excluded from Nepal's army, administrative, diplomatic and political structures. As they are forced to live on the fringes of the so-called upper caste neighbourhoods or in slums, the unsanitary living conditions of *Dalits* have not only undermined their health, but also encouraged carelessness about their own hygiene and dietary habits. A cycle of discrimination thus begins with cultural and religious taboos and culminates in their reinforcement, perpetuating and deepening both *Dalit* poverty and the inherited stigma of inferiority (see box 4.4).

Legal reforms and policy initiatives

Legally, the *Dalit* community is free from the values imposed by the existing societal structure; both the National Country Code of 1963 and the 1990 Constitution prohibit discriminatory treatment against them. However, lack of political will and commitment to reform existing social and power relations continue their exclusion. For ex-

BOX 4.3 Historical context of *Dalits* in Nepal

The State formalized the caste system throughout Nepal during the reign of King Surendra Bikram Shah when Jung Bahadur Rana, founder of the Rana rule, promulgated the Muluki Ain (Country Code) in 1854. This Code, the first proclamation of State authority on all matters concerning the social and religious rights of individuals,[20] organized Nepalese caste and ethnic groups into four categories: i. *Tagadhari* (caste wearing the holy thread); ii. *Matwali* (non-enslaveable alcohol-drinkers); iii. *Pani nachalne-chhoi chhitto halnu naparne* (castes from whom water is not accepted, but whose touch does not require sprinkling of water for purification); and iv. *Pani nachalne-chhoi chhitto halnu parne* (from whom water is not accepted and whose touch requires purification by sprinkling water).

The Country Code thus reconstructed Nepalese social structure into a four-fold caste hierarchy and placed *Dalits* - the groups belonging to the fourth category, at the bottom. Before the implementation of the law, the indigenous nationalities had an egalitarian social structure and were outside the four-fold Varna and Hindu caste system.[21] As the Code was the first law applicable throughout the country, the practice of untouchability became universalized. The Code also divided *Dalits* themselves hierarchically. This compelled *Dalits* to practice untouchability and discriminate against those who ranked below them within the broad group of untouchables.

Although the country later witnessed significant political turmoil, including the overthrow of the Rana regime in 1950 and the establishment of politically egalitarian governance in 1958, the Country Code of 1854 remained in force with only moderate informal adjustments until 1963, when the *Naya Muluki Ain* (New Country Code) was enforced under the Panchayat System. This New Code marks the beginning of a new era of the most radical changes in Nepal because it stated that legally all citizens are equal irrespective of caste, creed and sex. The Muluki Ain of 1963 also abolished discrimination between castes in respect of capital punishment. However, it did not declare the practice of untouchability punishable.

The restoration of democracy in 1990 intensified the voices of subjugated groups. The new Constitution of 1990 reiterates the universality of human rights, equality among Nepalese citizens in respect of rights and responsibilities, and also declares discrimination on the basis of caste punishable. Despite the reform measures introduced during the last four decades, little has changed in Nepal's social structures, norms and practices, including the attitudes and behaviours of non-*Dalits* towards *Dalits* - or among *Dalits* themselves.

Source: Bhattachan et al 2001.

ample, although untouchability or exclusion in public places is punishable by law – a reform reinforced by a Supreme Court declaration in respect of *Dalit* entry into temples or other religious sites – the Court recently failed to declare unconstitutional the provision under the National Country Code that states "there shall be no disturbance in others' religious and social practice". At the same time, however, the Court issued a directive to the government to change the behaviour of official agencies in their dealings with *Dalits*.[22] Thus privilege, opportunities, prestige, and status on the one hand and, on the other, material and psychological deprivation, continue to relegate *Dalits* to the lowest rung of the social ladder in respect of virtually all aspects of access to socio-economic opportunities and eventual improvements of their lives, the more so in the hills and the rural areas.[23]

The restoration of democracy in 1990 gave greater voice to subjugated groups in Nepal and attracted the attention of the planners, policy makers, government, national and international non-governmental organizations and donor agencies to the plight of the *Dalits*. The Ninth Plan (1997-2002) stated for the first time in Nepalese history that *Dalits* had occupational abilities, knowledge and skills to raise the country's GDP. In order to improve their socio-economic conditions, a committee for the advancement of the *Dalits*, "*Upekshit Utpidit Dalitbarg Bikas Samiti* (Depressed, Op-

BOX 4.4 Discrimination against *Dalits*

CASE 1: Caste discrimination rampant in schools

"I have never drunk water with my friends of other castes since the day I was admitted to the school," says Ganesh Sarki, a student of class three in the primary school at Dharapani. "My friends tell me not to touch the water and I don't touch it. Our teachers, who are aware of our problems, have also not objected to this practice and made no provision to enable us to drink water in the school. Others drink water in school, but we *Dalits* go to a nearby water source to drink."

No other overt discrimination exists in the school. *Dalit* children sit happily shoulder to shoulder with other students on the same bench – but outside school, cannot enter the homes of their higher-caste friends. The small children wonder why. Dil Bahadur Sarki, of Thakle in Bhatauli VDC and a student of class seven says he would love to live with all people as a single family by rooting out the system of untouchability. Although his school allows *Dalits* to drink water on the premises, upper-caste students must wash the glass afterwards or pour the water directly into Dil Bahadur's mouth without touching him.

Source: The Kathmandu Post, May 16, 2003

CASE 2: Reward and punishment

The Namsaling VDC has set an exemplary tradition by rewarding four newly wed couples who have entered into inter-caste marriage with *Dalits*. However, neither non-*Dalits* nor "upper-caste" *Dalits* will accept such marriages. Mixed couples must face humiliation and problems of separation, particularly if the groom is non-*Dalit* – although males are considered "pure" even after having sexual relations with a *Dalit* woman.

A *Biswokarma* woman from Ilam Municipality fell in love with a local *Damai* man and married him without the approval of her family. They eloped and went to Jhapa, living in the house of the bridegroom's relatives. The bride's family, however, considered this a dishonour to their community, because *Damais* are regarded as "lower-caste" by the *Biswokarmas (Kamis)*. The newlywed ultimately found shelter with the support of an aunt of the bride. Other members of her family went there and brought her back. Her husband also went back home and related their plight, whereupon the *Damai* community applied to the District Committee of the Nepal *Utpidit Jatiya Mukti Samaj* (Nepal oppressed caste emancipation forum) for support for the couple's reunion. The *Mukti Samaj* (emancipation forum) suggested that both parties discuss a solution.

On the first day of these discussions, the bride's family claimed that she had changed her mind and asserted that she had been brutally beaten and starved by her husband. When they rescued her, they alleged, she began crying and regretted her marriage decision. They also expressed their readiness to send her back to her husband if she so desired. The bridegroom denied these assertions and asked that his wife appear before the Committee in person to seek her views publicly.

The following day, the woman appeared, accompanied by members of her family. When questioned by Committee members, she affirmed her family's views. This shocked her husband, who eventually discovered that the bride's family had forced her to repudiate her marriage before the Committee. She now lives with her sister in Jhapa, in a state of acute depression.

Source: ActionAid/Nepal 2003.

pressed, *Dalit* Group Development Committee) was established in 1996 under the auspices of the Minister of Local Development. On 6 August 2001, the government promulgated an eight-point programme for mainstreaming the *Dalits* in national development processes. In addition, in March 2002, a high-level National *Dalit* Commission was instituted to look into the issues related to the welfare of *Dalit* communities.

The media often reports incidents of caste-based discrimination in public places; but the government responses remain very limited.[24] The National *Dalit* Commission does not yet have statuary authority. Moreover, the exclusion of non-*Dalits* in the Commission undermines its effectiveness in prospective social transformation. Nonetheless, the number of NGOs, both domestic and international, focusing on activities related to *Dalit* welfare, has grown enormously. Currently, 111 NGOs for *Dalit* advancement are run by *Dalits* themselves. A *Dalit* NGO Federation with regional offices has been established to coordinate *Dalit* welfare activities at the regional level. Because of achievements in advocacy and awareness-raising in *Dalit* communities, increasing numbers of *Dalits* have been raising their voices in national as well as international forums.

The processes of cultural homogenization and monolingualism resulted in numerous losses of cultural diversity

Dalit leaders have also involved themselves in various political parties. Despite the catalytic effects of this leadership in addressing *Dalit* issues and problems, it has in most cases fulfilled the interests of individual *Dalit* politicians rather than advancing the welfare of the *Dalit* community at large. Moreover, a number of both formal and non-formal associations (largely caste- or gender-related) continue to deny *Dalits* equal access to their memberships.

Outcomes

Education: The educational attainment of *Dalits* remains below the national average. Two thirds remain illiterate despite an approximate 10% rise in literacy rates for both sexes between 1991 and 2001.

Health: Despite a dearth of data, the health status of *Dalits* appears to rank well below the nation as a whole.[25] In 1996, for instance, the IMR for *Dalits* was 116.5 per 1,000 live births compared to 52.5 for *Brahmins*, and immunization coverage for *Dalit* children (43%) was 20% lower than the national average.

Access to resources and control over them: In Nepal, where land ownership translates into wealth, power and social prestige, about 15% of the hill *Dalits* and 44% of the Tarai *Dalits* are landless, a figure that is increasing.[26] The vast majority of the rest own only subsistence plots.[27] The refusal of the dairy industries to purchase milk produced by *Dalits* has made it impossible for them to engage in animal husbandry.

Employment: Despite the wealth of skills related to their traditional occupations, *Dalits* almost invariably work at these trades under discriminatory and exploitative conditions. The transition from traditional to modern market economy has marginalized their knowledge, skills and products without creating alternative occupational opportunities for them. More than 54% of the *Dalit* population engages in agricultural activities, another 15.7% in service, an additional 14.2% in non-farm wage-earning and the remaining 6.1% in casual farm labour and other low-wage activities.[28]

Representation in government and political positions: Except for the election of one *Dalit* to the Lower House of Parliament in 1991, none has won since then, while in the Upper House various political parties and the King have nominated only four.[29] Although various political parties in Nepal have consistently emphasized *Dalit* welfare as one of the main agenda in their party manifestoes, *Dalit* candidates constituted only 3.7% of those who stood in the 1999 general elec-

tion. No *Dalits* are yet members of the central committees of the major three political parties. Nor do *Dalits* hold positions in the judiciary or the constitutional bodies.

Indigenous people

Indigenous people, also known as indigenous nationalities (see annex 4, box 2), constitute 37.2% (8.4 million) of Nepal's total population. According to the census of 2001,[30] the largest indigenous groups are the following: *Magar* (7.1%), *Tharu* (6.7 %), *Tamang* (5.6%), *Newar* (5.5%), *Rai* (2.8%), *Gurung* (2.4%) and *Limbu* (1.6%).

In addition to the country's Hindus, these people are largely Buddhist, Mundhumist (the Kiratis), Bonists, and Animists or Shamanists. Altogether, these minorities speak almost 100 languages or dialects.

The process of disempowerment of indigenous people began with the incorporation of small principalities into the larger unification of the kingdom of Nepal. The processes of cultural homogenization and monolingualism resulted in numerous losses of cultural diversity.[31] Indigenous people also experienced violations of their inherited rights to natural resources and abrogation of their traditional land tenure systems, along with expropriations of their lands, displacements from their traditional homelands and heavy taxes, including a number "collected" in unpaid labour. The promulgation of state/royal orders, rules and regulations before 1951 and the enactment of various laws afterwards also limited their access to natural resources such as forests, pastures, rivers, ponds, and wildlife. Development efforts tended to add to their marginalization; malaria eradication in 1950s caused an influx of hill people into Tarai and the new settlers, primarily upper-caste hill people, pushed the original local inhabitants off holdings they had worked for centuries.[32] National park projects also displaced several indigenous Tharus and other communities from their lands[33] without adequate resettlement. All these processes resulted in the economic marginalization of these groups.

BOX 4.5 Ethnic issues from indigenous people's perspective

Indigenous people have raised a variety of issues during the last few decades,[34] mainly of socio-cultural, political or economic nature. They can be summarized as follows:

- **Cultural Rights:** Linguistic rights have been denied and discrimination based on language, culture, religion, region and gender still prevails throughout the country. In addition, the right to basic education in one's mother tongue and the right to information in one's native language remain unrecognized.
- Several discriminatory provisions in the present Constitution and existing laws constrain the effective participation of indigenous people at the policy-making levels. Present political processes and institutions tend to exclude them from decision-making at all levels.
- Despite varied provisions for affirmative action or "positive discrimination" in favour of disadvantaged indigenous people, *Dalits* and women in the Constitution, the government has not yet ratified ILO Convention No. 169 on Indigenous and Tribal People.
- The promulgation of orders and their enforcement continue to restrict the traditional/customary rights of indigenous people to natural resources, putting their livelihoods at risk.
- Lack of collateral, along with limited access to power structures, bars disadvantaged indigenous people from credit facilities. Nor have poverty alleviation programmes specifically targeted them or affirmative actions programmes improved their physical conditions.
- The government has so far taken inadequate action for compensating the victims of development projects, such as displaced indigenous people from lands set aside as wildlife sanctuaries and national parks.
- Despite the multiple discriminations faced by indigenous women – gender discrimination, linguistic discrimination, cultural discrimination and religious discrimination – gender empowerment programmes have not yet focused on them.

Source: Gurung 1985; Yakkha-Rai 1997; Gurung et al 2000; Neupane 2000; Subba et al 2000; Lawoti 2001; Gurung 2002; Bhattachan 2000 and 2003; and Subba et al 2002.

Legal reforms and policy initiatives

The 1990 Constitution has explicitly set out the policies and principles of eliminating social and economic inequalities, maintaining and promoting plurality and diversity of cultures, advancing disadvantaged groups through special measures and involving the people in their governance to the maximum extent. As box 4.5 shows, the government began addressing ethnic issues in 1991, but took no action on the 1992 proposals of its own commission in respect of protecting and promoting languages, script and cultures. The National Language Policy Recommendation Committee, constituted in 1993, has also seen little implementation of its many submissions, apart from the production of primary school textbooks in 11 indigenous languages by the Curriculum Development Centre of the Ministry of Education. In addition, the 2001 amendment of the Education Act of 1971, along with the Education Regulations of 2002 have provided for free education to indigenous as well as *Dalit* children who live below the poverty line and granted 5% scholarships to disadvantaged groups (the poor, women, the disabled, *Dalit* and indigenous students).

The 1997 National Committee for Development of Nationalities, which conducted various programmes on indigenous languages and cultures, awareness-raising, training, scholarships, and the protection of endangered indigenous groups, was replaced in 2003 by the National Foundation for Development of Indigenous Nationalities, which has already initiated several activities for linguistic and cultural preservation and the socio-economic empowerment of marginalized indigenous groups. Among government efforts, only the Praja Development Programme of 1979 has specifically targeted a single indigenous group, although other programmes run by NGOs and supported by SNV have shown very positive results.[35] Indigenous people's organizations are also implementing a host of programmes for the empowerment of

BOX 4.6 Rehabilitating the Kamaiyas

The *Kamaiya*, a complex farm wage labour system prevalent in eight Tarai districts, engulfed about 20,000 households, most of which were forced to pledge family labour in return for meagre amounts of food crops and, in addition, were bonded by loans they had incurred to ensure their survival. In response to mounting pressures from human rights and civil society organizations, the government ultimately recognized the problem and, in July 2000, abolished the system. Subsequently, the Abolition of *Kamaiya* System Act made the perpetuation of the system punishable.

After the adoption of the Act, governmental efforts to assist the ex-*Kamaiyas* provided plots of up to 0.15 hectares, along with assistance in the construction of huts. Other agencies offered aid in skill development, education, health and other elements of empowerment. As the households are resource-poor, however, they need access to employment opportunities above all – to which they have received little response. More ex-*Kamaiya* children than ever before now work as domestics in urban areas, more ex-*Kamaiya* women perform unpaid household chores for local landlords, and many ex-*Kamaiya* men have reverted to the same labour relations from which they were presumably freed.

The key reasons for the ineffectiveness of the rehabilitation efforts amount largely to a lack of coordination and proper sequencing of the activities undertaken by different actors. *Kamaiya* families were resettled in areas where they had to share scarce employment opportunities with the local people, as well as sparse infrastructure such as schools, clinics, drinking water and other facilities. Moving to a new place also created new problems for these migrants with meagre resources; ex-*Kamaiyas* need integration into their own villages, along with the legal and social safeguards appropriate to agricultural labourers.

Despite some Rs 300,000 per family disbursed since July 2000 by the government, United Nations agencies, more than a dozen international NGOs and even the Asian Development Bank, ex-*Kamiayas* report few changes in their living conditions, apart from the dissolution of their bond. But freedom without economic empowerment has done little indeed to mitigate their misery, the more so as many have had to bond themselves anew for survival. Field research indicates that the children and women probably suffer more now than they did prior to their liberation.

Source: NLA 2003.

their communities, among these awareness-raising, cultural revitalization, advocacy and livelihood empowerment. The government has also abolished the *Kamaiya* (a kind of bonded labour) system in July 2000 and assisted the ex-*Kamaiyas* in rehabilitation. Nonetheless, the rehabilitation efforts had little effect (see box 4.6).

The Tenth Plan has framed a broad range of policies and strategies for empowering indigenous people through affirmative action policies and programmes and revision of constitutional and legal provisions for inclusive political and bureaucratic structures. The results of these activities, along with recent donor initiatives, remain to be seen.

Outcomes

Education: Among indigenous people, the literacy rates of *Thakali, Byasi, Hyolmo, Newar, Gurung, Limbu, Yakkha, Darai, Chhantel, Jirel, Dura, Rai and Magar* rose in 2001 above the national average (53.7%), although those of the other 30 indigenous groups still fall below it. Literacy among the *Thakali, Byasi, Hyolmo* and *Newar* approaches that of the hill *Brahmins* (75.6%) whereas rates for the *Kusbadiya, Santhal, Jhangad* and *Chepang* average approximately 27%. Of the 352,000 Nepalese graduates and post-graduates, only 8.7% (30.5 thousand) are indigenous people – excluding *Newars* (see Annex 4, Table 9). However, of the 931, 500 persons who have SLC or their equivalent, 18.2% are *Janajatis* (excluding *Newars*) – a promising sign.

Health: Disaggregated data concerning the health status of indigenous people are not yet available. However, according to the population census data, few members of indigenous groups have toilet facilities (see annex 4, table 10) – an indication that sanitation campaigns have hardly influenced disadvantaged indigenous people. Given increasing contacts from outside their remote homesteads, this may well mean an increase in their vulnerability to communicable diseases and other health hazards.

Access to resources and control over them: The marginalization of indigenous people in terms of their inherited resources began with the Rana regime and continued with the enactment and enforcement of various laws after 1951. As the indigenous people have a special relationship with their lands, they depend largely on the natural resources available on their ancestral territories. As almost 80% are marginal cultivators (with less than 1 acre) or small cultivators (having 1-2 acres), they tend to experience enormous food insecurity. Data on operational land holdings reveal that huge proportions of indigenous population are wage labourers with no land of their own for farming within the districts in which they live (see annex 4, table 11). Only some 2.8% of the *Tharu*, 0.32% of the *Tamang*, 0.76% of the *Rai*, and 0.63% of the *Magar* communities, respectively, have self-operated land of more than 10 acres. Being landless, the vast indigenous majority therefore has no access to resources related to land ownership.

Employment: Although the majority of indigenous people engage in agriculture, some groups, such as the *Newars, Thakalis, Marphali Thakalis, Sherpas* and *Gurungs* work in business and industry. Almost one fourth of the indigenous population is engaged in non-farm activities and, with the exception of some highly marginalized groups, indigenous people have a higher proportion of white-collar workers than the *Dalits*. A few, however, such as the *Raute, Kushbadiya, Bankariya, Kusunda, Chepang, Hayu,* still depend on foraging (hunting and gathering) and shifting cultivation. Others continue as pastoralists.

The 2001 Census revealed that the proportions of people involved in prestigious white-collar occupations among *Thakalis* and *Newars* (see annex 4, table 12) are closer to those of the hill Brahmins; approximately 6-8% work as legislators, senior officials, managers and professionals.

The Tenth Plan has framed a broad range of policies and strategies for empowering indigenous people through affirmative action policies and programmes and revision of constitutional and legal provisions for inclusive political and bureaucratic structures

Representation in government and political positions: Because disempowerment processes have stymied the human development of indigenous people, they have less decisive influence on policy/decision-making bodies. They hold only 17% of the seats in the House of Representatives, although their share in the DDCs was 29%, and they have somewhat better representation in the grassroots-level elected bodies in some districts because of the concentrations of their populations. However, their representation in the state bureaucracy and judiciary is extremely low: 2.4% of the judiciary and 2.3% of the total gazetted positions in government. Moreover, there has been no improvement in the recruitment of gazetted officers from indigenous people during the last 18 years (see annex 4, table 13).

Discrimination against PwDs is rampant in all communities in general and in rural/remote communities in particular

People with disabilities (PwDs)

Estimates of the disabled population of Nepal range widely; according to the latest census, they comprised 1.63% (0.37 million). However, these numbers probably represent the difficulties of obtaining information about disabilities, particularly in view of the WHO estimate of approximately 10% of the world's population, including that of high HDI countries, as disabled. At least 12% of Nepal's citizens are assumed to suffer from the types of disability schematized in annex 4, box 3.[36]

Discrimination against PwDs is rampant in all communities in general and in rural/remote communities in particular. Even their families tend to neglect their basic needs (enough food, clothing, care concerning personal hygiene and medical treatment equal to that of the non-disabled). PwDs often languish in a corner or an isolated room or outside homes altogether (where they can be housed separately), without proper care and participation in day-to-day household activities or in any other cultural and religious activities. Beliefs in disabilities as the result of sins committed in prior lives, illiteracy, poverty, humiliation, and lack of awareness and information have resulted in the relegation of these individuals to the lowest rung of each stratum of society. Women with disabilities face multiple disadvantages because of their sex coupled with their poverty. Even the mothers of PwDs are termed *alachhini* – someone who brings bad luck – and are given low status within their families and communities.

BOX 4.7 Overcoming disability

Amrit Ratna Shakya, a self-made industrialist with strong commitment, has overcome the prejudices of his community. Born in 1966, into the home of a Shakya family in Patan, he fell victim to polio at the age of three. His parents' ignorance exacerbated his condition; they took him to traditional healers rather than to a hospital and kept him inside the house for two years, his mother bewailing his fate. The community in which he lived compounded the physical restrictions on the child's movement, labeling him with a variety of epithets each time he ventured outside. Silently observing his environment, he decided to challenge the stigma, completing schooling at home through the tenth grade and undergoing a three-month course offered by a Japanese volunteer in fashion design, cutting and sewing in the Nepal DisabledAssociation in Kathmandu in 1981. After several years of working in this trade from home, non-disabled friends deceived him in business dealings. He reacted by establishing theA R Sewing and Cutting Institute in Patan in 1991.

The Institute, which began with five trainees, now employs 250 non-disabled workers. To date, Mr. Shakya has supervised some 30,000 trainees, charging each Rs.125 to Rs. 300 depending on the courses taken and provides free training to 10 PwDs per year. His 12-hour workday brings him Rs 30,000 per month.

Always surrounded by trainees, he smiles as he poses pointed questions to unemployed non-disabled persons and those PwDs who protest that barriers obstruct them everywhere. The father of a 7 year-old boy, Mr. Shakva also looks after an extended family in Shri Darbar tole. He has not accepted any government or NGO grant, in part because he fears exploitation by NGOs that might threaten his enterprise. Instead, he envisions establishing an inclusive training centre that will contribute to dismantling the odds and obstacles that now face PwDs.

Source: Based on Interview with Mr. Amrit Ratna Shakya, August, 2003.

Legal reforms and policy initiatives

The first government programme to help disabled persons began in 1964 in the field of Special Education (Integrated Education) for the blind and visually impaired, followed by its 1967 enlargement to accommodate deaf children and its 1969 admission of physically disabled children. The Special Education Council was established in the Ministry of Education in 1973. During the International Year of Disabled Persons, 1981, special education was expanded in all the five development regions for all types of disabled persons. Significant expansion in Special Education started in 1993, when the Danish Government provided support to Nepal's Basic Primary Education Project (BPEP) for the establishment of special education in 56 districts. These special education initiatives exemplify the thrust of integrating challenged children into mainstream citizenship via special schools, Integrated Schools and Inclusive Schools that, taken together, reach over 6,500 youngsters. More than 2,000 also receive education through advocacy and welfare-based NGOs.[37]

The advent of democracy in 1990 allowed PwDs to exercise their human rights and to establish advocacy-based NGOs.[38] The Constitution has guaranteed the rights, welfare and security of PwDs equal to other citizens without discrimination. The United Nations Standard Rules on Equalization of Opportunity for Persons with Disability of 1993 has emphasized the establishment of self-help organizations and guided the government in its support of PwDs for their empowerment.

The Tenth Plan addresses these issues, including the mainstreaming of PwDs in national development. Yet although the government promulgated the Disabled Protection and Welfare Act in 1982, practices remained unchanged even after Rules were adopted for the implementation of the Act in 1993. While identity cards were distributed in 50 districts by the end of 2001, those who carry them still have received only limited benefits promised by the 1982 Act. At present, the Social Welfare Council supports income-generating programmes; and a number of NGOs provide soft loans. United Nations agencies, I/NGOs, Community Based Organizations (CBOs) and volunteer organizations also provide financial and technical support.

The exclusion of disability issues from all national developmental processes has compelled PwDs to demand the formation of National Disabled Commission to design and develop plans and programmes to address their problems; its establishment has foundered on insufficient resources. Indeed, the ineffective management and insensitivity of government agencies towards disability problems is summed up by their failure to implement the Disabled Protection and Welfare Act of 1982 even after the approval of its Rules 11 years later. The National Coordination Committee formed within the MoWCSW has prepared amendments to this Act – which, however, still awaits submission to the House of Representatives for adoption by special ordinance. Only with such measures can a paradigm shift from a charity-based approach to a rights-based approach begin to take place (see box 4.7).

The problem of child labour in Nepal grows out of the country's widespread poverty and social inequity

Children

The problem of child labour in Nepal grows out of the country's widespread poverty and social inequity, along with prevailing gender discrimination and the limited health and education systems. Estimates of child labour in Nepal vary significantly with definitions, methodologies and sample size. According to the national survey conducted in 1997, the incidence of child labour in Nepal was 26.7%, this labour being defined in terms of children's economic participation rate irrespective of current school attendance. The figure dwindles to 22.3% if the definition specifies two or more working hours per day and, further, to 10.8% if defined in terms of economic participation

BOX 4.8 Children in Nepal

Out of every 100 Nepalese children: 84 live in villages; 90 are immunized, 47 are malnourished and 40 belong to extremely poor families (CBS, 2002a), and 1.3% of marriages involve children below the age of 18 (ICIMOD/SNV/HMG/N, 2001).

About 42% of the total population are children below the age of 16. Of every 100,000 pregnant women, 559 die in childbirth each year. Only 88% of the population have access to potable water, 27,000 children die annually of diarrhoea (UNICEF, 2002). Eighty-Six percent of the boys and 74.6% of the girls are enrolled in the country's 28,000 primary schools, but only 51% of the total will complete the primary level (MoES, 2001). Girls aged 10-14 work twice as much as boys in the same age group.

Among the 2.6 million children engaged in different sectors of child labour, at least 40,000 are bonded labourers (ILO/CDPS, 1999) and another 5,000 working and living on the streets (CWIN, 2003). Annually, some 12,000 women and children are trafficked to India (ILO-IPEC, 2001).

Sources: ICIMOD/SNV/HMG/N 2001; CBS 2002a; UNICEF 2002; MoES 2001; ILO/CDPS 1999; CWIN 2003 and ILO-IPEC 2001.

of children not attending school.[39] A comparison of the census data for 1991 and 2001 reveals that child labour between the ages of 10 and 14 increased from 22.9% to 28.83%.[40]

These estimates still do not adequately reflect the worst and most hazardous forms of child labour, the work of bonded children, trafficking in girls and comparable abuses and atrocities. The data generated from Rapid Assessments project an estimate of 127,000 children (5-18 years) working in the seven selected worst forms of child labour, the majority (80%) trapped away from their homes.[41]

Legal reforms and policy initiatives

Over the years, particularly after its ratification of the Convention on the Rights of the Child (CRC) in 1990, Nepal has worked with the rest of the world community to ensure children's rights. The country adopted its Children's Act in 1992 and its Child Labour (Prevention and Regularization) Act in 2000, along with ratifying the ILO Convention No. 182 on 13 September 2001. Similarly, the government has also signed the optional protocols to CRC on the Prohibition of Trafficking of Children for Commercial Sexual Exploitation and Pornography and on the use of Children in Armed Conflict, as well as the SAARC Convention on the Welfare of Children. The country's 2002 agreement with ILO aims at eliminating child labour within five years and is being implemented in 35 districts in respect of bonded labour, child porters, child ragpickers, child domestic workers, child labourers in the carpet sector and children in mining, as well as children trafficked for sexual or labour exploitation.

Despite these commitments and other international, regional and national human rights instruments to protect children's rights, innumerable Nepalese children remain deprived of their fundamental rights (see box 4.8). Some of the key issues that emerged from a recent study[42] include the following:

- The current laws governing child labour contradict one another in respect of defining a "child" and the minimum age for entry to hazardous work. They also fail to categorize child work and child labour explicitly.
- The Labour Act covers only formal employment, neglecting the informal sector and self-employment, in which most child labourers are concentrated.
- The lack of a comprehensive birth and/or citizenship registration system (currently covering only 40% of the population) not only impedes the enforcement of the policy framework, but also obstructs school registration, particularly for people from marginalized social groups.
- There exists no mechanism to regulate labour contractors and predatory criminal contracting practices. Nor is the present capacity to absorb existing child labourers into rehabilitation programmes and alternatives adequate.
- Current laws focus on prostitution (the result of trafficking) rather than the process of trafficking itself, resulting in the criminalization and the marginalization

of the victims and not the traffickers. Nor is there any clear distinction between migration and trafficking or between the issues of trafficking and its control for adults versus children.

As indicated earlier in this chapter, every year some 12, 000 women and children are trafficked to various Indian cities for commercial sexual exploitation – 20% of them under the age of 16. Similarly, thousands of other children are trafficked inside and outside the country for different exploitative sectors, among these domestic service, circuses, the carpet industry and various agricultural tasks.

Child sex abuse remains a taboo subject in Nepalese society. Although a few cases of rape are reported, most child sex abuse goes on silently, abetted by social stigmatization and the inaction of law enforcement personnel. Indeed, the sexual abuse of boys is completely ignored. Moreover, there is little awareness or acknowledgement of sex abuse that does not involve direct physical contact.

Nonetheless, the commercial sexual exploitation of children has become a critical issue. Of the estimated 5,000 sex workers in Kathmandu, more than 20% are under the age of 18. There have been a number of reports of exposing children to pornography, using children for pornography and the prostitution of both boys and girls by both Nepalese citizens and foreigners. Street children are particularly vulnerable to commercial sexual exploitation; at least 5% of street boys report abuses by foreign paedophiles operating in Kathmandu. About 30% of the capital's sex workers are underage, most of them at work in dance and cabin restaurants.[43] And as box 4.9 indicates, the ongoing conflict has increasingly abused children.

Because child labour stems from poverty in general, eliminating the worst forms of child labour requires an effective programme of poverty alleviation, including its ramifications in education and social values. The last involves support from the community, including the formulation and enforcement of labour and social policies. Since poverty begins with the children, investing in every child and enhancing their capabilities from birth on – if not in their care prenatally – is urgently required to address the root of poverty and second-generation empowerment. Indeed, evidence indicates that the economic benefit of eliminating child labour far outweighs its costs; the internal rate of return is 43.8%.[44]

BOX 4.9 Children affected by conflict

Since the beginning of the "People's War" waged by the Maoists, the number of children affected has increased daily. According to Child Workers in Nepal (CWIN) statistics (September 2004), the insurgency has caused at least 345 (247 boys and 98 girls) deaths, another 2,000 orphaned and about 8,000 displaced. Among those displaced, some have left for neighbouring Indian cities, some are living with relatives away from their homes and others have landed in exploitative labour sectors in Nepal's urban centres. Conflict has disrupted the education of hundreds of thousands enrolled in schools. Further, pressures for higher security budgets have devoured resources for all child welfare programmes, notably nutrition and health along with education. Rights recognized more recently, such as that of child workers to voice their grievances, have been all but eclipsed.

In addition, thousands of children have allegedly been "abducted" by Maoists to take part in their mass meetings. The security forces have arrested over 200 more. The psychological trauma of tens of thousands of children who have witnessed the conflict directly or through the media are incalculable.

Source: CWIN 2004.

Senior citizens

When ageing is embraced as an achievement, the reliance on the skills, experience and resources of the older groups is recognized as an asset in the growth of mature, fully integrated, human societies. In Nepalese society, as in many others based largely on agriculture, the elderly have significant influence in making decisions, resolving conflict and leading the family. Within the household, their approval and acceptance has traditionally been sought because of their bridging roles in

maintaining traditions and culture. They have thus played an important part in mitigating generational conflict and maintaining social stability, particularly within the framework of the extended family. However, modernization has tended to favour nuclear families and has therefore threatened the place of senior citizens in Nepalese society.

The proportion of the country's elderly population (above 60 years) has increased from 1% in 1961 to 7.21% in 2001, indicating significant improvements in health standards, though well below the ratio of high-HDI countries. Traditionally, Nepal's pension plan is the only system of social security for older people. However, its coverage is very limited. The Tenth Plan aims to maximize the knowledge, skill and experiences of the elderly in social development by creating an environment conducive to respect, protection and convenience for older people. It has articulated a ten-point programme, including the development of laws and regulations, the encouragement of NGOs and CBOs in the welfare, care and rehabilitation programmes of senior citizens, and additional provisions for them in health and transport services.

Nepal's programmes for senior citizens are guided by the welfare approach rather than a rights-based conception

Existing provisions for the protection and advancement of senior citizen, however, fall far short of rapidly growing needs. Not only is the social security system very weak, but the rights of the elderly have not yet received the prominence manifested for other groups. Like action to date for PwDs, Nepal's programmes for senior citizens are guided by the welfare approach rather than a rights-based conception.

Summation

Discrimination based on patriarchal structures has resulted in stripping the dignity, self-respect and confidence of the majority of Nepalese women, a particularly important population segment because it cuts across all groups. Women's empowerment calls for their right to develop their intellectual capital, along with broadening their access to physical and financial capital. Despite the subordination and inequality that women face, they are slowly moving towards empowerment.

Their gains, however, have not been matched in other areas of discrimination/exclusion reflected in terms of caste/ethnicity, religion, age and disability. Moreover, certain historically excluded regions, notably the mid-western and far western development regions, remain the home of most of Nepal's poorest and most disadvantaged people, both *Dalits* and *Janajatis*, along with the children, women, and disabled among them. Given this geographic dimension of exclusion in Nepal, the path towards empowerment for these citizens lies in the devolution of true authority to their local governance bodies.

Generalized empowerment strategies and plans of action become meaningless if marginalized and disadvantaged groups remain isolated or ignored, particularly because mainstream development policy and programmes almost invariably fail to reach them. Moreover, given their vulnerability to sickness, economic shocks, crop failure, natural disasters, and violence, they require particular government attention; unless special measures bring them into the mainstream of the socio-economic development process, their continuing poverty will retard the economic growth of the country as well as undermine its social stability and diminish both its cultural heritage and development. Specially tailored policies, strategies and plans of action are required to benefit the marginalized and disadvantaged groups through awareness and capacity-building, education, economic independence, and political empowerment. Equally important, authorities at all levels throughout Nepal must strictly enforce constitutional provisions and laws, as well as implement appropriate policies and programmes that ensure grassroots participation and strengthen the organizational capacity of these groups through social mobilization.

CHAPTER 5

Empowerment through social mobilization

As the Nepal Human Development Report 2001 indicated in its discussion of social mobilization, this time-tested Nepalese activity acts as a catalyst for organizing the members of a community to take group action by sharing their problems and seeking their own solutions by pooling their own resources, obtaining external help and participating actively in the decision-making processes that shape their lives as individuals and as members of households and the local polity.[1] The process helps people move from the passive status of welfare recipients to that of citizens who possess vital knowledge of their communities and localities and therefore know best how to effect – and direct – change at the local level. Few strategies so fully embody the human development paradigm in all the dimensions of empowerment – the socio-cultural, economic and political. Social mobilization thus enhance both individual and group capabilities, widening people's choices and enlarging the range of things they can do and be. Unlike social engineering attempts by external experts from above – often paternalistic and usually unsustainable – social mobilization processes place the values, priorities and agency of citizens at the grassroots level at the centre of development efforts. Though a useful – indeed, necessary – instrument of any broad-based development strategy, it usually requires supply-side input and support to work effectively and sustainably.

As a vehicle of organizational capacity-building, social mobilization functions primarily as a mechanism of empowerment. While capacity-building usually refers to knowledge transfers to individuals or groups, social mobilization enables people to fuse what they themselves know with external information and techniques so as to carry out particular activities. For disadvantaged groups in particular, this transformation increases their power relative to that of other groups in their socio-economic and political environments. Empowerment in this sense is thus an outcome of both the capacity-building of people and a reform of the rules and practices that oppress them. Social mobilization reduces poverty because it is based on the premise that the poor are willing and able to carry out a number of functions themselves to improve their situations, given encouragement to form their own organizations for promoting their development through their own efforts and participating actively in decision-making that enhances their livelihoods.

As a vehicle of organizational capacity-building, social mobilization functions primarily as a mechanism of empowerment

The scope of social mobilization reaches well beyond pooled savings, training effort, literacy or hygiene campaigns or even choices concerning basic livelihood opportunities. It concerns not only improving project performance by making claims on external resources but also demands accountability from powers that be. In itself, it educates citizens politically in the art of governance and the pursuit of rights and civic roles.[2]

In its broadest sense, then, social mobilization is a dynamic, participatory process of

empowering weak and alienated groups at the individual, community and institutional levels for their sustainable socio-cultural, economic and political advancement; the sustained nature of the outcome – whether in livelihoods, literacy or any other realm – brings about change in the existing power structure that mitigates poverty, reduces the risks of social conflict and encourages smooth transitions in the community or society in which the effort takes place.[3] At the individual level, people may experience immediate psychological empowerment – increases in self-respect, self-esteem or self-confidence and capacity – that evolves from collective action. At the community level, this empowerment allows individuals and groups to mobilize themselves towards the goals of socio-economic and political change that they themselves define.

Outside the formal structures of statecraft, Nepal always has had a distinguished tradition of community networks and partnerships

To provide lessons for the future, this chapter undertakes an assessment of Nepal's experience in social mobilization by examining the efficacy of the channels through which social mobilization may contribute to empowerment socially, economically and politically. Its analysis of initiatives, outreach and actors, approach, modality and outcomes is based on the findings of a recent survey of socially mobilized communities (SSMC)[4] conducted exclusively for this Report and supplemented by existing literature from various secondary sources. Yet again, we will find that implicit incongruities in approach and modalities culminate in significant disparities in outcomes – very much the same mismatchings highlighted earlier in chapter 2.

BOX 5.1 Coverage and complementarities

SMAs are implementing their programmes in certain VDCs/municipalities within the districts and certain wards/settlements within the VDCs/municipalities without fully covering target households even in the wards/settlements. Many SMAs have been working with less than half their target households for many years in the same VDCs, leading to frustration among the neglected households on the one hand and higher management costs on the other.

To achieve cost-effectiveness, a SMA must concentrate on a small area rather than dispersing its energies over a larger geographical area. More than one SMA operates in the same geographical area, organizing the same set of targets for the same activities - such as micro-finance. This has resulted in duplication of work and unhealthy competition. SMAs should develop complementary relationships; the service delivery agencies should use the delivery forums created by social mobilization. Clear guidelines for SMAs, as well as government agencies, should be drafted to foster these essential linkages.

Source: Sah 2003.

THE INITIATIVES AND THEIR OUTREACH

Outside the formal structures of statecraft, Nepal always has had a distinguished tradition of community networks and partnerships. *Guthis, Dhikurs* and *Parma* – the equivalent of today's trusts, cooperatives, and reciprocal allocation of inter-household labour – have long existed and thrived. Formally, interventions like the SFDP began in 1975, aiming at the mobilization of poor farmers, and some non-governmental programmes followed suit during the 1980s. But social mobilization in Nepal gained true momentum after the changes of 1990, which unambiguously opened space for all forms of organizations, as well as the individual exercise of civic and political freedoms. In part, these initiatives constituted a reaction to the flaws of the Panchayat polity, 1960-1990, which showed two fundamental weaknesses:

i) the inadequate and exclusionary outreach of public service delivery; and
ii) the shortcomings of devolution in practice at the district level, particularly in the actual empowerment of local bodies.

These deficiencies stemmed intrinsically from a political regime that undervalued and undermined the potential of collective human agency to better livelihoods, as evidenced by the banning of political organizations and the denial of their just demands for participation in public affairs.

The changes of 1990 not only allowed the adaptation of tested practices from abroad for replication on Nepali soil, but also spurred a reinvigoration of indigenous institutions and their assumption of new tasks and mandates. This included campaigns that exposed the deep historical disempowerment of a sizeable share of Nepal's people socially, politically and economically. The earliest alliances formed were the Nepal Federation of Nationalities *(Janajati Mahasangh)*, the *Dalit* NGO Federation, and the Women's Security Pressure Group. Other interest groups also emerged, among them the trade unions, the teachers' alliances, consumers' associations, environmental and human rights groups, and a coalition of NGOs that lobbied for the elimination of bonded labour, the "*Kamaiya*" system and related evils. Although discrimination on the basis of caste has been illegal since 1963, discriminatory social practices persisted in the rural areas, along with restrictions on occupational mobility. Yet these too are changing for the better, because of growing consciousness through educational, as well as civil society activism by organizations such as the *Dalit Mahasangh.*

Nonetheless, the outstanding feature of the 1990s was the concerted attempt to organize vast sections of the population to secure socio-economic goals through a variety of models. Sustained, meaningful experiments in mass mobilization took place in rural areas, as well as towns and cities. The catalytic support of external social mobilization agencies (SMAs) played a critical role in the initiation of these processes. One or more of these agencies have continued efforts for social mobilization in all 75 districts of the country, creating a good deal of duplication in the absence of complementarity (see box 5.1). A recent study[5] of 44 districts indicates that outreach benefited approximately 38% (over 1 million) of the households,[6] more proportionately in the mountain than in the Tarai, and more in the far western than in the eastern region (see table 5.1). Approximately seven out of every ten VDCs and municipalities were covered by at least one SMA; about half the total members of SMCs are women.

TABLE 5.1 Coverage of SMCs by eco-development region

	No. of district	Total households ('000)	Covered households (%)
Ecological belt			
Mountain	8	211.4	43.8
Hills	24	1085.3	43.8
Tarai	12	1117.7	32.6
TOTAL	44	2414.4	38.4
Development region			
Far Western	7	314.0	45.3
Mid-western	6	318.0	42.8
Western	13	710.2	43.4
Central	9	566.8	33.0
Eastern	9	505.4	30.0
TOTAL	44	2414.4	38.4

Source: Sah, ed. 2003.

ACTORS, APPROACHES AND MODALITIES

SMAs can be broadly classified into four categories, depending on the type of agency:
i) government-assisted;
ii) donor-assisted;
iii) NGO-assisted; and
iv) those assisted by financial institutions.

The government initiatives that work in support of poverty reduction include such programmes as Bishweshwor Among the Poor (BAP), Production Credit for Rural Women (PCRW) under the Women's Development Programme (WDP), *Jagriti*, the western Tarai Poverty Alleviation Programme, the Upper hills Poverty Alleviation Programme and the Remote Area Development Programme, which have ac-

tive social mobilization components. The poor are identified through Participatory Rural Appraisal and household surveys; typical interventions involve skill development, micro-credit for micro-enterprises, local-self governance and physical infrastructure development.

Donor agencies have had great influence on social mobilization in Nepal. Along with INGOs, these agencies – among them, UNDP, UNICEF, GTZ, SNV, NORAD, JICA, PLAN International, Lutheran World Service, CECI, Helvetas, CARE/Nepal, ActionAid, Redd Barna – execute their grassroots components largely through local elected bodies, NGOs and CBOs. The major poverty reduction programmes implemented with such assistance have mobilized about 750,000 men and women in 62 districts. Many of the UNDP-supported projects[7] revolve around social mobilization components. Working directly through the DDCs and VDCs, their sequence of activities includes the formation of Community Organizations (COs), the building of social capital, the channeling of credit or identification of sources for micro-enterprises, training, seed grants for productive infrastructure and environment management.[8]

Partnerships need to be widened and strengthened because the SMAs have not yet linked their programmes with one another

The NGOs are a major catalyzing force; approximately 45% percent of Nepalese NGOs have mandates to promote community development, broadly defined; one-third of these operate from Kathmandu. Many NGOs take a rights-based approach to mobilizing people, focusing on building sustainable networks, training, creating awareness, and advocating pro-poor policy changes. They work on diverse themes, from poverty reduction to child welfare and youth empowerment, health services to services for the handicapped and disabled and from the prevention of trafficking in girls to the control of HIV/AIDS and drug abuse proliferation.

The programmes driven by financial institutions such as the Rural Development Banks, the Intensive Banking Programme, SFDP, Nirdhan Uthan Bank Limited, Center for Self-help Development Bank and Development Project Service Center (DEPROSC), target landless labourers, small farmers, cottage industry workers, artisans and other marginalized groups in the rural areas. SFDP, for instance, organizes its target households into self-help groups that federate into cooperatives known as the Small Farmers Cooperative Limited (SFCL) after about four or five years.

An assessment of partnership among SMAs[9] reveals that among the seven Governmental agencies, 50% have linkages with the INGOs and their support organizations, another 33% have working relationships with local government bodies (VDCs and DDCs)[10] while the rest enter into partnerships with area-specific NGOs. Among 13 INGOs studied, 43% work with the local government bodies, 33% with the governmental agencies, 14% with NGOs and less than 5% with CBOs. Most of the NGOs have partnerships with resource providers such as donors, INGOs and recipient CBOs or self-help groups. Among the 11 NGOs, 44% work with the VDC and DDC, 33% with governmental bodies and the rest with the other NGOs and INGOs. Among the financial institutions, mainly the banks and cooperatives, 50% work with the governmental agencies, 25% with NGOs and the remaining 25% with the commercial banks. Clearly, partnerships need to be widened and strengthened because the SMAs have not yet linked their programmes with one another. Without proper coordination and complementarity, they tend to duplicate their efforts; many such programmes therefore operate both inefficiently and ineffectively.

The holistic versus targeted approach to social mobilization

In general, SMAs follow either a targeted model by organizing a particular group of people (e.g., the poor, *Dalits*, women) or a holistic model by organizing people without any differentiation. Both models have drawn on similar principles of mobilizing

groups, but have reached beyond specific manifestations of poverty such as income, literacy, health and sanitation, while also working towards a wider representation of society. The modalities of these agencies reveal that the holistic or broad-based approach achieved greater consideration than the targeted approach[11] in launching project activities. The agencies supported by government bodies and banks/cooperatives tend to emphasize the targeted approach.[12] The joint ventures of INGOs and government organizations, however, are increasingly stressing the holistic approach to social mobilization. SMAs working under the umbrella of INGOs are almost equally divided between the two models.

By looking at the types of SMCs, their focus areas and their demonstrated results, one can begin to gauge how Nepal has fared in all these diverse experiments on empowerment. The sections that follow, based on the study conducted for this Report, present a broad overview of the state of social mobilization throughout the country[13] (see annex 5).

Performance of social mobilization

SMCs in general have unified once-unorganized members of the communities, raised their levels of awareness, built capacity and improved the livelihood conditions of the people with whom they work. The programmes have also increased people's access to resources/loans, fostered habits of saving, and created opportunities for participation in training and employment. The UNDP-supported VDP, the DFID-supported Livelihood and Forestry Programme (LFP) and the government-implemented BAP models rate very well in terms of enhancing livelihood conditions. The strengths of VDP include the scaling-up of holistic social mobilization processes, adding value through a range of vertical initiatives adjacent to the "motherboard" of social mobilization; installing systematic programme monitoring approach to local development itself holistically and linking the micro, meso and macro levels for pro-poor policy-making and advocacy. However, some of the weaknesses of this model lie in blanket approach to the social mobilization of local communities; exclusion of the ultra-poor; limitation of capacity-building largely to the group leaders; low emphasis of literacy; shortcomings in developing clear withdrawal strategies; lack of resources for scaling up; and weak public-private partnership.[14]

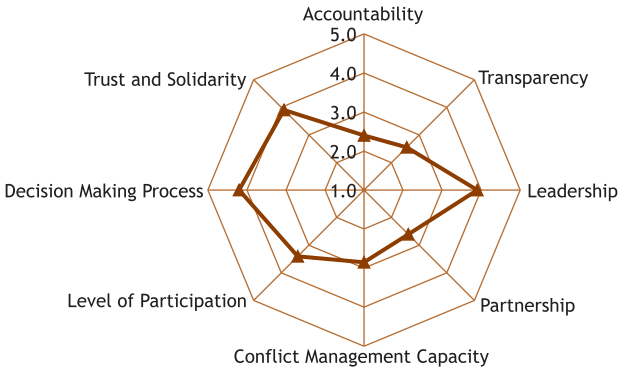
Models of women's empowerment (Pact) and those targeting NGOs (for example, BASE and FECOFUN) score poorly in terms of positive impacts on livelihood conditions. The finance/micro-credit models (e.g. Nirdhan, SFCL) achieve only moderate ratings in these respects. On many indicators of sustainability, women-targeted models such as Pact-Kanchanpur, forest user group-targeted models such as LFP, technology-focused models such as CEAPRED-Dhankuta, hard-core poor-targeted finance models such as Nirdhan and SFCL-Rupandehi and holistic models such as VDP score high (see annex 5).

Significant variations in aggregate impact can be attributed to usefulness of training; usefulness of entry-point activities; decision-making processes; knowledge of process; transparency in group responsiveness; leadership quality; relationships with partner agencies; mutual trust; and the impact of conflict on the functioning of groups. The success of SMC empowerment programmes should focus particularly on these nine factors.

The major problems faced by the majority of the SMCs include: insurgency; lack of enthusiasm among poor people to join groups; poor coordination with partner agencies in general and government agencies in particular; non-availability of training that suits the genuine needs of the communities; and lack of knowledge of the role of government.

SMCs in general have unified once-unorganized members of the communities, raised their levels of awareness, built capacity and improved the livelihood conditions of the people with whom they work

Figure 5.1 Level of empowerment of grassroots organizations



The diverse multi-ethnic, caste-ridden nature of Nepal and its stratified socio-economic structures pose particular challenges to uniting varied interests to make coherent collective claims on development

The very poor and *Dalits* have not yet been mainstreamed by the programmes largely because of weak dissemination of information about the programmes, lack of interest and the inability of these groups to make regular deposits to the group account. Other problems include: very short duration of programmes; budget limitations for covering larger areas; high interest rates of the micro-credit programmes; low level of funds available for loans; difficulties in repaying loan on time; poor monitoring of loans; need for collateral in some cases; and failure of enterprises due to poor market studies.

Additional problems include a lack of commitment among members, the vested interests of some group members and, occasionally, political interference.

The Impacts of Social Mobilization

Social Empowerment

The diverse multi-ethnic, caste-ridden nature of Nepal and its stratified socio-economic structures pose particular challenges to uniting varied interests to make coherent collective claims on development. Through much of history, the country has honored the co-existence of all diverse interests in relative harmony. In recent years, however, as many have grown increasingly aware of their marginalization by dominant groups, dissent has become rampant. The violent Maoist insurgency that began in parts of rural Nepal in 1996 has capitalized on the many real as well as imagined frustration of such people. Generally, by attempting to bring people from different backgrounds into a common forum and fostering cooperation, social mobilization has generated and consolidated bases of social capital. Although difficult to quantify, the spillover benefits of this type of capital formation seem immense.

In assessing the status of organizational capacity-building as a mechanism of empowerment, the SSMCs utilized a set of qualitative indicators for eight different dimensions of institutional capacity-building. All eight were measured on a five-point ordinal scale between the most desirable (5 points) and worst (1 point) outcome. The average index for each indicator is then derived by dividing the total score by the total sample cases. The total score is simply the actual response count of an indicator multiplied by its respective predefined values (from 1 to 5). Composite indexes for different dimensions are then derived by taking the average of respective individual indices. Likewise, the overall index of institutional capacity-building has been computed by taking the simple average of the composite indices of each dimension.

The overall index of organizational capacity-building stands at 3.23 (out of a maximum value of 5) with an average score of its dimensions ranging between 2.2 (accountability) to 4.2 (decision-making). More specifically, decision-making processes in SMC are rated among the highest, followed by an emerging sense of trust and solidarity among group members. An overwhelming majority of respondents recognize the increase in trust, self-confidence, and a sense of altruism after joining the SMCs. They also feel positive about their ability to make demands for public services, to work together, and to manage internal conflicts better.

By contrast, accountability, followed by transparency and partnership, emerged as the weakest areas in most SMCs with its implication for the long-term sustainability of the programmes. The relative values of the different dimensions of organizational capacity-building are provided graphically as Spider Web diagram (see figure 5.1). The average score of the indicators underlying each dimension of capacity-building are set out in annex 5, table 1.

The result indicates that although the average score on the level of participation in the project cycle and decision-making process is quite high (about 4 out of 5), the perceived level of transparency and accountability, including partnership/alliance with other organizations, is fairly weak. This type of translating qualitative attributes into quantitative indicators provides not only a benchmark for the different dimensions of organizational capacity-building, but also a basis for devising strategies to strengthen the weaker aspects of capacity-building. One should, however, be cautious about interpreting the results, given the subjective attributes of capacity-building. The relatively higher values observed for institutional capacity-building do not necessarily ensure that the COs will rate this indicator similarly over time. Many changes in the course of institutional development are likely to occur as the level of awareness and economic aspirations of the members change.

Persistence of Social Exclusion

While mobilization processes in Nepal play important socio-political roles through greater inter-ethnic and inter-communal interaction, problems of exclusion persist (see boxes 5.2 and 5.3). One risk inherent in SMCs is that they will simply reproduce the power structures and relations of existing communities – hijacking by middle-income, high-caste groups. While a minority of SMCs are gender-specific or ethnicity-based, most are open to those who show interest and, implicitly, those who can afford the time or contribute deposits to community savings. This approach thus excludes two distinct groups, the rich and the very poor (see table 5.2);[15] the former opt out because of apathy, the latter because of destitution.

Those typically excluded are the ultra-poor, the *Dalits*, the landless, specific ethnic groups such as the Tharus, and, in some cases, recent migrants to a particular locality. Of the 20 "models" surveyed for this chapter, only one SMA did not have any member from a known marginalized group, but the majority of respondents claim that between 50-80% of their peers in the SMCs represent such populations. The study indicates that some SMCs do not incorporate marginalized members because their programmes have been designed in such ways that existing members will not welcome such entrants, or because the intention of the SMAs themselves does not reflect an explicit interest in ensuring their inclusion. Alternatively, such people may already belong to similar groups elsewhere. In this context, the study also found a wide variation in the way poverty is defined and disaggregated by SMAs charged with mobilization tasks. Their failure to define and disaggregate people concretely, based on the severity and depth of poverty, often bypasses the ultra-poor and inadvertently excludes them from the pool of potential beneficiaries.

While mobilization processes in Nepal play important socio-political roles through greater inter-ethnic and inter-communal interaction, problems of exclusion persist

Other SMA practices perpetuate exclusion, often inadvertently. Some agencies limit their operations geographically for reasons

BOX 5.2 Creation of a new *Dalit* caste

A *Limbu* boy of Budhabare fell in love with a local *Kami* girl; eventually, they got married. The *Limbu* community did not accept the union. In many communities, including the *Limbus*, when non-*Dalit* boys marry *Dalit* girls, the boys' caste status descends to that of *Dalit*. Therefore, the caste of the *Limbu* boy became identified as Tiruwa Bishwakarma, since he had married a *Bishwakarma* girl. Consequently, the family name of their offspring has now become Tiruwa Bishwakarma.

Source: ActionAid/Nepal 2003.

BOX 5.3 Disempowerment: issues of social justice

CASE I: Development interventions and the ultra-poor

In the late 1990s, in a village in Syangja district, SMCs recognized construction of rural roads as a top priority. Because of porter charges, the villagers were forced to sell their agricultural produce at very low prices at Waling, the nearest market, 7 km away, and buy consumer goods at a very high cost. The problem had hobbled them for many years. The SMCs stood ready to share most of the cost; the VDC stepped in, and the people contributed free labour. A road was constructed and mechanized transport commenced. But everyone forgot the fate of 36 families whose lives depended upon porterage. These families became paupers overnight. Upon hearing this case, the SMCs/VDC and SMA made arrangements to help these families with a credit package. Some received loans of approximately Rs. 3,000 (because their absorption capacity was low or their credit-worthiness was low or the SMCs/SMA did not have sufficient lending funds), a sum completely inadequate to compensate for their regular monthly incomes of approximately Rs. 3-4000. Many of these families emigrated to more remote parts of the district. The frequency of these kinds of painful choices calls for a fuller accounting of the needs of the most vulnerable people at the stage of project design.

CASE II: Water resources and the ultra-poor

Villagers of Brhamapuri village of Bara district awaited government help in repairing their traditional irrigation system, which had stopped functioning 16 years ago when intra-village unity had broken down. After their mobilization under VDP, they learned that they had the power to plan and utilize their grant. Through participatory planning, they decided to repair the irrigation system themselves. This rekindled the feelings of mutual cooperation that had once prevailed in the village; the irrigation system was successfully repaired; and people were pleased to harvest larger crops again. But about a dozen poor families in the village, either landless or too far from the command area of the irrigation system, found themselves excluded from the prosperity. Similar instances abound in cases of drinking water as well. Once a natural resource like water is exhausted, the poor lose forever any opportunity of benefiting from it. Experience indicates that such patterns of exclusion could be resolved by: (a) following an approach that benefits each family by using more than one technology (such as a closed conduit system, water harvest, water pumping etc. in case of drinking water) and (b) establishing equal rights in quantitative terms. In Akwua of Galyang (Syangja), the SMC divided the quantity of irrigation water equally among the households and ensured that those households which needed more water (because of larger fields) could buy from those that had surplus water (because they had no land or less land to irrigate).

Source: UNDP 2004c.

Lack of synergy and complementary inputs has also resulted in duplicating efforts and diminishing effectiveness because of fragmented allocations of energies and other resources

of cost, or accessibility, or in some cases, a lack of directives from such local authorities as DDCs; this leaves isolated hamlets neglected. Many SMAs have discretionary powers so wide that they need not account for the whys and hows of their targeting particular groups; they thereby exclude the voiceless and disadvantaged. In a number of similar cases, even when the poorest are motivated to join SMCs, they do not receive their fair share of benefits,[16] usually because of underlying inter- and intra-group conflicts. Respondents in the SSMC study attributed injustices in the distribution of benefits to lack of equity (36%), unclear rules (22%) and exclusion in decision-making (20%). Insuring inclusion thus requires accountability-based social mobilization, built around incentive packages for mobilizers working in the remote parts of the country. At the same time, SMAs should be required to produce intended results that can be reflected in an inclusive, benefits-oriented monitoring system.[17] This will constitute a radical departure from the traditional MIS, which focuses only on monitoring of inputs.

Impacts on livelihoods

The SSMC used 18 different indicators to assess the impact of social mobilization on livelihoods after the intervention of SMC programmes.[18] The aggregate index shows that improvements in the indicators of livelihood are very good and that differences between the programmes are minimal in this respect (see annex 5, tables 2 to 5). But CEAPRED-Dhankuta has the best index and ActionAid-Kanchanpur, CARE-Doti and CEAPRED-Doti the poorest.

The SSMC used nine different indicators to assess the impact of social mobilization on women. These included factors ranging from an increase in household burden to

TABLE 5.2 Magnitude of exclusion

Level of poverty	Sample households (No)	Households participating in programmes (%)	% in leadership positions
Least poor	198	94.9	46.4
Middle poor	1520	65.5	51.1
Poorest	1228	41.0	2.5
TOTAL	2946	57.2	100.0

Source: UNDP 2003c.

literacy and employability and enhanced influence in intra-household decisions to a decrease in instances of discrimination against the school enrolment of girls. Despite an uneven record across regions, aggregate improvements are tremendous. Some programmes that targeted women have significantly enhanced their absorptive capacity for credit, registering 25% increases in the number of clients for loans.[19] As to frequent claims concerning amplified demands on the time and workloads of women members of multiple SMAs, the SSMC confirms that as several SMAs encourage weekly meetings, multiple memberships can be burdensome; on average, however, across the 20 different models surveyed, only 18 meetings per year seemed to be taking place – with reduced frequency as armed conflict intensified.

Lack of synergy and complementary inputs has also resulted in duplicating efforts and diminishing effectiveness because of fragmented allocations of energies and other resources. On the whole, though, as a report on the status of socially disadvantaged groups notes, considerable progress has taken place in the advancement of "backward groups" both socially and materially since the surge of SMCs in rural Nepal.[20]

Nonetheless, those SMAs that limit their engagement to "awareness-building" of civil and political rights among marginalized communities risk significant failure rates. "Educating" such groups is, of course, a valuable end in itself. However, unless the growing consciousness of rights is backed by adequate resources, this kind of effort can breed disenchantment. On the basis of their fieldwork, some scholars have pointed out that one reason the Maoists emerged strongly in the mid-west was their attraction of young people who were apparently aware and politically mobilized, but disenfranchised – individuals who had "experiences of realities other than those of the daily life of the village."[21] The spread of meagre resources across the length and breadth of the country in the name of social mobilization may actually be counterproductive; scattered interventions neither add value nor result in notable returns to investments in social mobilization. To the extent that SMAs and development agencies work in a complementary fashion, with combined resources and vision, they can reduce the problems inherent in this kind of nationwide coverage.

Age-old inequities in the distribution of assets and power remain barriers to the participation of poor citizens in community organizations

Economic empowerment

Rural Nepal is home to some of the poorest human settlements in the world. Largely agricultural households that rely on farming small plots of seasonally irrigated or rainfed lands, or wage labourers who work for others, often under semi-feudal conditions, they have few, if any, income-earning opportunities beyond the relatively meagre returns of these agricultural activities. To upgrade their economic standing, they need greater access to new methods and technologies, as well as credit sources to enable them to borrow against future earning capabilities. The absence of the most modest financial supports severely limits poor

BOX 5.4 Community-managed insurance: a cushion for the poor

CASE I: Livestock

Community-managed insurance was unknown in Nepal until 1987, when SFDP introduced it for the first time in a few VDCs to insure the livestock of small farmers. Its success encouraged SFDP to upscale this effort. Now, some 150 have adopted such schemes. Their success has also encouraged other SMAs, especially the Local Development Funds, in different districts to execute livestock insurance through SMCs in about 50 VDCs. Livestock insurance generates confidence, even among poor households, for borrowing to buy and raise expensive milch animals. Indeed, one assessment shows that SMCs have managed livestock insurance with such success that they have brought animal mortality down to 0.1% through intensive preventive care. Their management costs are quite low and their administrative procedures simple enough to attract even the disadvantaged villagers. Although the vast majority of all such community schemes now run at a profit, such efforts have not yet been mainstreamed into the national system. There is not even a uniform national policy; while SFDP schemes receive a 50% subsidy on their premiums, this [privilege] is not available to LDF-supported community-managed insurance programmes.

CASE II: Health

Poor people in Dulari VDC of Morang district are less worried these days. Illness in the family no longer necessitates borrowing – and the strong possibility of falling into a debt trap. Now, VDCs and SMCs have entered into a partnership with B.P. Memorial Hospital in Dharan for insured treatment. Experience over the last year indicates high success rates. This model calls for replication so as to attain the health-related MDGs. SMCs can serve as effective vehicles for this scaling up, which will require the government to instruct all hospitals to build linkages with VDCs and SMCs.

CASE III: Technology

During the late 1990s, one SMA in Syangja decided to put a new technology to work to raise the incomes of the poor – a package focused on an improved species of bee. The agency chose this option because it did not require land and did not interfere with the wage-earning time of the poor. Appropriate training was provided, equipment was made available on partial grant (from the Agricultural Development Office) and beehives were purchased from specialized bee-farms in Chitwan. Fourteen farmers undertook this experiment with great enthusiasm. Unfortunately, all the bees died within a few months, well before the farmers could reap any income. They became debt-ridden. A few months later, the Programme introduced drip irrigation as a new technology for the poorest group members. But the target group refused to adopt it, referring to the failure of beekeeping enterprise. After a long discussion, the agency and the farmers decided to introduce a community-managed "'technology insurance system". Group members trusted this proposal because they had seen the success of community-managed livestock insurance in the same VDC. They then adopted the new irrigation technology.

Source: Sah 1998.

people's range of opportunities. This is why the idea of organizing people around the material incentives of savings and credit, drawing in even the impecunious, yet bankable Nepalese, is so attractive. It actually operates as a two-way process – communities that are better organized are not only easier to reach with development inputs and advice, but the flow of information, the availability of credit on one's doorstep, and the adoption rate of technology are higher and more cost-effective in VDCs that have undergone significant social mobilization in one form or another.[22]

However, the adoption of new technologies is hardly risk-free. Rural villagers are often rightly risk-averse; technology failures can disempower them totally by undermining their livelihoods in the absence of social safety nets like formal insurance schemes (see box 5.4). Sometimes, increased production due to technological breakthroughs can also backfire through unexpected market shocks (see box 5.5). In the absence of formal provisions for financial services, some SMCs have actually managed community-run insurance schemes since around 1987 and thereby covered at least livestock. These scattered efforts, found in only some 200 VDCs, nonetheless underscore the need of poor people for security about their health and their livestock as well as any new farming technologies they may adopt in the hope of economic empowerment.

Age-old inequities in the distribution of assets and power remain barriers to the participation of poor citizens in community organizations (see box 5.6). Many still depend on local elites for material as well political patronage. While participation is a way of empowering the poor gradually, it seems that a degree of empowerment is also a prerequisite for effective participation.

Against this backdrop, the SSMC shows that social mobilization has had a positive impact on some 18 indicators of livelihood

in rural Nepal (see annex 5, table 2). This is broadly consistent across all types of interventions, though some models have inevitably made more impressive progress than others.[23] Most entry point activities of newly formed SMCs revolve around reversing basic human deprivations like illiteracy, and access to drinking water and sanitation through collective action. The central feature of all SMCs is, however, their mobilization of savings for lending purposes. Most SMCs say they now depend less on traditional moneylenders and that interest rates in the informal money market have declined significantly (see box 5.7). Although it is striking that some 60% of the respondents did not have detailed knowledge about their group's financial accounts, around 80% cited this component as the one that attracted them to joining SMCs in the first place. Other motivations, in ranked order, were expectations of building self-confidence, receiving skills training, and enhancing social status.

The flow of credit through the SMCs, however, fills only a modest gap in poor people's fundamental earning needs. That the formal banking system is still out of reach for most SMCs remains a major impediment to empowerment. A more comfortable linkage between the formal financial institutions and the informal SMCs must develop so that the element most important to the poor, as well as the engine of economic subsistence and growth, can expand without difficulty. In the absence of

BOX 5.5 Experience from Dhankuta

Before the introduction of the CEAPRED programme, the community cultivated only millet and maize, and most of the people were living below the subsistence level. CEAPRED organized the community members into groups, which began to cultivate off-season vegetables. Income rose because of good sales. To give the programme continuity, the groups established a cooperative. According to its members, their success stems from their ability to work in groups, inspired by CEAPRED.

At present, however, both production and market prices are falling. The decline in production is perhaps due to the use of unsuitable fertilizers and seed, along with deteriorating soil quality. The price drop probably reflects the group's inability to assess the market situation - and the lack of roads.

Source: UNDP 2004c.
Courtesy: Khadga Bahadur Paudel SSMC 2003.

BOX 5.6 Beyond despair: a quest for hope

Manakamana Tole, located in Ward 4 of Butwal municipality, lacks electricity and water supply of the core city of the area to which it belongs administratively. Most residents of this Tole derive little solace from visible glitter of the urban centre only a few kilometres away; most are also day labourers who live in miserable conditions.

Baburam Badi, a resident of this Tole, who lives with his wife in a small mud hut, comes from a "backward" occupational caste, the traditional makers of *Madal*, a musical instrument still used widely in Nepal. Illiterate at 57, Baburam and his wife fend for themselves; all three of their sons left after their marriages to raise their own families. The old couple had no option but to work in a nearby stone-crushing site.

However, when the RUPP Tole committee formation process expanded to Baburam's community, he and several neighbours saw the opportunity to engage themselves in income-generating activities and become self-reliant with some support from the Programme. He was particularly interested by the prospect of taking up the profession passed down to him by his forefathers and more encouraged after learning about the RLL (Rural Labour Linkage) component of RUPP.

One day, he asked one of the Community Mobilizers (CM) if he might obtain marketing help and a loan from the Programme that would allow him to earn his living by making *Madals*. The CM was surprised at the size of the loan amount requested - Nepali Rupees 5,000 - but well aware of the revived popularity of Madals in both urban and rural areas. When asked why he had waited so long for so small a loan, Baburam replied that without collateral, he believed he could not borrow at the exorbitant interest rates charged by local moneylenders. But after a rigorous selection process, Baburam received Small Business Management training and a loan from RUPP under its RLL component.

He now has the dignity of doing what he wants to do. The mobilizers found a market for his *Madals* in Butwal and surrounding areas. After six months in business, he and his wife live in relative comfort because of the NRs. 2,000 - NRs. 3,000 that he makes every month. Customers come directly to his workshop to buy his instruments. He plans to explore other sources of financial support after his first repayment cycle is completed so that he can expand his business.

Source: Rural Urban Partnership Programme (RUPP), UNDP/HMG/N 2003.

BOX 5.7 Experience from Kanchanpur

Before the Parks and People programme was implemented in Saraswati tole in Kanchanpur, people were not united. Gambling and alcoholism flourished. Women lacked confidence and were hesitant to express their views. Poor and frequently forced to borrow from local moneylenders at high interest rates, people did not understand the importance of working within a group. With this project, women have become increasingly aware of their rights as well as duties and have begun acting as important decision-makers in developmental activities. The programme has also raised confidence among *Dalits*. Gender discrimination is decreasing, along with dependence on local landlords and moneylenders; group members can now obtain loans easily without collateral and invest the money in productive activities. However, the programme has still been unable to reach the poorest of the poor and a large majority of *Dalits*. It has also failed to transform itself into a cooperative and thus protect its sustainability. The design of a separate programme tailored to the ultra-poor and *Dalits* is recommended.

Source: UNDP 2004c.

effective outreach of the formal banking sector, SMCs serve a large segment of Nepal's population as financial anchors. Because the existing Acts call for intermediation by financial authorities (the Cooperatives Act of 1998 as well as the Society Registration Act of 1999), and do not recognize the strength, efficiency and autonomy of these SMCs, a new Act more suitable for these Committees appears essential to their registration and recognition. Once they mature in terms of both the volume of business and its quality, they could be registered under existing Acts so as to access wholesale loans from leading institutions for downstream disbursement. This leap from informal custody of the funds of poor people to stable, legally recognized institutions requires external help as well as internal drive. Not many SMCs have undergone this type of transformation. This is one of the weaknesses of the many agencies that promote SMCs, but have not seriously taken into account strategies for their exit and their beneficiaries' sustainability. In the interim, however, even informal ways to upscale these funds through links with formal institutions should be explored, so that SMCs can mature into sustainable non-governmental development agents in their own right.

On other fronts of human deprivation, apart from the intensively targeted initiatives in western Tarai, respondents appreciated entry-point activities in the form of literacy or improved sanitation less than the availability of credit. In the ongoing debate between the advantages of "holistic" and "targeted" models, practitioners now believe that a targeted approach within a holistic model probably works best in most Nepalese communities. While both have their merits, the latter especially in instances of sharp inequities, the holistic approach is preferred so as not to foster exclusion by exaggerating wealth differences among groups within a particular village – particularly one that is "uniformly poor" when viewed on a relative scale within a given region.

Unfortunately, we do not yet have sufficient data on either quality or access to opportunities in the training of SMC members, a major component of social mobilization. In the SSMC, only 28% said they had received some form of training, which they regarded as "mediocre". The more marginalized groups within the SMCs lamented that available training was seldom tailored to their specific needs. It may have been inappropriate for many reasons, among them a requirement of literacy or cost-sharing, or unaffordable opportunity costs.

Because other factors simultaneously shape the quality of livelihoods, it is difficult to specify and isolate household effects led by social mobilization or their graduation out of absolute poverty. But the perceptions captured in SSMC suggest that we would not be unreasonable in concluding that social mobilization has acted as a major contributor to human progress in Nepal. Respondents stated again and again that simply joining groups brought them optimism and hope, strong empowerment factors in themselves. Translating such high levels of citizen motivation into concrete results points to a pressing need for greater coordinated support to people in the SMCs from agencies and institutions at the macro as well as meso levels.

Political empowerment

The mainstream political parties have carried out some of the most effective mobilization of people for political purposes in Nepal, clandestinely under the party-less Panchayat regime, but openly after 1990. The proliferation of SMCs during the past decade has thus coincided with fierce attempts at wooing people's support for partisan politics. Not surprisingly, a considerable overlap exists between the membership in SMAs and in the political parties. While we do not yet have systematic data on how these two forms of mobilization have reinforced one another, we can fairly anticipate that some of the norms fostered by SMCs within their narrow spheres of informal functioning – participation, inclusion, openness, access to information, accountability and organizational capacity-building – are not altogether fortuitously traits well-matched with the larger aim of deepening democratic values and practices at the grassroots level.

In formulating rules, implementing them and making itself accountable, the SMC leadership extended democratic principles from formal electoral events to informal village life. While the SSMC survey found much to be desired in making SMCs more accountable to their own members, simply by increasing the flow of information and fostering transparency in their actions, a number of SMCs have exemplified democratic practice. In 95% of cases, SMC leadership seems to have been chosen by consensus, even though the eventual peer assessment of their quality of leadership was lukewarm, irrespective of allegiance to a particular income or socio-ethnic group. In fact, as indicated earlier in this chapter, on questions related to intra-group conflicts, the most common complaints concern exclusion in terms of membership as well as decision-making, financial mismanagement (including embezzlement), unclear rules, and perceived inequities in the sharing of benefits and opportunities. However, most intra-group tensions are reported to be transitory, settled through special meetings or discussions among members. Some SMCs have implemented public auditing systems, which have enhanced transparency in their governance.

Despite the serious setbacks triggered by the violent conflict, particularly after 1998, the government's growing involvement at the village level in both development and political activities during the 1990s did much to enhance the idea of the state in rural Nepal. Funds channeled through the strengthened DDCs and VDCs for projects usually selected through participatory consultations with one or more socially mobilized groups helped transform villages into epicenters of micro-level development activities. As tangible benefits accrued, people's faith in shaping their own destinies grew. And that faith itself reflected increased political participation in village, district and parliamentary electoral processes.

Informal social mobilization processes linked to the formal development and political chain works out as a "win-win" situation in governance

To some extent, state institutions and their staffs, or political parties and their cadres are always wary of people's organizing themselves independently to press their demands collectively. But in Nepal, participatory development has commanded wide support from all leading political parties, in part because they see heightened political awareness even in the poverty-stricken rural regions; voter turnout has consistently exceeded 60% in the past five national and local elections. Although the latest local and national elections are overdue, the overall process itself has penetrated too deeply to be reversed easily, especially after the passage of the Local Self-Governance Act 1999 that seeks to institutionalize decentralization and participatory development firmly throughout the country. VDCs and municipalities have generally worked well with SMCs. Even after elected local bodies were disbanded in 2002, the past linkages between them meant that local-level planning and development delivery have continued in many places.

It is in this context that practitioners see civic engagement in SMCs, as well as affairs of

the district and nation, as a thoroughly political process. As quantitative measures cannot be used to determine at what point in time an individual or group becomes "fully empowered" or to make absolute comparisons on empowerment across groups, the relative indications of empowerment manifest themselves in measurable actions in specific realms. Effective political participation emerges as a reliable manifestation of socio-economic empowerment.

Informal social mobilization processes linked to the formal development and political chain – with the possibility of leaders emerging from SMCs into both development institutions and political organizations – works out as a "win-win" situation in governance for at least two reasons:

If we assume that all development and all politics centres on the people, any argument to avoid their engagement on the pretext of "inconvenience" confuses ends with means

First, when citizens can express and press their demands legally, states acquire some of the credibility to govern well. This is well reflected in the bottom-up planning processes adopted in socially mobilized VDCs and municipalities, which assume the responsibility to take the people's plan further on to the meso (district) levels, as well as the national level (see annex 5).

Second, where public services are ineffective because of weak state capabilities and incentive problems, SMCs and citizens' associations can step in to reduce information asymmetries. In one case, a municipality decided to use a tole lane organization of RUPP not only for its plans, but also to obtain recommendations on telephone lines and other linkages to areas outside its own administration. At present, the horizontal and vertical growth of SMCs does not cover the entire country. Yet at their full maturity, the horizontal and vertical linkages of SMCs and the formal institutions could generate a scenario in which people's development aspirations are reflected at both the meso and national levels. The SMCs could well serve as vehicles that carry and provide services at low (even zero) marginal cost.

Despite recurring fears that in traditional societies, the space available for citizen participation may simply be dominated by local elites, arguments supported by anecdotal Nepalese evidence indicate that in the absence of broad-based citizen participation, electoral democracies run the risk of becoming hostage to the manipulation of the most powerful minority. If we assume that all development and all politics centres on the people, any argument to avoid their engagement on the pretext of "inconvenience" confuses ends with means. Although age-old prejudices die hard, the Nepalese have progressed significantly in breaking down rigidities that have historically constrained social behavior, as well as the mobility of labour. The tragic paradox that confronts the country today lies in the fact that while democracy opened up space for challenging the social status quo by expressing dissent and organizing people around grievances accumulated over 200 years of misrule prior to 1990, the manner in which these rights are now exercised poses a direct threat to the very system that permits the peaceful expression of any dissent whatever.

ARMED CONFLICT AND SOCIAL MOBILIZATION

In the midst of an armed conflict between government forces and Maoist rebels since February 1996, Nepal has witnessed over 10,000 deaths, virtual paralysis of most socio-economic activities, increasing numbers of orphans and internally displaced people, serious escalations in abuses of human rights, and a spree of atrocities ranging from gratuitous abduction and murder to the recruitment of child soldiers. In a chapter on empowering people through social mobilization, this irony becomes all the more painful because of the violent movement that places "exclusion" and "disempowerment" at the centre of its discontent, mobilizing its constituency to endure unprecedented suffering and sacrifice.

The national awakening arrived belatedly; early signs were conveniently ignored. The mid-west of Nepal including Pyuthan, Rolpa, Rukum and Salyan, is considered

the original heartland of the rebellion. Communist leaders here sowed the seeds of conflict in parts of these districts not eight years ago when the Maoists announced their insurgency, but more than four decades ago. Villages in Eastern Rolpa had gone "communist" by 1957, two years before the first multi-party elections ever held in Nepal, when a communist candidate received 700 of the 703 valid votes cast.[24] Although these core districts are not the poorest in Nepal in terms of the Human Development Index in the 1998 Human Development Report, they all rank in the bottom quartile – except Pyuthan, which surprisingly ranked halfway (37th) among the 75 districts. But these district-level averages mask an uneven intra-district allocation of human development achievements. The newly constructed Human Empowerment Index presented earlier in this Report reveals further how people in Rolpa and Rukum continue to remain the most disempowered socially, economically and politically and how the mismatching of three components of empowerment – low economic and social empowerment relative to political empowerment – has led to the kinds of disenchantment that precipitate violence among people in most districts of the mid- and far western regions.

The indigenous *Kham Magars*, the original recruits of the Maoist militia, are now recognized as a group that was neglected and suppressed despite their sporadic revolts during the past 40 years. Not surprisingly, this continuous disenfranchisement sufficed to inspire the extreme form of "socio-political mobilization" by Maoists. The resonance of their rallying against "disempowerment" in economic terms (lack of jobs and incomes), socio-cultural terms (feudal practices within caste societies that ignored diverse cultural heritages), and political terms (lack of participation of the marginalized ethnic groups, *Dalits*, women, and *Madhesis* in mainstream governance) with vast sections of the population cannot be denied. This growth of highly mobilized, armed Maoist militias has not only pushed the country into full-blown civil war, but also triggered the suspension of formal democratic processes – elections for Parliament and for local authorities.

Respondents to the SSMC confirm that the insurgency has hobbled the strides made through informal democratic networks forged through the thousands of SMCs over the past decade. Although a number of groups continue to function as normally as possible, many say that the frequency of their meetings has dwindled, together with repayment rates of loans and deposits. Some note a general decline in the occurrences of "social evils" such as alcoholism, gambling, early marriage, polygamous marriage, and caste discriminations regarding entry into temples and other public spaces.

Hindsight is notoriously more precise than foresight, but has an important part to play in future prediction. Had social mobilization over a sustained period of time organized people for socio-economic ends and also connected them politically to a responsive state through electoral or participatory development processes, the early signs of today's conflict could have been detected and addressed with the seriousness they merited. The larger lesson remains: perpetuating exclusion and disempowerment on all three fronts – economic, social and political – can erupt into disastrous proportions. The current challenge for SMCs now confronting armed conflict is continuing to engage in whatever elements of social mobilization they can, despite suspicion that "mobilization" on the part of government forces could liken such efforts to elements of revolutionary doctrine. Social mobilization is indeed revolutionary, but revolution need not necessarily be violent. This truth is confirmed by the risks of insurgent harassment, extortion, restrictions of mobility and the supply of goods, destruction of offices and outright assassinations – as countless instances of non-violent resistance to armed self-styled "progressive" guerilla movements have shown worldwide. Although true social mobilization efforts are difficult to foster in the absence of peace, the preservation of all possible components of SMCs is now essential.

The larger lesson remains: perpetuating exclusion and disempowerment on all three fronts – economic, social and political – can erupt into disastrous proportions

It can also contribute to minimizing the destruction of assets that range from property to dignity, to say nothing of innocent lives caught in the middle.

SUMMATION

The strategy of social mobilization has helped the poor and the disadvantaged in forming self-help groups, in working together towards common goals, in psychological empowerment through these processes, and in bringing subtle improvements in the livelihoods of those mobilized. Though the social mobilization process has created a forum and opportunity for the poor and the disadvantaged to raise their voices and articulate their choices through their own organization and to mainstream their priorities, it has tended to limit the inclusion of the ultra-poor in its efforts largely because of three factors: limitations in defining/assessing extreme degrees of poverty; the social distance of the ultra-poor from the mainstream of the local population; and the absence of a focused strategy/design for involving the ultra-poor within a holistic approach that also regards the non-poor as members of community organization.

From a policy perspective, the main challenge remains to replicate and upscale the best practice models to ensure that the scale of intervention matches the existing scale of neglected outreach

The fact that targeted programmes are often unsustainable, leading to tensions within the community, suggests that targeted programmes should be built into holistic social mobilization efforts. This kind of approach, complemented by horizontal and vertical linkages covering the entire country, can become the most effective medium for empowerment at the grassroots level. It is also crucial to strengthening the decentralization process because it integrates grassroots initiatives with meso and macro-level policies and institutions.

From a policy perspective, the main challenge remains to replicate and upscale the best practice models to ensure that the scale of intervention matches the existing scale of neglected outreach. Although the UNDP-supported VDP is thinly spread over 60 districts – covering only 17% of total VDCs and 10% of total households – it has provided a broad-based space for scaling up holistic social mobilization processes into which various vertical programmes can be integrated to provide service at low (or even zero) marginal cost. The selection of VDCs for VDP within the criteria of poverty/deprivation is crucial to future social inclusion and the upscaling of the programme.

Further, the evidence produced by SSMC reveals a low degree of accountability and transparency in most of the SMCs surveyed, despite their achievements in other dimensions of capacity-building and empowerment. This calls for focus on making SMCs more accountable and transparent so as to sustain capacity-building as a mechanism of empowerment at the grassroots level.

Apart from a "residual" approach, no strategy has been developed for inclusion of the ultra-poor. Their integration requires an "affirmative action" or "positive discrimination" policy, along with strategic steps to involve them through enlarging their assets and opportunities at the household level, together with appropriate capacity-building. Ways and means should be explored to increase resource mobilization though building real partnerships with other agencies currently working to improve livelihoods at the grassroots level, whether in gender concerns, legal aid or other specialized fields.

The current conflict has not only eroded the social capital of communities, but has severely disrupted indigenous forms of social networks and institutions, causing the decline of both binding (relations within communities) and bridging (links between communities) social capital. Though the conflict has totally crippled some SMCs, the ongoing process of social mobilization in many districts has also helped to discourage people from joining the insurgency. The social mobilization programme should be flexible enough to negotiate with both Maoist groups in the conflict-affected zones and military/paramilitary forces so as to continue as many group activities as possible within the given circumstances.

CHAPTER 6

A reform agenda for dynamic transformation

We in Nepal can achieve sustainable empowerment with its concomitants of poverty reduction and human development because our multi-party democracy has intrinsic mechanisms to correct the weaknesses of current policies and the shortcomings of our institutions. Winston Churchill once remarked with a smile that "democracy was the worst form of Government except all those other forms that have been tried from time to time." That arch-conservative was referring to three of the cardinal traits of democracy, its tendencies to

- thwart exclusionary development;
- promote good governance; and
- enhance accountability.

More than half a century later, Amartya Sen argued that "the intensity of economic needs adds to – rather than subtracts from – the urgency of political freedoms".[1]

This sums up the rationale of the empowerment agenda to which this Report is devoted, for the following reasons:

- It has the revolutionary potential of deepening democracy for dynamic transformation through radical shifts in policies, priorities and institutions.
- It addresses the anomalies and asymmetries in society.
- Its implementation will help create a level playing field, where each individual has the option to develop and utilize his/her capabilities to lead the lives of their choice.
- It will thus reinforce the process of grassroots level initiatives to enhance political, social and economic empowerment of the poor and the most disadvantaged.

Nepal is currently undergoing the most painful period in its modern history. The ongoing conflict and political instability threaten the very foundation of democracy. The country's most urgent priority is the need to make its institutions work for all people and to ensure the democratization of the three branches of government – the executive, the legislative and the judiciary.

This means, among other things, putting in place mechanisms that will institutionalize transparency and accountability to check corruption, to eliminate discriminations and to ensure that people's voices are heard at all levels. To address the existing incongruities between social, economic and political empowerment, the rights-based approach – the central tenet of empowerment – must become the fulcrum of Nepal's poverty reduction strategy.

Empowerment must drive the policy framework to attain pro-poor growth. This means fusing pro-poor macro policies with strong macro-micro linkages to attain widely-shared, equitable growth. Effective decentralization at the meso level, backed by strong organizational capacity at the grassroots, is essential to establishing these macro-micro linkages. The current crisis simply underscores the urgency of placing empowerment at the centre

The country's most urgent priority is the need to make its institutions work for all people and to ensure the democratization of the three branches of government – the executive, the legislative and the judiciary

of our country's development agenda for the dynamic transformation of Nepalese society, particularly for those citizens excluded, marginalized or otherwise disadvantaged by history and by the country's incomplete efforts since 1990 to take their voices and choices into account in the newly democratic polity.

KEY FINDINGS

The key findings that have emerged from the analyses presented by this Report include the following:

Empowering the poor and the disadvantaged cannot take place without deeper and faster social, economic and political transformation

- The Human Development Index and the overall empowerment index in the country are low, with considerable disparities across regions and districts. In the mid-western and the far western development regions and in many districts, mismatchings between social, economic and political empowerment have provided fertile ground for the existing conflict. In and of themselves, these incongruities have made the empowerment process unsustainable. The armed conflict that has erupted obstructs the empowerment process further, but by no means destroys it.
- The Human Empowerment Index is an effective tool for identifying pockets of concentrated poverty, especially at the lower end of the development scale. It is an effective tool for devising appropriate interventions to reduce poverty and for monitoring the outcomes of those interventions. It provides policy signals not only as to the kinds of social, economic and political interventions essential to reducing disparities at the local level, but also the scale of such corrective measures.
- The country currently lacks an enabling environment for empowerment and poverty reduction because of the absence of equitable access to resources at different levels and people's control over these resources.
- Existing inter- and intra-sectoral policy asymmetries have contributed to policy and institutional failures that have reduced development effectiveness and have increased the vulnerability of the poor.
- The macro-micro linkages essential for broad-based growth, poverty reduction, empowerment and human development have been weakened by shortcomings in participatory policies and institutional reforms at the meso level.
- Aberrations in the democratic functioning of state institutions – including its constitutional organs, its bureaucratic structures, and its security apparatus – together with the separation of powers have obscured accountability and damaged it at all levels.
- Commissions on human rights, women, *Dalits* and indigenous people lack the legal authority to implement and enforce their decisions at the local level.
- Political institutions are mired in undemocratic practices that obstruct good governance and a fair representation system.
- The exclusionary biases of existing policy and the institutions that implement it have reinforced the wide disparities that hobble Nepal's development and reinforce historic discriminatory practices in society.
- Empowering the poor and the disadvantaged cannot take place without deeper and faster social, economic and political transformation towards the development of an equitable, non-exclusionary society and a democratic, rights-based polity.
- The devolution of authority, capacity-building and accountability to local bodies in accordance with the principle of local self-governance and the spirit of the Local Self-Governance Act 1999 has not occurred fast enough to consolidate the empowerment of people at the grassroots level and has thereby limited their scope for fulfilling their varied aspirations.
- The absence of an adequate social protection system has contributed significantly to the pervasive losses of marginalized and disadvantaged people in the reform process.
- The limitations of broad-based social mobilization in regard to strong resource back-up and partnership with local gov-

ernment bodies have obstructed the delivery of services at the local level.

All in all, a lack of wide, meaningful and active representation and participation in decision-making processes at different levels has impeded the deepening of multiparty democracy as well as the enhancement of the well-being of Nepal's poor and disadvantaged citizens.

The reform agenda

The reform agenda set out in the paragraphs that follow seeks a dynamic transformation of Nepalese society and governance by trying to address the various contradictions that have led to the weakening of democratic and political institutions and the persistence of poverty.

Deepening democracy

Deepening democracy requires the creation of democratic institutions and the promotion of transparent, responsive, participatory, inclusive and accountable governance systems. This Report can suggest only key elements for realizing these goals in Nepal today. Its readers and discussants will doubtless have other suggestions – if for no reason other than the fact that the deepening of democracy is an endless process in which each step leads to another. But the first steps or the very fact of defining them are all-important.

- Public hearings should become an integral element of the process of appointing individuals to fill key positions in constitutional bodies to ensure the honesty and qualifications of nominees.
- Because the protection of human rights can be realized only through the efficient dispensation of justice, an autonomous, effective and efficient judiciary must be provided.
- Because adherence to human rights principles is essential to deepening democracy, an autonomous human rights body, such as the Commission on Human Rights, with a strong network spread throughout the country, can play a considerable role in ensuring that fundamental rights are protected and guaranteed.
- The best approach to guaranteeing human rights is institutionalizing the rights-based approach to development, which guarantees the right to lead a life of dignity. The Commissions on Women, *Dalits* and Indigenous People should therefore be made constitutional bodies to safeguard the dignity of citizens within these broad groups.
- Electoral reforms are necessary not only for free and fair elections but also for ensuring fair representation of all socio-cultural groups in the political processes.

The best approach to guaranteeing human rights is institutionalizing the rights-based approach to development

Further, Nepal's Parliament has to evolve as an effective policy and rule-making body; major policy decisions require its approval. To this end:

- A mechanism has to be in place to bring political consensus and policy consistency and continuity in major issues of national importance between the parliamentary parties. This is crucial to addressing social contradictions, maintaining political stability and creating strong and effective institutions.
- The State Council, too, calls for restructuring to ensure adequate representation of women, *Dalits*, and indigenous people.

One must also bear in mind the following principles:

- The democratization of security-related institutions is essential to deepening democracy.
- Openness, fairness and predictability in the decision-making of civil service institutions are pre-conditions to enhancing efficiency in resource use and to ensuring better delivery of services.
- The civil service must be depoliticized to enhance performance and bring about stability at the institutional level.
- Governance reforms must also embrace the inclusion of all disadvantaged groups in state institutions, both at the

national and the local level. The current administrative structure – in the form of zones, districts and villages – needs a literal re-formation, a restructuring that will make them viable and efficient administrative units for the devolution of authority to strengthen local governance. Conflicting laws must also be corrected so as to reinforce the Local Self-Governance Act 1999. For effective decentralization at the local level, there is a need to introduce:

- local civil service cadres;
- fiscal decentralization; and
- an effective monitoring system to track progress in poverty reduction and human development.

Given the history of implementation and enforcement, particularly during the current crisis, laws in themselves will not democratize Nepalese society unless the existing institutional culture is transformed to make them more responsive to the people

Decentralization can become effective only when local organizational capacity-building through social mobilization is coordinated with the local bodies.

Removing discriminatory laws and practices

Discriminations in the existing National Country Code must be eliminated, especially in respect of property rights, citizenship on a hereditary basis, and reproductive health, including abortion. To abolish all forms of discriminatory practice, Nepal must develop a mechanism to ensure that the National Country Code and other interrelated acts, including international commitments, are enforced. To this end, this Report recommends:

- Establishing vigilance committees at the grassroots level and their organic interface with similar organizations at the national level.
- Decentralizing the writ jurisdiction of the Supreme Court to the Appellate Courts and establishing separate benches for civil and criminal cases in the district courts so as to enhance access to legal services and enforce anti-discriminatory rules and regulations.
- Including basic legal education in the curriculum of secondary-level schools to enhance the legal empowerment of all citizens.

Given the history of implementation and enforcement, particularly during the current crisis, laws in themselves will not democratize Nepalese society unless the existing institutional culture is transformed to make them more responsive to the people. Without universal access to information, existing attitudinal barriers cannot be removed. Although legal changes and support for greater access to information are vital to democratization, changing the long-standing institutional culture that governs the decision-making process simply will not take place without radical changes in the mindsets of those who work within them.

Despite conventional wisdom to the contrary, this process need not take generations. As new information technology has begun transforming the topography of knowledge worldwide, it has also contributed massively to changes in attitudes and behaviours. There is simply no reason to believe that the country that gave the world the transformative experience of Buddhism in the 5th century BCE cannot mobilize the indigenous capacities of its diverse people to transform mindsets legally sanctioned only in the 20th century CE. Similarly, many elements of Nepal's diverse religious traditions augur well for transformations of the current status of women and other groups that cut across caste lines.

Making macro policy reforms pro-poor

Poverty has persisted in Nepal because policies have not been adequately pro-poor. An evaluation of the policy content of the PRSP reveals a number of points for orienting existing policies and programmes better to meet the needs of the poor. Neither the concept nor content of current pro-poor poli-

cies focuses sharply enough on addressing the problems of exclusion, discrimination and disempowerment effectively. As this Report has argued earlier, empowerment must drive the policy framework for attaining pro-poor growth.

Growth becomes pro-poor if

- it uses the assets that the poor own;
- it favours the sectors where the poor work; and
- it takes place in areas where the poor live.

These obvious points can inform detailed reforms to make policies pro-poor in practice. The following desirable outcomes can serve as reference points:

- Pro-poor growth occurs when the poor benefit more from growth than the rest of the population or when the pace of development is faster for the poor than for others.
- Social and economic indicators for poor people have to improve more rapidly than those for the rest of society under pro-poor policies. Indicators for these outcomes are necessary but not sufficient for realizing a pro-poor development framework. They must improve at a faster pace for the poor, especially the ultra-poor, because absolute poverty always has a relative dimension. The policy framework therefore needs a thorough examination and reorientation.
- Policies to reduce inequalities should receive as much attention as growth-oriented policies in order to increase the impact of growth on poverty. When growth becomes pro-poor, the growth elasticity of poverty rises. The high degree of income inequality in Nepal has limited the impact of growth on poverty. The determinants of the dimensions of inequality must consequently be unraveled and specifically addressed to increase the growth elasticity of poverty.
- The determinants of inequality are fundamentally the ownership of physical and human assets; dualism in the economy; and factor market distortions. Credit market failures constrain the prospects of the poor for participating in the growth process. Low educational attainments also limit their participation in skill-based non-farm employment. We must therefore address these dimensions of inequality simultaneously so that they complement one another and result in pro-poor growth.
- One important tool for attaining equity in the process of promoting growth is the development of strong linkages between pro-poor macro policies with strong linkages to the micro level. But we cannot develop macro-micro linkages without effective decentralization at the meso level backed by strong organizational capacity at the grassroots.
- The content, processes and sequencing of economic reforms should be broad-based, encompassing all major sectors and harmonizing intra- and inter-sectoral macro policies to discourage misalignments in relative prices and foster pro-poor growth. The deregulation of input and output prices in the agriculture sector should therefore be compatible with border prices so as to ensure broad-based growth and competitiveness.
- Broad-based, people-centered, and equitable economic growth and development calls for major structural reforms to ensure access to productive assets for the poorest of the poor and disadvantaged and control over these productive assets. Employment needs to be considered as a critical aspect of economic growth strategy. This must be supported by enhancing the effective implementation of the Agriculture Perspective Plan, focusing on agricultural roads, markets, irrigation, inputs and technology.
- To expand credit outreach, Nepal must foster competition within its financial system and strengthen the current targeted credit programmes of the banks and other financial institution by introducing cost-effective branches of the country's banks and expanding micro-credit institutions, including cooperatives. To mainstream the micro-credit institutions, it is impor-

Policies to reduce inequalities should receive as much attention as growth-oriented policies in order to increase the impact of growth on poverty

tant to link them with the formal financial institutions.

- Agriculture, forestry, livestock and handicraft-related export have to be promoted through institutional support (including technology and marketing). Similarly, a new Act should be introduced to provide an incentive structure for Small and Medium Enterprises (SMEs) to enhance the income and employment opportunities of rural people. Information technology (IT) has to be disseminated to SMEs through state initiatives.

From an empowerment perspective, the voices of all the country's citizens must not only be heard, but also listened to

From an empowerment perspective, the voices of all the country's citizens must not only be heard, but also listened to. All national stakeholders must therefore contribute to formulating policies and setting the direction of the country's development. This requires the perspectives of the poor and the disadvantaged in national debate. The current conflict provides an excellent opportunity to reexamine the development agenda so as to make it inclusive and non-discriminatory, the beginnings of a mainstreaming of all segments of Nepal's population into the national development process. This has enormous ramifications for mitigating the conflict – even for making it an instrument of attaining balanced, equitable and accelerated development outcomes.

Transforming agriculture

Nepal has to pursue agriculture-led growth to address poverty successfully; 90% of the poor are concentrated in the agriculture sector. Although the Tenth Plan and the PRSP stress the primary role of agriculture as a key to broad-based and pro-poor growth, neither can be realized without full implementation of the Agriculture Perspective Plan. In short, although growth has to be led by agriculture, the sector itself must undergo a structural transformation in order to play this key role.

Nepal's agriculture sector is marked by subsistence production with pervasive under-employment. Landlessness is increasing at an alarming rate; 29% of rural households now own no land, making their poverty almost intractable. The fragmentation of holdings, another major problem, results in the inter-generational downsizing of parcels that are already unviable economically. Consequently, without restructuring the production system in agriculture, poverty will continue to persist to the point where empowering the poor and disadvantaged will become virtually impossible. Agriculture must therefore undergo land reforms, which should be guided by market realities:

- This calls for the introduction of community-driven land reforms on the demand side and for state creation of a land bank on the supply side to fund land acquisitions in agriculture.
- Though the landless need a special package, its content and form should, again, be shaped by market realities. Landless households that would like to take up agriculture as their occupation should have easy access to the land bank, along with credit from the bank, pledging the purchased land as collateral. As most of the landless comprise poor people and disadvantaged groups, such a package will help address equity and, at the same time, contribute to empowering the people it benefits.
- The state must create an enabling environment to encourage the rural population both to commercialize agriculture and to leave agriculture for other production sectors. This requires a redistribution of land and a substantial enlargement of employment opportunities through the rapid expansion of the manufacturing and service sectors fostering strong backward linkages. With the restructuring of agriculture will come a substantial expansion in employment opportunities, with direct impact on enhancing empowerment.

Such a transformation depends essentially on enhancing capabilities and enlarging opportunities. These improvements, in turn, hinge on an efficient institutional mechanism for the delivery of basic services – not just basic social services, but also extension, technology, markets and credit. Promoting transparency and community management of these services and ensuring a fair representation of all groups in their management committees will lead to the benefit of all from growth and development. It is equally important to build an equity element into the delivery system with special targeting of the vulnerable groups.

Expanding equitable education and health facilities

The state must guarantee the right to basic education and healthcare so as to protect human rights and enhance human capabilities. Along with the agriculture sector, the education system should undergo a restructuring that emphasizes technical and vocational education at the secondary and higher secondary levels.

- Education should become compulsory at the primary level for both girls and boys.
- The mandates of teaching and management committees should make provision for adequate representation of the disadvantaged groups.
- At the secondary and higher levels of education, the government should establish quotas for the *Dalits*, disadvantaged ethnic groups, women and the poor in general.

Universal primary health must be the fundamental goal of the healthcare system:

- Primary health care should be available to every citizen so as to ensure accessible, affordable, quality health services.
- These should include both preventive and curative medicine; primary, secondary and tertiary health care systems; both traditional and modern care; public health and hygiene; population planning and a comprehensive maternal (reproductive health) and childcare system.
- The effectiveness of local institutions for the promotion of primary health care requires empowering local bodies through the devolution of power and the provision of other necessary support.

Building infrastructure

Expanding the outreach of economic infrastructure – roads, electricity and communications – has become an urgent priority, along with ensuring the affordability, quality and sustainability of these facilities. To this end, the government must:

- Introduce a clear policy for hydropower development, delineating the respective roles of the public and private sectors and prepare an inventory to facilitate the prioritization and sequencing of projects in terms of cost, multiple benefits and the overall development objectives of the country.
- Correct the ambiguities in the construction of various types of roads at the central, district, local, and user levels with clear-cut policies on the roles of each of the institutions involved. The construction of roads should be backed by investment programmes to enhance economic benefits.
- Give high priority to the rural telecommunication programme so as to expand outreach in the remote areas and enhance the flow of information as a critical element of empowerment. Prudent policies and appropriate institutional arrangements for incentives are essential to attracting private sector involvement to ensure the timely availability and affordability of telecommunication services.

Creating employment opportunities

In line with the rights-based approach, the principle of right to work has to be introduced; employment must take centre stage in the state's policy and resource allocation agenda. This policy should also encourage

The state must guarantee the right to basic education and healthcare so as to protect human rights and enhance human capabilities

and guide the private sector in creating job opportunities for the growing labour force. The structural transformation of agriculture demands expanding the outreach of technical and vocational training facilities to provide the skills required by the market.

- Various training programmes of government ministries and departments call for overhauling and better coordination to avoid duplications and enhance effectiveness. Training programmes should be guided by labour market demand in both the formal and informal sectors. Private sector training or vocational education programmes also need uniform and standard policy guidance for fulfilling the qualitative demands of the labour market.
- For people willing to leave land-based occupations, job-related skill development training should be provided early – just before they join the labour force outside agriculture. Training on modern farming and technological adaptation for commercialized agriculture should also be provided to those who choose to remain in the sector. For the displaced agricultural labourers, it will also be increasingly important to provide skills development training to enhance their productivity and to ensure that they enter the employment market as skilled workers. Upgrading skills usually results in a significant expansion in agricultural employment.
- Labour-intensive techniques need encouragement in both the production and the service sectors. In addition to cottage and small-scale industries, small business promotion programmes should be devised to focus on the remote and less-developed rural areas. Village development through small town development programmes need to be introduced and expanded, initially from peri-urban and semi-urban areas, aiming at the integration of these types of population clusters with surrounding villages.
- Formalizing the informal sectors is essential to improving labour market conditions. Expanding formal sector employment is important not only to provide decent work, but also to ensure that policy and institutional reforms are inclusive and benefit all segments of the population. To do this, even agriculture has to be integrated into the formal sector. This process will help expand formal sector employment in a country where almost 90% of employment remains concentrated in the informal sector – which, for the most part, is exploitative in nature without adequate social security.
- Ensuring a minimum wage and social security for informal workers both within and outside agriculture, is essential to increase labour productivity. As the country moves towards flexible labour policy, labour productivity issues have to be addressed in tandem with job training and skill enhancement programmes – as elements intrinsic to such a policy shift. Special employment programmes for the disadvantaged have to be introduced and expanded. Last but hardly least, gender-biased policies and wage discrimination practices have to be strictly prohibited through better enforcement of rules and regulations.
- As social protection also helps prevent civil and ethnic conflicts by minimizing insecurity, Nepal urgently needs to forge ahead with such programmes so that the recent upsurge of social unrest can be addressed.

Expanding the outreach of economic infrastructure has become an urgent priority, along with ensuring the affordability, quality and sustainability of these facilities

Remittances from abroad have become an increasingly important contribution to Gross National Product (GNP) in recent years. It is, therefore, necessary to promote the foreign labour market as a means of social protection in the rural areas by facilitating the access of the poor, the deprived and women to decent and dignified job opportunities abroad. To this end, the Report recommends:

- A thorough assessment of the international labour market to identify potential employment opportunities;
- The formulation of appropriate policies to protect the rights and welfare of those who work abroad;
- The establishment of job-related training institutions to enable people to ad-

just easily to a foreign environment during the short- and medium-term, as the economy is currently unable to create significant opportunities at home;
- A special package for the poor and disadvantaged groups to take advantage of foreign employment offerings.

EMPOWERING THE DISADVANTAGED AND MARGINALIZED GROUPS

In both policy-making and institution-building processes, the poor and the disadvantaged are generally bypassed; they need special treatment to protect them from social and economic insecurities. This premise must underlie far-sighted reforms in policy and in institutions to ensure the equitable representation of citizens in these groups at different levels of state and local organs.

- Major initiatives have to be taken to eliminate all forms of discrimination against the disadvantaged and the poor based on gender, race, caste/ethnicity, culture, language and religion by enforcing strong rules and regulations in the spirit of the National Country Code of 1963 and the Constitution of 1990.
- Discriminatory practices at any level should be firmly dealt with through legal provisions. Women's property rights concerning parental property must be guaranteed by amending the existing law.
- Fair representation of women, *Dalits* and disadvantaged indigenous people in Parliament and in local bodies has to be guaranteed to mainstream them in the political process.
- The empowerment of marginalized and disadvantaged groups must be enhanced by the provision of income-generating opportunities, coupled with education and skills training, so as to promote awareness about education, health, sanitation, environment, human rights and legal protections.
- Arrangements have to be made to eliminate domestic violence against women and children; these involve not only changing legal codes and furnishing legal aid, but striking at the root causes of domestic violence through broad-based awareness campaigns.
- Stringent legal and administrative measures must halt the trafficking of girls and women to India and other countries.
- The state must recognize the cultural and linguistic rights of indigenous people and take measures to preserve and promote their cultural legacies. This will necessarily include special provisions for primary and non-formal instruction in the indigenous languages. A special law should also be enacted for the protection of indigenous knowledge. Similarly, ethnologists should work with the most disadvantaged indigenous groups to identify them properly and to develop and launch special integrated programmes to enhance their empowerment.
- Preventive and curative health services, including free medical treatment facilities, have to be provided to physically disadvantaged people, along with financial and technical support to strengthen their self-help organizations.
- The elderly must receive social and economic safeguards through family and community care, social and legal services, pensions, allowances, insurance, health care and old age homes for their protection and rehabilitation.
- Children's rights must be protected through special programmes that address the problems associated with different forms of child labour. The extreme poverty and socio-cultural barriers that prevail in Nepal force many parents to keep their children out of school and send those of school age into various paid and unpaid work activities. Since poverty begins with children, eliminating child labour through universal education for all children aged 6-14 is the sole means of overcoming the intergenerational transmission of poverty. This calls for making basic education compulsory and reducing the opportunity costs of school attendance to poor households. More aggressive

In both policy-making and institution-building processes, the poor and the disadvantaged are generally bypassed; they need special treatment to protect them from social and economic insecurities

programmes against child labour are essential not only for humanitarian reasons, but also for overcoming the perpetuation of poverty from one generation to another. By investing in children even before their birth, through prenatal as well as antenatal care, one attacks the roots of poverty directly.

By investing in children even before their birth, through prenatal as well as antenatal care, one attacks the roots of poverty directly

Nepal has signed various United Nations conventions that aim at protecting and promoting the rights of women, children, disabled, and indigenous people and has made numerous commitments to uphold these binding instruments. These texts can now be supplemented by the Millennium Development Goals to translate our commitments to date into time-bound, result-oriented actions of the state. The reform measures outlined above also support the reduction of vulnerability. Nonetheless, vulnerable groups will require additional social security measures to ensure that they are not left out of the reform process – the more so because reforms have tended to bypass the vulnerable as well as the poor.

Investing in the organizational capacity of the poor

If decentralization is to deliver on its promises to local populations, people's organizational capacity for effective bargaining has to be strengthened. Partnerships and other forms of collaboration, both horizontal and vertical, are critical to ensuring that the voices and choices of the poor penetrate decision-making beyond their immediate communities. Here again, the uses of building targeted programmes into holistic social mobilization efforts become pertinent. While this kind of approach cannot guarantee sustainability, it strengthens community empowerment significantly because it addresses social exclusion and tensions within local groups. Coupled with the country-wide horizontal and vertical linkages discussed at many points in this Report, this dual approach has so far proved the most effective spearhead of empowerment at the local level. Backed by sufficient resources and partnership with local government bodies, broad-based social mobilization can catalyze transformations in the power relations of entire societies.

From a policy perspective, therefore, Nepal faces a major challenge in replicating and upscaling the most successful practice models. Although some donor-supported social mobilization programmes, such as the UNDP-supported VDP, are thinly spread in many districts, they could be used as "motherboards" to upload current and future vertical programmes, so as to provide services at low – even zero – marginal cost.

As Nepal's 2001 Human Development Report stated, "Social mobilization existed in Nepal long before the concept was articulated in [contemporary] terms." If human development flourishes best when it draws upon the indigenous capabilities of a country, Nepal has a rich source to mine. It is therefore incumbent upon citizens to replicate and upscale the best practice models so far developed with in-built transparency, accountability, inclusiveness and effective organizational and programme development packages. These certainly will not be the last word in social mobilization, simply because societies continue to evolve – as does the concept of human development itself.

Endnotes

CHAPTER 1

1. UNDP 2002a.
2. UNDP 2002a.
3. UNDP 2002a.
4. See Annex 1.3, Technical Notes.
5. UNDP 2002b.
6. Schuler and Kadirgamar-Rajasingham 1992.
7. Capability may be seen as the capacity that enables people to increase their well-being, depending on a variety of factors such as education, health and skills that are inherent in the family or skills that are acquired or learned. In addition to its direct value (a creative and healthy life) in its own right, it also has instrumental value (an indirect role) in influencing social, economic and political participation and entitlements (Sen A.K. 1999).
8. Sen G. 1997.
9. World Bank 2001.
10. UNDP 2002c.
11. World Bank 2002a.
12. World Bank 2002b.
13. Evidence reveals that on average, civil war reduces a country's per capita output by more than 2% a year compared to what it would otherwise have been (Collier 2000).
14. Haq 1995.
15. Ravallion 2002.
16. UNDP 2002a.

CHAPTER 2

1. The HDI value in this Report is not comparable with that of the global HDR because of the differences in the sources of data and variables used in the calculation. For example, mean years of schooling is used in the present Report instead of combined gross enrolment ratio used in the global HDR. The educational attainment index is thus lower by 0.115 in the present report as compared to the global HDR 2004.
2. While a one-year time lag is certainly insufficient to expect significant improvement, it is worth mentioning that the HDI reported in the NEPAL HUMAN DEVELOPMENT REPORT 2001 derives largely from a relatively higher adult literacy figure (50.7%) (based on the 2000 BECHIMES data) than what is currently used (based on the latest national census data (48.6%)). Together with fairly stagnant mean years of schooling data, this has largely nullified any progress in life expectancy and income over this period.
3. As with the HDI, the 1996 GDI has been recalculated using the logarithmic transformation method of computing income index to make them comparable with the GDI in this report.
4. GEM, too, is not directly comparable due to differences in the measurement of women's representation in Parliament. The 1996 GEM used women's representation in Parliament at the country level, whereas in the present report the percentage share of representation in local elections in the development regions, ecological regions and districts were used.
5. As with the HDI, the HEI value ranges from 0 (worst condition) to 1 (best condition). Social empowerment is measured by a set of eight indicators that reflect education, health, information and communication and social mobilization outreach. Economic empowerment is measured by Gini-corrected land, share of non-agricultural employment, access to credit and per capita income. Political empowerment is measured by voter turnout and candidacies per seat. See Technical Note 1.3 for detailed discussion of the indicators used for computing the Human Empowerment index.
6. For instance, the degree of correlation between social and economic empowerment ($r = 0.582$) is much stronger than the correlation of political empowerment with social ($r = 0.231$) and economic empowerment($r = 0.481$), indicating that much of the variability in the relationship is still unexplained. Experience also suggests that the effect of political freedom on socio-economic empowerment is not immediate and automatic, unlike the linkage between the social and economic dimensions (UNDP 2002b).
7. To fully capture political empowerment, governance-related variables like accountability, transparency and justice need to be included in the estimate through an improved database at the district level. However, such data were not available for this exer-

cise in HEI. Given the ambiguous nature of the objective indicators, together with the difficulties of capturing the subjective perceptions of poor democratic governance, there is an urgent need to develop a richer database for fully capturing the objective indicators of political empowerment. See Annex 1.3 for a detailed exposition of the problems and prospects for measuring political empowerment.

8. The lowest economic empowerment of this district is primarily the result of the lowest access to institutional credit, the highest degree of inequality in the distribution of operational land holdings and hence the lowest Gini-corrected land size per household, among others.
9. It is, however, worth noting at the outset that although regression analysis deals with the dependence of one variable on other variables, it does not necessarily imply causation; this must derive ultimately from economic analysis.
10. These statistical findings, however, provide little help in establishing causal relationships in the absence of some strong a priori theoretical considerations. Does human empowerment cause human poverty reduction and hence human development or vice-versa – or is there a feedback loop between these variables? To address these issues properly, some causality tests (such as the Granger and Sim tests) will be necessary with lagged time series data on empowerment, which are currently lacking. This implies that future HEI exercises in future Nepal Human Development Reports would enable us to clarify the casual relationships.

CHAPTER 3

1. As posited by Edward Burnett Tylor in 1871 in his seminal Primitive Cultures paraphrased in the 2002 Encyclopedia Britannica article entitled "Culture".
2. Dahal 1995.
3. Pradhan 2002.
4. Gurung 2003.
5. MoES 2003a.
6. MoES 2003b.
7. CBS 1974.
8. CBS 2002a.
9. MoH 1999.
10. World Bank 2001.
11. PRB 2002.
12. This rate is based on the age of surviving sisters, the age at death of sisters who died, and the number of years since the death of sisters (PRB 2002).
13. NPC 2003.
14. MoPE 2002.
15. UNDP 2002a.
16. Khatiwada Y. R. 2004.
17. For details see Lal D. and Myint 1996.
18. UNDP 2004b.
19. UNDP 2002a.
20. UNDP 2004b.
21. MoICS 2004.
22. Narayan et al 2000a; Narayan et al 2002.
23. Hammer et al 2000.
24. UNDP 2004b.
25. NPC 2003.
26. Khanal 1998 and IPRAD 2000.
27. NPC 2003.
28. NPC 2003.
29. NPC 2003.
30. This has been estimated from the Population Census 2001 data using rural urban weights. The CBS estimate of 40% does not tally with the NEA customer records even after accounting for about 7 percent available from the non-grid system.
31. NPC 2003.
32. World Bank 2002b.
33. HMG/N 2002b.
34. Panday 1999; Blaikie et al 2001; NPC 2003; UNDP 2004b.
35. CBS 1999.
36. ILO 2002.
37. ILO 2002.
38. UNDP 2004b.
39. Estimated from the Population Census 2001.
40. According to the Population Census 2001, 29% of households do not own any land.
41. FAO 1996.
42. Sen 1999.
43. Sen 1999.
44. Bardhan 1999a.
45. North 1990.
46. Rodrik 1999; UNDP 2002b.
47. IMF, 2003.
48. Bardhan 1999b; Khan 2002; World Bank 2002b.
49. Vestegen 2001; Tommasi 2002; Ruis A. and Walle N. van del 2003.
50. However, the Supreme Court held that "…. in spite of non-enforceability of the directive principles and the state policy enshrined in the Constitution, the court can allude to any decision of the government made disrespecting the directive principles and policies of the state."
51. HMG/N 2002b.
52. For detail see www.moga@gov.np
53. PAC 1999, 2000, 2001.
54. Baral 2000; Blaikie et al 2001.
55. Supreme Court 2001, 2002.
56. HMG/N 2001.
57. UNDP 2002b.
58. See Annex 3, Box 1 for the list of human rights instruments ratified by Nepal. Nepal has also signed the Optional Protocol to CEDAW, the Optional Protocol to CRC on the sale of children, child prostitution and child pornography, and the Optional Protocol to CRC on involvement of children in armed conflict.
59. Dahal et al 2002.
60. DASU/HMG/N 2000.
61. HMG/N 2000; Khanal 2003.

CHAPTER 4

1. CBS 2002a.
2. UNICEF 1996.
3. The average duration of breast-feeding in Nepal, for example, is one of the highest in the world.
4. For details, see Shrestha 1994.
5. It was passed by Parliament on 14 March 2002 and received the Royal Seal on 26 September 2002.
6. A study conducted by FWLD on "discriminatory

laws and its impact on women" has identified 118 legal provisions in 54 different laws that discriminate against women and therefore conflict with the rights stipulated by CEDAW.

7. It was established by executive order without any legislative mandate.
8. MoWCSW/MGEP, UNDP 2002.
9. FWLD/TAF 2003.
10. CBS 2002a.
11. Shrestha A. 1994.
12. MoH 2002/2003.
13. MoH 2003.
14. FWLD/ILO 2001.
15. CeLRRd 2002.
16. Eleventh Amendment to the Country Code, 26 September 2002.
17. A rural credit survey conducted by Nepal Rastra Bank in 1991/92 revealed that of the total female-headed sample households, almost 35% had borrowed from one or another source compared to 39% of the male-headed households. Among the borrowing female-headed households, only 15.4% had borrowed from institutional sources such as the Agricultural Development Bank and Commercial Banks, while 84% had borrowed from non-institutional sources.
18. All enterprises, businesses, trade, etc., that are not registered or accounted for in any official records are considered to be in the informal sector. Small-scale manufacturing units and petty shopkeepers, home-based establishments of self-employed family workers, street vendors and hawkers, service specialists, and unpaid family workers all fall in this sector.
19. CBS 1999 and Mainali, M., B. Sharma; B. Shrestha 2002.
20. Eleventh Amendment to the Country Code, 26 September 2002.
21. Bhattachan et al 2001.
22. Sob 2002.
23. Bhattachan et al 2001.
24. Sob 2002.
25. NESAC 1998.
26. According to a survey conducted by Team Consult, 1999, the average land-owned per household among the *Dalit* group is 2.46 ropani of khet and 4.5 ropani of pakho land. For more recent information see CBS 2002a.
27. A recent study shows that 71% of *Dalit* households' food production was enough for less than 3 months; landlessness among *Dalits* was 25% as compared to 10% among non-*Dalits*; 72% of *Dalits* owned less than 0.77 hectare; and average size of *Dalit* holdings was 0.18 ha and that of non-*Dalits* was 0.43 hectare, Shrestha A. 2003.
28. Sharma et al 1994.
29. Annex 3, Table 2.
30. CBS 2002a.
31. Bhattachan 2000a; Gurung 2003; Subba et al 2002; Malla 2002; Lama-Tamang 2004.
32. Shrestha N. 1990; Skar 1999.
33. Muller-Boker 1999; Bhattachan 2003; Bajracharya and Thapa 2000.
34. see Bhattachan 1995, 1999, 2000b; Gurung 2002; Lawoti 2000, 2001; Gurung 1985; Gurung et al 2000; Neupane 2000; Subba et al 2002; Yakkha-Rai 1997 and See also Annex 3, Table 2.
35. Kirant et al 2003.
36. For details see Prasad Lakshmi Narayan 2003.
37. NFD-N 2003.
38. The Nepal Association of the Blind (NAB), the Kathmandu Deaf Association (KDA), the National Federation of Disabled Nepal (NFDN), the National Federation of the Deaf and Hard-of-Hearing (NFDH) and the Parents Association of Mental Retardation (PAMR) and the National Association of Deaf and Hard-of-Hearing (NADH) were established between 1990 and 1993. These CSOs have engaged in advocacy and awareness campaigns to conduct activities that embody rights-based approaches.
39. Sharma B. 2003.
40. Sharma B. 2003.
41. The health hazards vary from sector to sector, as does access to health facilities. The incidence of sickness was high among rag-pickers (62%) and short-distance porters (62%), with high accident rates reported among domestic child labourers (27.2 %) and bonded labourers (33%) along with severe exposure rates and high risks of contracting sexually transmitted diseases in trafficking (see Shrestha and Edmonds 2002).
42. Gillian 2002.
43. ILO/CDPS 1999.
44. ILO 2003.

CHAPTER 5

1. UNDP 2002a.
2. Freire 1970.
3. For various concepts and definitions of social mobilization, see UNDP 2002a, Sah 2002 and Lynn Bennet 2002.
4. UNDP 2004c. This study was undertaken to document the processes and assess the impact of various social mobilization programmes in enhancing empowerment, reducing poverty and promoting human development. Its specific objectives among others, included the impact of social mobilization on several dimensions of organizational capacity-building, empowerment and livelihood and identification of the best practice models for possible wide-scale location or context-specific replication.
5. Sah, ed. 2003.
6. The social mobilization outreach in all 75 districts of the country is estimated at 28.7% (see Annex 2.2, Table 3).
7. Examples include the South Asia Poverty Alleviation Programme, the Participatory District Development Programme, the Micro-Enterprise Development Programme, the Local Governance Programme, the Tourism for Rural Poverty Alleviation Programme, and the Rural-Urban Partnership Programme.
8. PDDP/LDF 2002.
9. Computed from New Era's Mapping of Social Mobilization in Nepal.
10. VDC and DDC are political institutions composed of elected representatives at the grassroots level.
11. Of the 39 SMCs surveyed, 55.3% adopted the holistic approach while 36.8% followed the targeted approach (New ERA 2002).

12. The government agencies, also include the National Committee for Development of Nationalities and *Dalits* in the Ministry of Local Development, HMG/N.
13. UNDP 2004c.
14. Mukherjee, et al 2004.
15. The CARP study was carried out in 2003 in two VDCs of Kavre district and three VDCs of Dolakha district to determine the level of poverty and the participation rates of different categories of households in social mobilization programmes. Each household in the VDCs was scored on five variables – income/livelihood, basic needs, housing, family structure, social/political capital. The total score of a household would indicate a level of poverty as: 0-25 = Least Poor; 26-49 = Middle Poor and 50-90 = Poorest (UNDP 2003).
16. Sah (ed.) 2003.
17. Sah (ed.) 2003.
18. These programmes include health, education and training.
19. WDP 2002.
20. NPLAP 2002.
21. Anne de Sales cited in Thapa and Sijapati 2003, pp. 80.
22. Devkota 2003 (unpublished).
23. The 18 indicators range from education and health to employability, market facility, social evils and mutual trust and the status of women and marginalized groups. See UNDP 2004c for details.
24. Thapa and Sijapati 2003.

CHAPTER 6

1. Sen explained further: "There are three different considerations that take us in the direction of a general preeminence of basic political and liberal rights:
   a. their **direct** importance in human living associated with capabilities (including that of political and social participation);
   b. their **instrumental** role in enhancing the hearing that people get in expressing and supporting their claims to political attention (including the claims of economic needs);
   c. their **constructive** role in the conceptualization of 'needs' (including the understanding of 'economic needs' in a social context" (see Sen 1999).

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Chapter 1 draws on Collier 2000; Haq 1995; Ravallion 2002; Schuler and Kadirgamar-Rajasingham 1992; Sen A.K. 1999; Sen G. 1997; UNDP 2002a, 2002b, 2002c; and World Bank 2001, 2002a, 2002b.

Chapter 2 draws on CBS 1999, 2002a, 2002b; Election Commission 1997; MoH, New ERA and ORC Macro 2002; Pradhan et al 1997; Sah J., ed., NPC and various sources 2003; and UNDP 2002b.

Chapter 3 draws on Baral 2000; Bardhan 1999a, 1999b; Blaikie et al 2001; CBS 1974, 1999, 2002a; Dahal 1995; Dahal et al 2002; DASU/HMG/N 2000; FAO 1996; Gurung 2003; Hammer et al 2000; HMG/N 2000, 2001, 2002b; ILO 2002; IMF 2003; IPRAD 2000; Khan 2002; Khanal 1998, 2003; Khatiwada Y. R. 2004; Lal D. and Myint 1996; MoES 2003a, 2003b; MoH 1999; MoICS 2004; MoPE 2002; Narayan et al 2000a, 2002; North 1990; NPC 2003; PAC 1999, 2000, 2001; Panday 1999; Population Census 2001; Pradhan 2002; PRB 2002; Rodrik 1999; Ruis A. and Walle N. van del 2003; Sen 1999; Supreme Court 2001, 2002; Tommasi 2002; UNDP 2002a, 2002b, 2004b; Vestegen 2001; and World Bank 2001, 2002b.

Chapter 4 draws on Bajracharya and Thapa 2000; Bhattachan 1995, 1999, 2000a, 2000b, 2003; Bhattachan et al 2001; CBS 1999, 2002a; CeLRRd 2002; FWLD/ILO 2001; FWLD/TAF 2003; Gillian 2002; Gurung 1985, 2002, 2003; Gurung et al 2000; ILO 2003; ILO/CDPS 1999; Kirant et al 2003; Lama-Tamang 2004; Lawoti 2000, 2001; Mainali, Sharma and Shrestha 2002; Malla 2002; MoH 2002/2003, 2003; MoWCSW/MGEP, UNDP 2002; Muller-Boker 1999; NESAC 1998; Neupane 2000; NFD-N 2003; Prasad Lakshmi Narayan 2003; Sharma B. 2003; Sharma et al 1994; Shrestha A. 1994, 2003; Shrestha and Edmonds 2002; Shrestha N. 1990; Skar 1999; Sob 2002; Subba et al 2002; Team Consult 1999; UNICEF 1996; and Yakkha-Rai 1997.

Chapter 5 draws on Devkota 2003; Freire 1970; Lynn Bennet 2002; Mukherjee et al 2004; New ERA 2002; NPLAP 2002; PDDP/LDF 2002; Sah 2002; Sah, ed. 2003; Thapa and Sijapati 2003; UNDP 2002a, 2003, 2004c; and WDP 2002.

Chapter 6 draws on Sen 1999.

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Annexes

Boxes

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ANNEX 1: Sources of data and technical notes

ANNEX 1.1: SOURCES OF DATA

Major sources of data used in the calculation of human development and human empowerment indices

This report makes use of various sources of data, collected mostly by government agencies. Both the raw as well as the published data were used depending upon the need of various indices of interest. Thus, some of the input indicators, particularly at regional and sub-regional disaggregated level, used in the report to calculate human development and human empowerment indices, have not been published elsewhere. The data sources and the variables used in the mesurement of human development and empowerment indices in this report are shown in Table 1.

TABLE 1 Major sources of data used to calculate human development and empowerment indices

Data	Source	Calculated indicators	Indicators used for
Population Census 2001	Central Bureau of Statistics, HMG/N 2002a	■ Life expectancy index: deprivation in longevity ■ Adult literacy ■ Mean years of schooling ■ Percentage of labour force engaged in non-agricultural sector ■ Gini corrected average per household land holding ■ Percentage share of males and females in total population ■ Population without safe drinking water ■ Access to sanitation facilities ■ Access to radio and telephone ■ Index of administrative and managerial representataion: (Index of technical, professional and administrative representation) ■ Proportion of people not surviving beyond 40.	HDI HDI, HEI HDI HEI HEI HEI HDI HPI HEI HEI GEM HPI
Nepal Demographic and Health Survey 2001	Ministry of Health, HMG/N, New ERA, ORC Macro 2002	■ Under nourished children under 5 ■ Life expectancy index: deprivation in longevity ■ Proportion of people not expected to survive beyond 40.	HEI,HPI HDI HPI
Nepal Family Health Survey (NFHS) 1996	Pradhan et al 1997 (Ministry of Health, HMG/N 1997)	■ Life expectancy index; deprivation in longevity	HDI
Local Election Data Tape	Election Commission Nepal, HMG/N 1997	■ Percentage share of women in parliament ■ Voter turnout in the National Election ■ Number of candidates contested per seat/ post in local election	GEM HEI HEI
Nepal Labour Force Survey 1998/1999	Central Bureau of Statistics, HMG/N 1999	■ Wage rate by sex	HDI
National Accounts of Nepal	Central Bureau of Statistics, HMG/N 2002b	■ Per capita GDP	HEI, HDI
Agricultural Development Bank 2002, other credit agencies and SMCs	ADB/N 2002, Rural Development Bank and other credit agencies	■ Access to formal credit	HEI
Social Mobilization, Mapping of Social Mobilization in Nepal	Sah. J., ed. 2003, National Planning Commission and various sources	■ Social mobilization outreach %	HEI

The estimation of the required demographic indicators to calculates various human development indices were not straightforward due to the limitations in the quality of data and the level of availability of information from CBS 2001, NHDS 2001 and NFHS 1996. Several direct and indirect estimation techniques were used to calculate the life expectancy at birth and proportion of people not surviving beyond 40. Therefore, the information on reported number of children ever born and survivors among those born alive classified by age of women in reproductive age were used to calculate the life-expectancy at birth for the national, regional and sub-regional level. The outcome of this exercise was then used to derive the respective life tables for the corresponding regions.

A similar exercise was also carried out using the 2001 census data which did not produce reliable estimates of mortality, neither at the regional nor at the district level. The mortality indices were calculated using Q5 indicator that is probability of death at age 5 instead of age 0. Again this also did not produce consistent output. In the process of getting more robust mortality related indicator, the exercise was further carried out using a method that produced the required indices taking the crude death rate (CDR) and the age-sex distribution of the population as input. For this, again the CDR for each district was estimated using the stable population technique where Cx value (proportion of population at age x) was considered as the basis. The entire mortality indicator produced using different data sets and different methods also was unable to produce a consistent result. Therefore, the life expectancy at birth for the district level was adjusted by using the regional growth rate in those cases where the indicator was found to be outlier. For these exercises the west mortality model pattern by Coale and Demeny (1966) was assumed as the pattern of mortality in Nepal as these have been used in almost all the mortality related indicators estimated in the past. All these exercises were necessary to overcome the limitation of the data on adult mortality, which is one of the important required inputs for estimating the life expectancy at birth.

Information on nutritional status of children was calculated using the data from the Nepal Demographic Health Survey, 2001, as this was the only reliable source that allowed the required indicator that corresponded the reference period. However, the limitation of this indicator, particularly at the district level, is that it is based on small number of cases and is likely to be suffering from a sampling error.

Information from the National Accounts of Nepal was utilized to derive GDP by sector. The methodology and data source used for estimating per capita income at the regional and district level is given in Table 2 (see Technical Notes 1.2 for the estimation method used in the calculation of per capita income).

The Election Commission reports election results for each of the 75 districts of Nepal, covering the VDCs, municipalities and district development committees. This report has used information of such reports to assess political participation, particularly of females in relation to males. This information has been utilized to derive the voter turn out in the last national election 1999 and the number of candidates per seat in the local election in 1997.

The adult literacy figures were obtained from CBS. All other variables used in the measurement of human development and empowerment indices mean years of schooling, access to drinking water, toilet, radio, telephone and electricity, average size of operational land holding and inequality in the distribution of land holding (Gini corrected land holding), proportion of labour force employed in non-agriculture and relative shares of males and females in professional and managerial work – were estimated using the sample raw data of the Population Census 2001 obtained from CBS. Estimates for these variables were obtained separately for rural and urban sectors in a district using the ratio estimation method given below.

The ratio estimation method can be shown as

$$y''_{hi} = \sum_j \frac{y_{hij}}{x_{hij}} X_{hij}$$

Where y''_{hi} is the ratio estimator for the population with a certain characteristic in the i^{th} domain and in the h^{th} district. The number of persons found in the sample with a certain characteristic in the j^{th} tabulation group, in the i^{th} domain and in the h^{th} district is y_{hij}. x_{hij} is the total number of persons found in the sample in the j^{th} tabulation group, in the ith domain and in the h^{th} district. x_{hij} is the total number of persons from the 100 percent count, found in the j^{th} tabulation group, in the i^{th} domain and in the hth district.

The estimator for the h^{th} district is

$$y''_h = \sum_i y''_{hi}$$

where all domains have been sampled.

Where some domains are completely enumerated, the district estimator is

$$y''_h = \sum_i y''_h + Y_h$$

Where Y_h is the total from the completely enumerated domains.

The national level estimator is

$$y'' = \sum_h y''_h$$

Similarly, estimates for the five development regions and the three ecological zones were obtained by adding together the district estimates falling in each of these areas.

TABLE 2 Estimates of income at district level (methodology and data source)

Industrial division	Grouping	Types of data and methodology	Indicators	Sources of data
1. Agriculture	- Food grains	Statistical information on Nepalese agriculture 2001/02	Output by crops/ livestock and districts	Ministry of Agriculture
	- Cash crops	Agriculture marketing information bulletin special issue 2002		
	- Livestock	Value of royalty collected by the government		Department of
	- Forestry	by district (Hamro Ban, 2001/02)	Value of royalty	Forest, HMG
2. Mining and quarrying	- Mining	The value added of mining is estimated using the mining production figures.	Mining product	Department of Mining and Geology
	- Quarrying	The value of quarrying is estimated on the basis of royalty paid to the local government.	Value of royalty paid for quarrying	Local government bodies
3. Manufacturing	- Modern manufacturing	The census of manufacturing establishments, 2003 provides details data on the value added of manufacturing by districts.	Census value added of manufacturing establishments	Central Bureau of Statistics (Census of Manufacturing Establishments 2003)
	- Small scale manufacturing	Households operating small scale manufacturing activities (SSMA)	No of households involved in SSMAs	Population census 2001
4. Electricity	- Electricity	Electricity consumption (utilized energy) by district 2001/02	Utilized energy KWH	Nepal Electricity Authority
5. Construction	- Private pakky construction	Households by house/housing unit, Population Census 2001	Number of pakky housing unit	CBS
	- Private kachy construction	Households by house/housing unit, Population Census 2001	Number of kachy housing unit	CBS
	- Government construction	Capital expenditure of the government	Expenditure amount	Financial Comptroller's Office

Contd....

TABLE 2 Estimates of income at district level (methodology and data source)

Industrial division	Grouping	Types of data and methodology	Indicators	Sources of data
6. Trade hotels and restaurants	- Trade	Statistical information on Nepalese agriculture 2001/02 Agriculture marketing information bulletin special issue 2002 The census of manufacturing establishments, 2003 provides details data on the value added of manufacturing by districts.	Value of output of agriculture and manufacturing products	Ministry of Agriculture and Central Bureau of Statistics Business Registers compiled by various agencies and CBS.
	- Hotels and restaurants	No. of hotels and restaurants by district	Number of hotels and restaurants	
7. Transport and communication	- Transport	Persons engaged in transport activities by district, Population Census 2001	Number of persons engaged	Population Census 2001, CBS
	- Communication	Revenue collection from telecommunication by district	Revenue amount	Nepal Telecommunication Corporation
8. Finance and real estate	- Finance	The number of financial institutions is taken as the indicator to generate value added. (Banking and Financial Statistics-2002)	Number of financial institutions	Nepal Rastra Bank
	- Real estate	The number of households by ownership type, Population census 2001 is taken into account for estimating value added in the real estate sub-sector.	Number of household of by selected type	Population Census 2001, CBS
	- Business services	Volume of business services-trade, transport, private services etc.	Volume of transaction	National accounts data, CBS
9. Community social and personal services	- Government services	The expenditure details of the government 2001-02 by district	Expenditure amount	Financial Comptroller's Office
	- Private services	Number of persons engaged in private service activities - health and social work, education and other community, social and personal services	Number of persons engaged in private service activities	Population Census CBS, 2001
	- Non-profit institutions	Number of non-profit institutions by district	Number of NPIs	Social Welfare Council

Note:

1. This is the first exercise done so far to estimate income at the district level. Because of the lack of adequate data base, direct estimation of income at this level was not possible. Therefore, indirect technique is followed to derive income figures by preparing indicators based on the data available. During the estimation process, several supporting tables are prepared and indicators are generated to arrive at the estimation of income at the district level.
2. The reliability of estimates depends on the quality of data used in the estimation. Effort has been made to identify and use the appropriate possible indicators, though deficiency of qualitative data in many of the areas is strongly felt.

Annex 1.2: Human development and related indices

The human development index

The Human Development Index (HDI) is based on the three indicators: Longevity, as measured by life expectancy at birth; educational attainment as a measure by combined of adult literacy rate (two-third weight) and the combined gross primary, secondary and tertiary enrolment ratio (one-third weight); and standard of living, as measured by GDP per capita (PPP US$). The combined primary, secondary and tertiary enrolment ratios was introduced in the 1994 HDR replacing the variable of mean years of schooling, mainly because the formula for calculating mean years of schooling is complex and has enormous data requirements (UNDP, 1994). The methodology, along with the definition of variables and their measurement, adopted in calculating the HDI for Nepal is illustrated below.

Life expectancy index

Life expectancy at birth is calculated based on the reported number of children ever born and surviving using data of Nepal Demographic and Health Survey, 2001, The National Census 2001, Nepal Family Health Survey (NFHS) 1996 applying the direct as well indirect techniques. The Coale and Demeny (1966) West Mortality Model life table is used to derive the life expectancy at birth. Life expectancy is calculated for each geographical region, development region, rural-urban place of residence, eco-development region, and for 75 districts. The life expectancy at birth based on the stable model technique using the age-sex distribution of the population was also applied in generating the crude death rate and the proportion of population at age-x to calculate the life expectancy at birth as none of the single mortality estimation technique was able to produce the consistent indicators at regional, sub-regional and district levels. Consequently, in some cases, the growth in life expectancy or infant mortality rate based on the NDHS 2001 and NFHS 1996 was also used to extrapolate life expectancy for 2001, particularly for the district level indicator. For sub-region and the districts in which the results appeared absurd, appropriate proxy values were used from the corresponding development region or ecological region.

Educational attainment index

The Nepal Human Development Report has used both the estimates of the adult literacy rate and mean years of schooling from the National Census, 2001 data. The mean years of schooling instead of enrolment ratio, was used in the case of Nepal because mean years of schooling is expected to capture the educational quality of the literate adult and the educational attainment of young people (combined enrolment ratio) which is not possible when used the gross enrolment ratio that generally are overestimated and unreliable due to the practice of enrolment-based government grants to the schools. Therefore, the data from the National Census, 2001 was used to calculate mean years of schooling for ecological zones, development regions, eco-development regions, place of residence and districts.

Income index

Lack of an efficient information system, which forms a sound basis for GDP calculations, is a major challenge currently faced by the National Accounts Statisticians in Nepal. The CBS has so far been publishing GDP estimates only for National level. The exercise to obtain GDP down to the sub-national level was never attempted in the past, which has created a serious data gap in the process of decentralized planning process. The direct estimates of income at the district level was not possible at this moment because of the lack of data at the district level. Therefore, an indirect technique is followed to arrive at the estimates developing indicators for the respective sectors and sub-sectors.

The procedure is largely based upon production approach (supply side) and generates suitable indicators for each industry.

The respective indicators are mostly sectoral outputs wherever available and, in some cases, proxies of outputs are used. In the current study, various secondary sources of information collected mostly by government agencies are used for preparing indicators. The latest information available in different areas of the economy is carefully scrutinized and used for estimation purposes. The indicators thus identified formed the main basis of estimation process . Further, it is assumed that the relative weights of each of sectoral GDP by districts are equal to the relative weights of the corresponding indicator by district. Specifically, the disaggregating procedure adopts the above method and takes all the sectors one at a time and has apportioned GDP to the district. The totals of all the sectors resulted in the GDP at the districtl level. Population figures provided by CBS for 2001 have been used to obtain per capita GDP. Per capita GDP is then converted to PPP US $ with the help of ratio of per capita GDP {NR} thus estimated to per capita GDP in PPP$ (2001) of Nepal established by the Human Development Report 2003. As sectoral

v_{ij} = value added of the i^{th} sector in j^{th} district $\forall$ i = 1,2 .....9, j = 1,2.....75
I_{ij} = Value of proxy indicator of the i^{th} in j^{th} district $\forall$ i = 1,2.....9,
j = $\sum_{j}$ 1,2.....75 V_i = $\sum_{j}$
aV_{ij} = Value added of ith sector
i = 1.....9 $I_i = I_{ij}$ = Value of proxy indicator of the ith sector
i = 1.....9 $V_{ij}/V_i = I_{ij}/I_i$ i = 1,4.....9

Box 1 Illustration of HDI methodology

Basic data table showing required data to calculate HDI

Region	Life expectancy at birth (Years)	Adult literacy rate (%age 15 and above)	Mean years of education	Per capita income PPP income in US$
Urban Nepal	64.53	68.3	5.06	2224

Calculation of HDI

Life expectancy index:

$$\frac{64.53 - 25}{85 - 25} = \frac{39.53}{60.00} = 0.65883$$

Adult literacy index:

$$\frac{68.3 - 0}{100 - 0} = \frac{68.3}{100} = 0.6830$$

Mean years of schooling index:

$$\frac{5.06 - 0}{15 - 0} = \frac{5.06}{15} = 0.337333$$

Educational attainment index:

$$[2(0.6830) + 1(0.337333)]/3 = 0.567778$$

Adjusted GDP per capita (PPPUS$) index

$$\frac{\text{Log (2224) - Log (100)}}{\text{Log (40000) - Log (100)}} = 0.51772$$

Human development index output table

Region	Life expectancy index	Educational attainment index	Income index	Sum of three	Human development index (HDI)
Urban Nepal	0.65883	0.567778	0.51772	1.744328	0.581

GDPs are not available by Rural/Urban locality, a different approach, which utilizes the relative shares of these areas in total income, has been used. Further, it is assumed that such relative shares do not change significantly in a short period of time and therefore the shares, those established by the NLSS survey (1996) have been used to disaggregate the GDP at the rural/urban level.

The gender-related development index

The Gender-related Development Index (GDI) uses the same variables as the HDI. The difference is that the GDI adjusts the average achievement of each region/sub-region in life expectancy, educational attainment and income in accordance with the disparity in achievement between women and men. For this gender-sensitive adjustment this report, as suggested in the HDR 2000, has used the weighted formula that express a moderate aversion to inequality, setting the weighting parameter, ε, equal to 2. This is a harmonic mean of the male and female values.

The GDI also adjusts the maximum and minimum values for life expectancy, to account for the fact that women tend to live longer than men. For women the maximum value is 87.5 years and the minimum value 27.5 years; for men the corresponding values are 82.5 and 22.5 years (UNDP 2000).

The calculation of GDI requires equally distributed index for income, which calls for separate income indices for male and female. The income indices for male and female further demand per capita income in PPP$ for both sex. The procedure therefore begins with disaggregating of the per capita income by sex using the standard set of formulae being applied in human development reports. The calculation of equally distribution income index then follows using separate formulae. The set of formulae are given below:

Box 2 Formula for income calculation

Formula for income disaggregation

$$S_f = \frac{(w_f/w_m)\ X\ ea_f}{[(w_f/w_m)\ X\ ea_f] + ea_m} \quad 1A$$

$$Y_f = \frac{S_f\ Y}{N_f} \quad 1B$$

$$Ym = \frac{(1 - S_f)\ Y}{N_m} \quad 1C$$

Formula for calculation of income index

$$W(Y_f) = \frac{\log Y_f - \log Y\ min}{Log\ Ymax - Log\ Y\ min} \quad 1D$$

$$W(Ym) = \frac{\log Ym - \log Y\ min}{Log\ Ymax - Log\ Y\ min} \quad 1E$$

Equally distributed income

$$\text{Index } I_{GDI} = \{P_f \times W\ (Y_f)^{-1} + P_m\ W\ (Y_m)^{-1}\}^{-1} \quad (2)$$

Where W_f = Female wage rate, Wm = Male wage rate
ea_m = Proportion of economically active male
ea_f = Proportion of economically active female
Y = GDP in PPP $ Nf = Female population Nm = Male population
$P_f = N_f / (N_f + N_m)$ and $P_m = N_m/(N_f + N_m)$

Box 3 Illustration of GDI methodology

Percentage share of population

Female	0.5005
Male	0.4995

Step one : Computing the equally distributed life expectancy index

Life expectancy index (Mountain)

Female	61.46
Male	60.52

Life expectancy index

Female	(61.46 - 27.5)/60 = 0.5660
Male	(60.52 - 22.5)/60 = 0.6337

Equally distributed life expectancy index

[Female population share X (female life expectancy index)$^{-1}$ + Male population share X (male life expectancy index $^{-1}$]$^{-1}$

[[0.5005 * (0.5660)$^{-1}$] + [0.4995 * (0.6337)$^{-1}$]]$^{-1}$ = 0.5979

Step two : Computing the equally distributed educational attainment index

Adult literacy rate (percentage age 15 and above)

Female	34.9
Male	62.7

Mean years of schooling

Female	1.95
Male	3.56

Adult literacy index

Female	(34.9 - 0)/100 = 0.349
Male	(62.7 - 0)/100 = 0.627

Mean of schooling index

Female	(1.95 - 0)/15 = 0.130
Male	(3.56 - 0)/15 = 0.237

Educational attainment index

Female	[2/3(0.349) + (1/3(0.130)] = 0.2760
Male	[2/3(0.627) + (1/3(0.237)] = 0.4971

Equally distributed educational attainment index

[Female population share X (female educational attainment index)$^{-1}$ + Male population share X (male educational attainment index^{-1}]$^{-1}$

[[0.5005 * (0.2760)$^{-1}$] + [0.4995 * (0.4971)$^{-1}$]]$^{-1}$ = 0.35483

Step three : Computing the equally distributed income index

Percentage share of population

Female	0.5005
Male	0.4995

GDP per capita

Female	790
Male	1831

Adjusted GDP per capita (PPPUS$) index

Female

$$\frac{\text{Log (790) - log (100)}}{\text{log (40000) - l0g (100)}} = 0.345$$

Male

$$\frac{\text{Log (1831) - log (100)}}{\text{log (40000) - l0g (100)}} = 0.485$$

Equally distributed income index

[Female population share X (female income index)$^{-1}$ + Male population share X (male income index $^{-1}$]$^{-1}$

[[0.5005 * (0.345)$^{-1}$] + [0.4995 * (0.485)$^{-1}$]]$^{-1}$ = 0.403

Gender related development index (GDI)

Region	Equally distributed life expectancy index	Equally distributed educational attainment index	Equally distributed income index	Sum of three	Gender related development index (GDI)
Nepal	0.5979	0.35483	0.403	1.35573	0.452

The gender empowerment measure

The Gender Empowerment Measure (GEM) uses variables constructed explicitly to measure the relative empowerment of women and men in political and economic spheres of activity. The percentage share of men and women in the administrative and managerial positions and in the professional and technical positions is used to reflect their

BOX 4 Illustration of GEM methodology

Percentage share of population

Female 0.5005
Male 0.4995

Step one: Calculating indices for parliamentary representation and administrative and managerial and professional and technical positions.

Percentage share of parliamentary representation

Female 19.33
Male 80.67

Percentage share of administrative and managerial position

Female 12.71
Male 87.29

Percentage share of professional and technical positions

Female 18.75
Male 81.25

Equally distributed equivalent percentage (EDEP) for parliamentary representation

[Female population share X (female's share in parliamentary representation)$^{-1}$ +
Male population share X (male's share in parliamentary representation^{-1}]$^{-1}$
[[0.5004 * (19.33)$^{-1}$] + [0.4996 * (80.67)$^{-1}$]]$^{-1}$ = 31.12

Equally distributed equivalent percentage (EDEP) for administrative and managerial positions

[Female population share X (female's share in administrative and managerial positions)$^{-1}$ +
Male population share X (male's share in administrative and managerial positions $^{-1}$]$^{-1}$
[[0.5004 * (12.71)$^{-1}$] + [0.4996 * (87.29)$^{-1}$]]$^{-1}$ = 22.13

Equally distributed equivalent percentage (EDEP) for professional and technical positions

[Female population share X (female's share in professional and technical positions)$^{-1}$ +
Male population share X (male's share in professional and technical positions^{-1}]$^{-1}$
[[0.5004 * (18.75)$^{-1}$] + [0.4996 * (81.25)$^{-1}$]]$^{-1}$ = 30.40

Indexing parliamentary representation = 31.12/50 = 0.622
Indexing administrative and managerial positions: 22.13/50 = 0.443
Indexing professional and technical positions: 30.40/50 = 0.608

Combining the indices for administrative and managerial, and professional and technical, positions.

(Index of administrative and managerial positions + Index of professional and technical positions)/2
= (0.443 + 0.608)/2 = 0. 5253

Step two: Calculating index for male and female income

$$S_f = \frac{W_f/W_m \times ea_f}{W_f/W_m \times ea_f + ea_m} \quad (3A)$$

$$Y_f = \frac{S_f Y}{N_f} \quad (3B)$$

$$Y_m = (1 - Sf)\, Y / N_m \quad (3C)$$

$$W(Y_f) = \frac{Y_f - 100}{40{,}000 - 100} \quad (3D)$$

$$W(Y_m) = \frac{Y_m - 100}{40{,}000 - 100} \quad (3E)$$

Equally distributed income index for GEM: $I_{GEM} = \{P_f\ W(Y_f)^{-1} + P_m\ W(Y_m)^{-1}\}^{-1}$ **(4)**

Where the symbols have their usual meanings, For example in Nepal, Y_f = 790 $ Y_m = 1831 $

$W(Y_f)$ = (790 - 100) / (40000 - 100) = 0.01729
$W(Y_m)$ = (1831 - 100) / (40000 - 100) = 0.0434

Equally distributed income index: [[0.5004 * (0.01729)$^{-1}$] + [0.0434 * (81.25)$^{-1}$]]$^{-1}$ = 0.0247

Step three: Computing GEM

GEM = 1/3 (index of parliamentary representation + combined index of administrative, managerial, professional and technical positions + equally distributed income index)

GEM Nepal = 1/3 (0.622 + 0.5253 + 0.0247) = 0.391

economic participation and decision-making power. Women's and men's percentage shares of parliamentary seats – participation of men and women only in local election at VDC and municipality level – are used to reflect their political participation and decision-making power. Income variable is used to reflect power over economic resources. It is calculated in the same way as the GDI except that the unadjusted, rather than adjusted GDP per capita, is used. The three indices – for economic participation and decision making, political participation and decision making and power over economic resources – are averaged to derive the final GEM value (UNDP 2000). For all variables, equally distributed equivalent percentage (EDEP), as in the calculation of GDI, has been calculated assuming a value of 2 for 'aversion to inequality'.

The calculation process of equally distributed income index for GEM is similar to that of the GDI. The only difference is in the formula while calculating separate income per capita indices for both sex.

Human poverty index

Human Poverty Index (HPI), a multi dimensional measure of poverty introduced in the Human Development Report 1997 (UNDP 1997), is a reverse image of the HDI that focuses on human deprivation instead of human achievement. It brings together in one composite index the deprivation in four basic dimensions of human life – a long and healthy life, knowledge, economic provisioning and social inclusion. Deprivation in a long and healthy life (P_1) is measured by the percentage of people born alive today not expected to survive to age 40; deprivation in knowledge (P_2) is measured by the adult illiteracy rate and deprivation in economic provisioning (P_3) is measured jointly by unweighted composite value of the percentage of people lacking access to health (P_{31}) services and safe water (P_{32}) and the percentage of children under five who are moderately or severely underweight (P_{33}) (UNDP 2000); that is, $P_3 = [P_{31} + P_{32} + P_{33}]/3$. HPI is calculated as outlined in HDR 1997 with the assumption of a generalised mean $\alpha = 3$.

BOX 5 Illustration of HPI methodology

Region	Percentage of people not expected to survive to age 40 Deprivation in longevity (Percent) (P_1)	Adult illiteracy rate Deprivation in knowledge (Percent) (P_2)	Percentage of people without access to safe water (P_{31})	Percentage of malnourished children under age 5 (P_{32})	$(P_{31}) + (P_{32})/2$ Deprivation in economic provisioning (P_3)
HPI Nepal	17.7	51.4	20.48	50.5	35.49

$HPI = [1/3 \{P_1^3 + P_2^3 + P_3^3\}]^{1/3}$

HPI Nepal = $[1/3 \{(17.4)^3 + (51.4)^3 + (35.49)^3\}]^{1/3}$ = 39.6

Annex 1.3: Human empowerment index

Concepts and measurement

Rationale for the human empowerment index

After several decades of development progress and development thinking, empowering people and creating a good investment climate have now emerged as the two basic and mutually reinforcing pillars of any strategy for pro-poor growth and sustainable poverty reduction (Stern 2002). This is consistent with the human development paradigm, which envisages the full empowerment of the people as one of its four pillars, the others being equity, sustainability and productivity (Haq 1995). As a comprehensive concept, empowerment is both an intrinsic element of poverty reduction and a means to reduce poverty.[1] It is a surest way to establish link between growth and human development.

Despite some progress in human development, poverty – both income and non-income poverty – remains intractable because it is so intricately bound up with the condition of disempowerment/capability deprivation so striking in health, education, knowledge and communication, as well as people's inability to exercise their civil and political rights and the absence of their voice, power, dignity and self-confidence in the public sphere. In this broad context, the HDI cannot be taken as fully capturing the whole of the concept of human development. It encompasses only three variables – health, education and income. It also has its own philosophy as well as limitations.

Human development indices: philosophy and limitations: According to Amartya Sen, the HDI should be seen, "as a deliberately constructed crude measure, offered as a rival to the GNP."[2] It does not reflect other human choices.[3] The restriction of HDI to these three indicators is justified on the ground that if these basic requirements of life are not met, many equally important dimensions of human life become impossible to achieve and many opportunities remain inaccessible (Raworth, 1998). This assumption, however, provides no basis for monitoring progress towards other elements basic to critical human choices that the index does not reflect. Although income enters into the HDI as a surrogate for all the dimensions of human development that are not reflected in a long and healthy life and in knowledge, it cannot serve as the surrogate for non-purchasable goods or other human choices.[4] This limitation gives rise to imperfections that stem primarily from two sources. First, the HDI is rooted in a philosophy of simplicity; it set out to exclude other major aspects of human life – even those that are quantifiable – in a global calculation. Second, because of the issue of universality, the HDI necessitated selecting only those indicators that are relevant and available for all countries.[5]

Since its introduction in 1990, the HDI has undergone a series of analytical and methodological refinements, along with the inclusion of three additional composite indices (GDI, HPI, and GEM), to capture different aspects of human development from differing perspectives[6] – again, for application on a global scale, despite shortcomings for a number of countries. For example, the absence of reliable data restricted the estimates of GDI, GEM and HPI-1 to less than 100 countries. With the advent of national human development reports in 1992, researchers could begin turning their attention to additional indices for advocacy and policy guidance on priority issues in their own countries – issues that were not necessarily global, but of particular relevance to a given society at a given time. Such indicators were also sensitive to short-term policy changes, as opposed to existing long-term stock variables,[7] so that the policy-makers could focus more sharply on country-specific problems and priorities when formulating development strategies. Although the principle of universalism in the selection of indicators has limited scope at the global

level,[8] there is sufficient flexibility at the national scale not only for adding such priority indicators, but even for formulating new indices (UNDP 2000). For this reason, the existing HDI indices and indicators continue to evolve; the basic components of HDI are being supplemented, even replaced, by other more relevant indicators to reflect country-specific priorities and problems.[9] As long as the data are reliable, a greater number of key indicators that are not reflected in HDI certainly permits a clearer picture of human development. They also make the index less vulnerable because the impact of a biased indicator on the overall score diminishes when more indicators are used.

The human empowerment index: The human development paradigm envisages full empowerment of all people, to enable them to exercise their choices voluntarily. As a critical pillar of human development, the concept of empowerment is closely linked to the notion of the human development paradigm, which embraces all choices – socio-cultural, economic and political. While human development concerns the expansion of social, economic and political capabilities that widen people's choices for leading the kinds of lives they value, empowerment focuses on the question of how the expansion of assets and capabilities, as well as social inclusion, can enable people to take part in growth processes that also shape their lives. (Haq 1995). It implies a democratic polity in which people can influence decisions on a scale well beyond their own persons and households. Empowerment is now recognized as an approach that creates the environment for enabling citizens to take advantage of poverty-reducing opportunities and assets politically, economically, socially and psychologically.

While the existing HDI and other composite indices like GDI, GEM[10] and HPI shed light on different aspects of human development, no single composite index captures all these crucial dimensions of human empowerment. This rationale underlies the effort to develop an empowerment index. The Human Empowerment Index (HEI) has therefore been constructed by bringing together the available objective social, economic and political indicators into a composite index of empowerment. This holistic perspective permits one to measure the empowerment level of all human beings at the district level in the spirit of the HDI; the disaggregation of the HEI provides the basis for measuring disparities in terms of caste, ethnicity and gender, subject to the availability of sufficiently desegregated database. This information will give planners and policy-makers new insights for devising appropriate policy interventions to address concentrated poverty and disempwerment at different geographical levels.

Defining empowerment

Empowerment has become a "buzzword", used in a variety of situations by a multitude of people to describe a proliferation of outcomes (Swift and Levin 1987).[11] Because "empowerment" has acquired a certain cachet in the development community, there is a tendency to use the term loosely, without embedding it in a larger conceptual framework (Perkins and Zimmermann 1995). To understand the multifarious uses of the term "empowerment", one must examine the foundational word "power" in terms of two of its primary meanings in all dictionary definitions: authority (power over) and ability (power to). Power as authority is used to describe what one may "rightly" do within an inter-personal system, whereas power as ability is used to describe what people can (or cannot) do – possession of a power (Wartenberg 1990).

Empowerment means transforming existing power relations in favour of those (women, disadvantaged groups and, more generally, the poor) who faced severe limitations in exercising power and making voluntary choices. Empowerment concerns the transformative use of power, in which a dominant agent also exercises his power in such a way that the subordinate agent learns certain skills that undercut the power differential between

him/her and the dominant agent (Wartenberg 1990). In this sense, the notion of empowerment "is inescapably bound up with the condition of disempowerment[12] and refers to the processes by which those who have been denied the ability to make choices acquire such an ability" (Kabeer 1999).

Although the term empowerment has different meanings in different socio-cultural and political contexts,[13] it is defined in the broadest sense as the expansion of freedom of choice and action for increasing one's authority and control over the resources and decisions that affect ones life. Since poor people's choices are extremely limited, both by their lack of assets and by their powerlessness to negotiate better terms for themselves with both formal and informal institution, the empowerment source book defines empowerment.... as the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives (World Bank 2002a). This definition[14] encompasses two crucial aspects: 1) the ability to make a purposeful choice and take action in line with this choice (agency) and 2) the ability to transform this agency into an outcome. While assessment of agency relates to specific attributes of the individual or collective actors, the ability to transform action into outcome is a function of the structure of social and political opportunities actors face.[15] Kabeer (2001) defines empowerment as the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them. This definition makes it possible to distinguish empowerment from other closely related concepts: the idea of process, or change from a condition of disempowerment, and that of human agency and choice.[16]

There are many possible definitions of empowerment, including rights-based definitions. Box 1 provides several definitions of empowerment from various perspectives. Most definitions focus on issues of improving individual and collective skills to gain power and to have control over decisions and resources that determine the quality of one's life while, at the same time, taking into account structural inequalities that affect entire groups. Based on some common denominator found in all these definitions, the following working definition of empowerment has been used for operational purposes in the present Nepal Human Development Report 2004. Empowerment builds people's assets and capacity to gain understanding and control over personal, social, economic and political forces to act individually as well as collectively to make choices about the way they want to be and do things in their best interest to improve their life situation (UNDP 2003b). This definition captures the spirit of human development, which is defined as "creating an environment in which people can develop their full potential and lead productive, creative lives in accord with their needs and interests…. to be able to participate in the life of the community." Only if people can enhance their capabilities and their assets/resources in various forms can they exercise real freedom of choice and action in such a way as to improve their lives in terms that they themselves value. Empowerment is seen as a means of dealing with structurally unequal power relations in legitimately defined ways. In this core sense, empowerment is not just a state of affairs but a continuous and a cumulative process at different levels (individual, community or even beyond) and in different degrees. Box 2 provides some key concepts central to understanding the term.

The framework for measuring empowerment

Dimensions of empowerment

The existing literature shows varied dimensions of empowerment.[17] Allowing for some overlap, empowerment can occur in economic, socio-cultural, political, legal, interpersonal and psychological dimensions.[18] For operational purposes, it becomes possible to group them further into three broad dimensions namely socio-cultural, eco-

BOX 1 Some definitions of empowerment

Empowerment is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives (World Bank 2002a).

Empowerment is about the creation of political, legal, socio-cultural and economic environment that would facilitate, encourage and enable the powerless (i.e., the poor) to influence policies, decisions, actions on their behalf (Sharma 2003).

Empowerment is about full participation of people in the decisions and processes that shape their lives. It is viewed in the context of policies and programmes designed to strengthen people's capacity to respond to their needs and priorities and civil society organizations are viewed as mediators or catalytic agents for people's empowerment and focus on strengthening these mediating structures (UNDP 1998).

Empowerment should lead to the liberation of both men and women where each can become whole beings irrespective of gender and collectively use their potential to construct a more humane society for all (Akhtar 1992).

Empowerment is the process of gaining power, both control over external resources, and growth in inner self-confidence and capability (Sen 1997).

Empowerment is the process of awareness and capacity-building leading to greater decision-making power and control, and to transformative action (Marilee 1995).

Empowerment is the process of challenging existing power relations and of gaining greater control over the sources of power (Batliwala 1994).

Empowerment is about freedom to choose and achieve different outcomes (Sen 1999).

Empowerment can be loosely defined as a process through which previously disempowered people increase their access to knowledge, resources, decision-making power, and raise their awareness of participation in their communities and their ability to increase their control over their own environment (Johnson 1999).

Access to productive resources and the capacity to participate in decisions that affect the least privileged (IFAD,1995).

Access to resources, awareness of the causes of inequality, capacity to direct one's own interest, capacity to take control and action to overcome obstacles to reducing structural in equality (UNICEF 2001).

The development of the ability and capacity to cope constructively with the forces that undermine and hinder coping; the achievement of some reasonable control over one's destiny (Pinderhughes 1983).

Empowerment is dependent on two concepts: a) an individual or group's ability to utilize power to solve problems, gain access to institutions or organizations that are serving them, and nurture; and b) equity focusing on the issue of whether they are getting their fair share of resources (Biegel 1984).

An extensively political - as well as psycho-social - conception requiring a distinction between empowerment as a development of empowering skills and empowerment as attainment of participatory competence (Keiffer 1984).

True empowerment is not a condition which can be bestowed by one group on another but is, rather, an ongoing process by which the disempowered seek to fulfil their own needs and preserve their own rights (Swift and Levin 1987).

The process by which people, organizations, or groups who are powerless a) become aware of the power dynamics at work in their life context, b) develop the skills and capacity for gaining some reasonable control over their lives, c) exercise this control without infringing upon the rights of others, and (d) support the empowerment of others in their community (McWhirter 1991).

Empower is used in a legal context meaning "to invest with authority, authorize" (HMC 2000).

nomic and political (including legal). Clearly, each of these dimensions is very broad, containing a range of sub-domains within which people may be empowered. Refer to chapter 1 of this report for the definition of these social, economic and political dimensions of empowerment.

Social empowerment encompasses both human and social capabilities. Human capabilities include such basic elements of the quality of life as education, skills, health, access to safe water and sanitation, information and communication.[19] Social capabilities, on the other hand, refer in particular to social status, dignity, cultural expression, and sense of belonging and solidarity in society and participation in social organizations. Individual human capabilities, when combined with social capabilities through the network, enables collective action to enhance or expand both individual and collective assets and capabilities (social capital),

BOX 2 Key concepts central to understanding empowerment

Resources, agency and achievement or outcome as the three most common definitional elements of empowerment[20] can be taken as the central concept in Sen's characterization of commodities, agency/process and achieved functionings/capability. Resources or commodities form the enabling conditions under which choices are made; agency is at the heart of the process through which choices are made, and achievements are the outcomes of choices (Kabeer 2001) and are best treated as outcomes of empowerment. The importance of agency emerges from the bottom-up approaches towards development emphasising the importance of participation and "social inclusion".[21] While this distinction seems clear at the conceptual level, it is not always easy to completely separate the three elements in developing empowerment indicators.[22]

Empowerment is a cumulative dynamic process and outcome operating at different levels. Empowerment is not just a process; it is also about reaching desirable outcomes/goals – the substantive empowerment, which encompasses both inter-personal empowerment (individual capacities, self-esteem and self-efficacy) and instrumental empowerment (capabilities such as knowledge and skills) to achieve collective socio-political goals (Rich et al 1995). As a process, it involves building people's capacity through mobilising and organizing them to channel their collective skills, resources and energies to understand and combat the cause of poverty. As an outcome, it involves people coming together to bring structural transformation of the political, economic, social and cultural conditions to address the causes of their poverty. Sustainability is the common thread running between the two. Outcome without sufficient attention to process can lead to unsustainability. Empowerment operates at different levels. At the individual level, people may experience a more immediate psychological empowerment such as increase in self-respect, esteem, or confidence, which often evolve from collective action (Labonte 1998). At the community level, empowerment allows individuals and groups to organize and mobilize themselves to achieve commonly defined goals. Community empowerment occurs only when both individuals and institutions are empowered to achieve commonly defined outcomes or goals. Empowerment is also context-specific, as empowerment in one context often have different meanings elsewhere.[23]

Empowerment and social inclusions are closely related but separate concepts. Empowerment is about the enhancement of assets and capabilities of diverse individuals and groups to engage, influence and hold accountable institutions, which affect them. Social inclusion, on the other hand, is about the removal of institutional barriers and the enhancement of incentives to increase the access of diverse individuals and groups to assets and development opportunities (Bennett 2002). While the empowerment process operates "from below" and involves agency, as exercised by individuals and groups, social inclusion requires systemic change (initiated from above) that is necessary to sustain empowerment over time (Narayan 2002). It is through the process of social inclusion that the "rules of the game" are modified and institutions transformed so that economic growth is widely shared (Malhotra et al 2002).

Women's empowerment encompasses some additional unique elements: Women are not only a crosscutting category of individuals that overlap with disempowered/disadvantaged and marginalized subsets of society (ethnic minorities such as *Dalits*, indigenous and disabled people), they also face household and inter- and intra-familial relations as source of their disempowerment in a way that is not applicable for other disadvantaged groups (Malhotra et al 2002). Gender equality and gender equity are separate, but closely related concepts. Gender equality implies equivalence in life outcomes for women and men, recognizing their different needs and interests, and requiring a redistribution of power and resources. Gender equity recognizes that women and men have different needs, preferences, and interests and that equality of outcomes may necessitate different treatment of men and women.

Social mobilization as an important dimension of capacity-building is primarily a mechanism of empowerment: Capacity-building is a necessary but not sufficient condition for empowerment. While capacity-building refers to knowledge transfers to individuals or groups in order to enable or empower them to carry out certain activities, empowerment increases the relative power and ability of people, particularly the disadvantaged groups, in their socio-political environment. Empowerment in this sense is thus an outcome of both the capacity building of the disadvantaged people and a reform of oppressing rules and practice.

Empowerment as a strategy for conflict transformation: Empowerment has a revolutionary potential, as it seeks to promote substantial transformation of existing unequal power structures. As such, it is a powerful strategy for transforming conflict for a constructive outcome. Empowerment in this sense means that a party is empowered by gaining new awareness and understanding of its goals, options, skills, resources and decision-making, which make it possible for them to be able to utilise these new insights in mediation and negotiations. Social conflict leads to transformation – for better or for worse. Conflicts can be better transformed into constructive outcomes when people are empowered socially economically and politically. Empowerment can also be a negative force for transforming the dispute into violent conflict if there is a mismatch between social, economic and political empowerment of the people.

Empowerment efforts are seen to be successful when four key elements such as access to information, inclusion/participation, accountability and Local Organizational Capacity (LOC) are in place. These mutually reinforcing elements[24] can be successfully applied to four critical development objectives: ensuring the provision of basic services, improving local and national governance, improving access to markets and to justice.[25] Making state institutions more responsive to people (good governance), removal of social barriers/discrimination and building assets and capabilities including organizational capability (social capital) are mutually reinforcing pillars/aspects of the empowerment approach to poverty reduction. Good governance,[26] through state reforms, creates an inclusive participatory environment that helps to remove barriers and promotes the build-up of assets as well as organizational capabilities of the poor, thereby strengthening the demand side of empowerment and vice versa.[27]

thereby enhancing social empowerment. Economic empowerment concerns expanding economic capabilities to improve their access to productive assets (both physical and financial), as well as access to economic opportunities (employment, market and production technology). Experience reveals that poor people are often excluded from equal access to economic opportunities because of market regulations, because they lack information, connections for credit and organizations and because of discrimination (World Bank 2002a). Empowerment strategies that are supportive in overcoming many of these barriers can help enhance the assets and economic capabilities critical for economic empowerment. Political empowerment cannot be seen as the power to vote alone, but also the power of voice and of collective action (Friedmann 1992). It is about the expansion of political capabilities/entitlement associated with democratic governance – encompassing opportunities for political dialogue, dissent and critique as well as voting rights and participatory selection of legislators and executives.[28] Political empowerment also encompasses legal empowerment, which is defined as the process of acquiring critical awareness about rights and the law, the ability to assert rights, and the capacity to mobilize for change (Schuler and Kadirgamar-Rajasingham 1992).

Empowerment in one dimension can play a catalytic role in bringing about change in other dimensions depending on the context and stage of development. The expansion of human knowledge and capabilities, for instance, has an indirect influence on economic and political empowerment. However, evidence shows that empowerment promoting development interventions within a particular dimension does not necessarily lead to empowerment in other dimensions (Malhotra and Mather 1997; Kishor 1995 and 2000; Hashemi et al 1996; Beegle et al 1998). This means that an integrated approach is required to address sustainable empowerment, a situation where people are empowered socially, economically and politically. A very low level of empowerment on all these three fronts (multiple disempower-ment) and the level of significant mismatch between these are two extreme cases requiring intervention. For instance, a high level of social and political empowerment amidst the very low economic empowerment makes empowerment unsustainable, leading to disenchantment and hence conflict in various forms. Hence promoting sustainable empowerment (see area A in Venn diagram shown in chapter I) requires an integrated empowerment-led strategy for poverty reduction and human development.

The capability approach to measuring empowerment

Sen's capability approach provides the basic foundation of the concept of human development and as such is relevant as a framework for conceptualizing and analyzing empowerment.[29] This approach involves concentration on freedoms to achieve in general and the capabilities to function in particular (Sen 1993). Functionings and capabilities, the major constituents of the capability approach, are closely related but distinct concepts. Functionings are achievements more directly related to living conditions, whereas capabilities are notions of freedom – real opportunities people have regarding the life they may lead" (Sen 1987). A person's achieved wellbeing (functionings) varies from elementary things (as being literate, adequately nourished, being in good health, avoidance of escapable mortality and premature death) to more complex achievements (as being happy, having self-respect and taking part in social life without shame) (Sen 1997). Capability is a combination of functionings that a person can achieve, reflecting the freedom to lead one type of life over another (Sen 1992). The transition from

primary goods to functionings, functionings to capabilities and capabilities back to primary good and functioning is governed by the availability of five instrumental freedoms (political freedom, economic facilities, social opportunities, transparency guarantee and protective security) and their interaction with institutions (formal and informal).[30]

From this perspective, the functionings that a person has achieved are not sufficient to determine her/his overall wellbeing. Instead, it is the functionings that a person could have achieved, given the opportunity to choose or exercise freedom of choice.[31] The capability approach thus imparts considerable value to freedom of choice or opportunities and as such, it belongs to the class of opportunity-based theories[32] instead of outcome-based theories. Given that functionings are objectively observable, whereas the person's capability (potential being and doing) are unobservable facts,[33] most empirical applications are often limited to measuring outcomes through achieved functionings (outcome-based evaluation) rather than measuring opportunities through capabilities.[34] One of the best illustrations of the application of the capability approach[35] is the concept of human development, which is about enlarging people's choice by enhancing their functionings and capabilities. The human development indices constructed by UNDP on the foundation of the capability approach have clearly established the fact that economic growth and income can be a poor predictor of capabilities.

The capability approach is similar to the notion of empowerment, comprising three interrelated components: resources, which form the enabling conditions under which choices are made (similar to the notion of primary good or resource in the capability approach); agency, which is at the heart of the process through which choices are made (similar to the conversion factors influenced by instrumental freedoms); and achievements, which are the outcomes of choices (achieved functionings/capabilities).

If human development is about enlarging people's choices by enhancing their functionings and capabilities, poverty or disempowerment means that opportunities and choices most basic to human development are denied. Considering that poverty is the reflection of disempowerment, capabilities and functionings may be the most appropriate focal variables for measuring empowerment. If poverty includes all dimensions of capability deprivations, empowerment is the expansion of assets[36] and capabilities at the individual level (such as health, education, and housing) and at the collective level made possible though freedom of choice and action. For our present context, assets and capabilities can be broadly grouped into social (including human), economic and political components[37] to provide the conceptual foundation for developing indicators underlying the three broad dimensions of empowerment.

- **Human and social capabilities.** While human capabilities include good health, education, and other life-enhancing skills, social capabilities include social status, dignity and other cultural expressions conveying a sense of belonging, leadership, trust, identity and the capacity to organize and participate in social organizations. Both human and social capabilities can be combined to address the social dimension of empowerment. Addressing the social dimension of empowerment thus requires expanding both human and social capabilities and entitlements through social opportunities to address social exclusion and deprivation.
- **Economic capabilities** include income and material assets (physical and financial resources). Addressing the economic dimension of empowerment requires enhancing economic entitle-

ments and capabilities through the expansion of economic facilities/infrastructure and promoting equitable access to economic opportunities.

- **Political capabilities** include freedom, power, voice and influence over public policies. It refers to the capacity to represent individuals or groups, access information, form associations, and participate in the political life of a community or country. The politically weak have few entitlements and cannot obtain public resources needed to lift them out of poverty. Addressing the political dimensions of empowerment thus requires political and institutional reforms.

All these capabilities are interrelated. Vulnerability and social exclusion hamper human and political capabilities resulting in reduced income and assets (economic capabilities) and vice-versa. The framework encompasses focusing the empowerment interventions on the entire spectrum of the most important dimensions of capability deprivation and their causal interrelations. The framework delineating dimensions of empowerment offers potential roadmaps for operationalizing and measuring empowerment.

Indicators of empowerment

The human empowerment index has been constructed for the first time using the available quantitative indicators at a more disagregated level of spatial unit (the district). The choice of indicators for computing empowerment index has been largely guided by reliance on availability of relevant quantitative indicators at the district level.[38] Most subjective/qualitative variables crucial for measuring empowerment are not available at the district level. Nor is it conceptually possible to link them to available objective indicators to arrive at the composite index of empowerment. Even the existing databases are not sufficiently rich to provide a useful set of objective indicators especially to measure the political empowerment including the degree of participation in social organization. As such, the indicators selected for use are neither exhaustive nor comprehensive enough to measure all the crucial attributes of varied dimensions of empowerment.

Altogether, 15 objective indicators have been selected for capturing the three dimensions of empowerment and bringing them together into a composite Index. There are 8 indicators used to measure social empowerment, 5 indicators to measure economic empowerment and 2 indicators to measure political empowerment. The details on the measurement of these indicators, their data sources and the computation procedures for empowerment indices are elaborated at length in the technical note below. A brief highlighting of the definition and relevance of these indicators underlying social, economic and political empowerment in light of the capability framework are in order.

Social empowerment indicators

Social empowerment is measured by a set of 8 indicators reflecting education, health, information and participation in social organizations.

Educational attainment: Knowledge is a critical human choice in its own right. It is also valued as a constituent of the human capabilities to do other things (contribute to productivity, self-respect and relative power or empowerment) and is encapsulated as instrumental empowerment (Rich et al 1995). Literacy figures are only a crude reflection of access to education, particularly to the quality of education so necessary for creative and productive life in modern society. However, considering that literacy is a person's first step in learning and knowledge building, literacy figures are essential in any measurement of human capabilities and hence social empowerment.

Two sets of indicators used to capture the educational attainment as in the case of

HDI are adult literacy[39] and mean years of schooling. Although, the combined primary, secondary, and tertiary gross enrolment ratio (or flow variable) is another variable used to measure the educational attainment index in HDI, the standard practice in the past Nepal Human Development Report has been to use mean years of schooling instead of combined gross enrollment ratio in the absence of information on tertiary gross enrolment.[40] Hence, mean years of schooling has been included as another indicator to capture the overall intensity of knowledge and capabilities in education. It captures the educational quality of the literate adult and the educational attainment of young people. Estimate of both the adult literacy and mean years of schooling is based on the 2001 population census data.

Health status: As with knowledge, the health of a country's citizens is another critical human choice in its own right and is also valued as a constituent of human capabilities to do other things. Although life expectancy at birth is certainly the most comprehensive indicator of the health, it has been considered desirable to proximate the determinants of health outcome (life expectancy) by three sets of indicators that are more meaningful and sensitive to capture the short term policy changes than long-term stock variables, such as life expectancy. These three indicators include:

- **Infant mortality** is defined as the number of deaths of infants under one year of age per thousand live births in the year 2001 following the WHO standard. Unlike life expectancy, it is more sensitive in the short run to policy changes for assessing the progress towards health outcome and is also very strongly associated with life expectancy.
- **Child undernutrition** defined as percentage of children aged 1-5 years who are malnourished in terms of stunting (low height for age) is another important indicator included for measuring health outcome.[41] Undernourishment in children impairs their working/earning capacity throughout their earning life cycle. Among the three most widely used anthropometric indicators (body mass index) that interfere with their health and genetic potential for growth, the prevalence of undernutrition in terms of stunting remains high (54%) in Nepal compared to underweight (47%) and wasting (7%). In a poverty-stricken society such as Nepal, where food is of tremendous importance in the budget, a poor person is more likely to be undernourished than his/her richer counterpart. This implies that an increase in purchasing power is needed to raise nutritional status, especially if the nutritional level is low to begin with.[42] These two health indicators are expected to capture the health outcome of infants and young children, the most vulnerable in a society.[43] Any policy that is targeted to address these health indicators is expected to have desirable impact on longevity as represented by life expectancy variable.
- **Access to sanitation:** Ensuring access to safe drinking water and sanitation facilities remains an urgent human need for improving health status or better health outcomes. The lack of access to these facilities reflects basic human capability deprivation and is also considered key indicators of HPI.[44] However, considering the close association between these two variables and, more importantly, the need to capture the change in human behaviour towards better health outcome, the inclusion of access to sanitation is understandable. The access to sanitation is proximate by the percentage of population with at least adequate excreta-disposal facilities (toilets) using the 2001 population census data. The role of sanitation is crucial for understanding the linkage between various health outcomes. While the role of clean water in reducing disease is one aspect of a water supply as a

social investment, the installation of toilets reflect a change in behaviour to effectively prevent human, animal, and insect contact with excreta and hence reducing the excreta-borne disease cycle.

Information and communication: The right to and relevant and timely access to a variety of information and communication constitute a critical element of empowerment,[45] as it enhances knowledge and power and hence creates enabling condition for good governance – transparency, accountability and legitimacy. An informed citizen would be in a better position to understand that he/she has to take advantage of opportunities, have access to services provided by the state and, as stakeholders in the development process, make development actors accountable to them. Conceptually, access to information and justice can be proximate by two sets of indicators,[46] namely a) the state of print, audio and visual and communication media (newspaper, radio, TV, telephone) in terms of their outreach and b) the degree of openness in access to information and justice (right to information Act, mechanism for social audit, and open access to land records).[47] Since the latter set of indicators – reflecting the existence of an enabling legal environment for empowerment – is difficult to include in the absence of any objective indicators at a more disagregated level, the extent of mass information and communication media, the following two indicators are used as proxies:

- Proportion of households having access to radios
- Proportion of households having access to telephone service

The availability of radio, television and telephone indicates that people have alternative choices about how to spend their time and money to lead a life that they value. While radio broadcasting has indeed a wider coverage than other media because of its low cost and effectiveness even for the illiterate, poverty and physical isolation still exclude many people from using other basic forms of ICT, such as print media and television.[48] While the lack of disaggregated and reliable data precludes the inclusion of print media, television is not included because of its high correlation with telephone and radio. The availability of telephone and/or telephone service is considered an effective communications infrastructure for a country to rise beyond a moderate level of development.[49]

Participation in local organizations: The participation of people in social organizations is considered one of the critical elements of social empowerment. Organized communities are more likely to have their voices heard and their demands met than unorganized communities. It is only when groups connect with each other across communities and form networks or associations (federations) that they begin to influence government decision-making and gain collective bargaining power. Social capital formation describes the improvement of the ability of a community to make decisions and enlarge their choices and capabilities.[50] Experience in Nepal and elsewhere in South Asia provides the common lesson that building social capital[51] through people's organizations and their networks and associations (bridging capital) enables them to gain collective strength and bargaining power to overcome the forces that are against them. (SAARC 1992) This strength goes in two directions: on the one hand, it makes it possible for groups of the poor to solve problems by themselves (self-help approach), and on the other, it makes it possible – at least for larger groups of people – to start claiming their rights from different governmental and other institutions, i.e., social empowerment.[52]

The lack of information does not permit capturing the extent to which existing social organizations at the district level have enhanced social capabilities of organized communities to take collective actions. For this reason, the proportion of household

members participating in various social organizations (the outreach of social organization) has been included as a proxy for capturing social capital or capabilities of organized community at the district level. The information on social mobilization outreach has been obtained from a more recent social mobilization mapping study for 44 districts supplemented by additional information compiled from different secondary sources (ADB, rural development banks and other NGO sponsored socially mobilized group membership).[53]

Economic empowerment indicators

Economic empowerment is measured by five sets of indicators reflecting access to land and its distribution, access to credit, access to electricity, employment and per capita income.

Access to and control over productive assets: Access to productive resources, principally land, is a key requirement for any escape from poverty, hunger and disempowerment. In the predominantly agrarian economy of Nepal, where land ownership and its holding continue to be treated solely as a source of economic/social power and dignity, the degree of inequality in the distribution of land holding as measured by the Gini coefficient can perhaps be the most powerful indicator to capture such unequal control over economic resources. For this, the extent of inequality in the distribution of land holding for each district has been estimated using the recent population census data and the average size of operational land holding is adjusted by the estimated land inequality index to arrive at the inequality adjusted or Gini corrected average size of landholding.[54] The Gini-corrected average size of holding is included as a proxy for the land-based barriers to economic empowerment. As with land, access to housing is extremely valuable for many reasons, but because of the strong correlation between homeless and landless households, this is excluded from the analysis. If land ownership is fairly equally distributed, the benefit of economic growth will be reflected in good economic empowerment and hence good human development.

Access to financial resources: In addition to the physical assets such as land, other financial assets – particularly credit – are of the utmost importance to any understanding of the economic empowerment of people, especially the poor. The inclusion of credit as an indicator of economic empowerment can be justified in light of the finding of numerous studies that have confirmed the relevance of micro credit as a critical variable in any effort for social mobilization and hence empowerment. The proportion of households benefiting from institutional credit is an important indicator to reflect the coverage of institutional credit in the country. The national sample census of agriculture conducted by CBS and rural credit survey conducted by NRB are the two national level surveys that provide such information. However, the former survey is fairly old, while the later survey does not cover all the districts of the country. For this reason, an attempt has been made to compile the information from the main formal financial institutions regarding their coverage at the district level. The formal financial sector in Nepal consists of ADBN and the two commercial banks (NBL and RRB). Cooperatives financed by ADBN are also part of the formal financial sector. Accounting for some 85% of the formal financial sector, ADBN dominates the rural credit scene in Nepal despite the fact that only 12% of households have access to institutional credit in the country. Information has also been compiled from other financial institutions including those operating under the supervision of the central Bank (e.g., Grammeen bank, Nirdhan, Chhimek, DEPROSC and Swabalamban) and HMG/donor-supported community organizations.

Access to electrification: Expansion of road and electricity networks in the country constitutes key economic infrastructure for empowerment. The role of these infrastructures in the development is widely discussed in the literature. The proportion of households that are connected with electricity has been included as a proxy for the role of enabling economic infrastructure for empowering poor people. Electricity availability creates many avenues for development and empowerment of people. It enables people to start up or expand small-scale economic enterprises for reducing poverty and also creates the opportunity for climbing up the energy ladder. Achieving the MDG of eradicating poverty and ensuring environmental sustainability is therefore largely contingent on the provision of an electricity supply that is adequate and affordable to the rural masses.

Employment: Economic empowerment requires equal access to economic opportunities and their optimal engagement in productive activities. With the persistently high levels of unemployment and underemployment in the country, there is mounting concern over the economic exclusion that follows from limited employment opportunities, a poor labour market information system and discriminatory labour market practice in the country. Such exclusions place unemployed youth, the less-skilled workers with disabilities, ethnic minority groups and indigenous population at special risk – with women facing higher barriers to employment across all these categories. The lack of investment in employable skills and capabilities of the vulnerable groups in the face of globalization, together with the insignificant transformation of Nepal's agriculture, is among the root causes of such exclusion. Underemployment is considered a more serious problem than unemployment in Nepal,[55] with agriculture being the main reservoir of surplus labour. In the absence of reliable estimates of unemployment and underemployment, the ratio of labour force employed in non-agricultural employment is used as a proxy for the deprivation in economic inclusion. This variable aims to capture the extent of sectoral shift/transformation in employment away from agricultural jobs (towards non-agricultural wage employment).

Income: As a crucial means to a number of important ends (control over purchasable commodities), income has great significance in any accounting of economic capabilities and hence empowerment of people. Income can reveal in an indirect way (both as proxy and as causal antecedent) the ability of a person to do things that she or he has reason to value (Anand and Sen, 2000).[56] In theory, higher income is likely to raise both power and welfare, but heterogeneity in other characteristics and household formation can either strengthen or weaken the relationship.[57] Though there are diminishing returns to income, per capita GDP in PPP$ is treated as a source of economic power in the same spirit of gender empowerment measure (GEM), rather than adjusting it though taking [log] as in HDI.

Political empowerment indicators

Conceptually, both negative (freedom from arbitrary arrest, exclusion) as well as positive (freedom to vote, participate in political and social life) aspects of political freedom should be captured by focusing on both the formal availability and actual exercise of political freedom by the people. However, there are no unambiguous indicators to measure the extent of democracy and political and civil rights as essential elements of political empowerment. Voter turnout and competitive and fair elections are the only most widely-used objective indicators of democracy and political freedom (UNDP 2002b). Objective indicators often fail to capture all aspects of democratic governance.[58] Although a number of subjective governance

indicators like the level of democracy, political rights and civil rights are used at the national level (see UNDP 2002b), such indicators cannot be applied at a more disaggregated level within the country.[59] Second, subjective indicators cannot be conceptually linked to objective indicators in the formulation of the composite index.

Most of the indicators reflecting the attributes of political empowerment are subjective in nature[60] and therefore open to dispute and biases of perception. While such subjective indicators are possible to form at the national level, using scoring methods, they are not necessarily applicable at the district level, owing to the fact that most of the subjective indicators being measured remain unchanged throughout the country.[61] Voter turnout and the existence of competitive elections are the two most widely used and readily available objective indicators of democracy and political right. Even these, however, are not free of controversy, as they often fail to capture the widespread, substantive participation and accountability of those who hold power – requirements for truly democratic governance.[62] However, in the absence of any other readily available objective indicators at the district level, the proxies for political empowerment are:

- Voter turnout in the national election 1999;
- The number of candidacy per seat in the VDC assembly election 1997.

The first indicator is intended to capture the extent of participation in political process to exercise, while the second aims at measuring the degree of competition among citizens in local elections. Information on voter turnout in the national election is based on the general election result of 1999 published by the Election Commission. Since the Commission keeps voter information on a constituency basis rather than that of the poll centre, it has not been possible to obtain exact voter turnout directly for rural and urban population by district. To overcome this problem, the voter turnout in the urban and rural areas have been proxied by the voter turnout in the local election for the position of municipality mayor and VDC chairman respectively. Likewise, the number of candidates standing for different seats in the local assembly has to be derived separately for the rural (VDC assembly) and urban areas (municipality assembly) based on local election data obtained from the Election Commission.

Computing the human empowerment index

This section addresses the measurement issue with regard to the method of normalizing variables, weighting and the aggregation in the construction of composite of human empowerment.

Normalization and scaling: Each variable selected for measuring different dimensions of empowerment is normalized through a process of scaling. The zero to one scoring transformation method used by UNDP to compute HDI has been used to normalize each indicator and then to compute the composite empowerment index. This method has a number of advantages. First, it transforms the values of all indicators from 0 (worst condition) to 1 (best condition) of spatial unit (district in this case) and the value can be computed with respect to desired or observed maximum and minimum values of spatial unit. Second, this method handles the indicators that are directly proportional to the well being (see equation 1 below) and those that are inversely proportional to well being (see equation 2). Third, the normalized values are unitless; the method is therefore quite useful for dealing with different units of indicators. Fourth, as this technique is unweighted, it is best for the research in which giving weight to the individual indicator for the computation of composite index is difficult.

The method involves selecting a maximum and a minimum value for each variable and the difference between the maximum and the minimum value defines the scale. The normalized variable is constructed by the ratio of difference between the observed value and the minimum value (the path covered by the society in the selected variable) to the difference of the maximum value and the minimum value (the total path to be covered by every society in the variable in question).

In those cases where the indicator is directly proportional to empowerment or well being, the normalized value is the difference between the observed or chosen value of one indicator and minimum value of the same indicator as a proportion of the difference of the maximum value and the minimum value. Algebraically, it can be expressed as follows:

$$I_{ij} = \frac{X_{ij} - X_{i(\min)}}{X_{i(\max)} - X_{i(\min)}} \qquad (1)$$

Where I_{ij} is the normalized value of i^{th} indicator for j^{th} region (district) in the country, X_{ij} is the observed value of i^{th} indicators for j^{th} district. Whereas $X_i(max)$ and X_i (min) are maximum and minimum values of the same indicators respectively. When X_{ij} takes the maximum value of the indicators, numerators will be the same as the denominators and hence the normalized value of indicators (Ii) becomes 1. Alternatively when X_{ij} becomes minimum, the normalized value becomes zero. In this way, the highest value will be transformed to 1 and the lowest value to zero. Similarly, other values are transformed to the range 0 to 1 without changing the order of the value.

In cases where indicators are inversely proportional to empowerment, the normalized value is the difference between the maximum value of the indicator and the actual value of the same indicator as proportion of the range of that indicator. Algebraically, it can be expressed as

$$I^*_{ij} = \frac{X_{i(\max)} - X_{ij}}{X_{i(\max)} - X_{i(\min)}} \qquad (2)$$

When X_{ij} takes the maximum value of the indicators, numerators becomes zero; hence the normalized value of indicators (Ii) becomes 0. Alternatively, when X_{ij} becomes minimum, the normalized value becomes 1. In this way, the minimum value will be transformed to 1 and the maximum indicator value becomes zero. Other values are also changed in the same way, reversing their original order.

Maxima and mimina: The observed minima and maxima of the spatial unit have been used in normalizing the variables. This was also the standard practice followed by UNDP until 1994 in normalizing variables for constructing the HDI. However, fixed maxima and minima were introduced in 1994 based on the trends of the variables, and their probable values over the next 25 years to carry out meaningful inter-temporal comparison and trend analysis of the HDI.[63] While such a fixed method is preferable to the observed method of fixing minima and maxima, especially for intertemporal compassion, these is no basis for fixing such a value for these newly introduced empowerment indicators of the spatial unit in the absence of spatially disaggregated time series data on most variables to project their probable values in the next 25 years or so together with the need for consensus among policy-makers to ascertain the maximum path desirable for attainment (goal post). The normalized variable, which is a pure number, shows, for a particular variable, the path covered by a society as a proportion of the path to be covered. Thus, if a society for a particular variable remains at the minimum, the normalized value of the variable will be 0; if it has attained the maximum value, the normalized value will be 1.

Weighting: As with the HDI, all variables considered for measuring empowerment at the district level are given equal weights considering that all the dimensions included in the HEI are equally important and desirable in their own right for building human capabilities. While the absence of any substitution makes the assumption of equal weights defensible, more research is needed to explore substitution possibilities among indicators through modelling, although the treatment of weight is not always free of controversy.[64]

Aggregation and composite index: Once all the variables are normalized with all the necessary adjustments, a simple mean of various domains is taken to first arrive at social, economic and political empowerment indices. A composite index of empowerment is the simple arithmetic mean of these three dimensions of empowerment. The maximum value of the empowerment index is 1 and the minimum value is 0.

$$EI_j = \frac{1}{N}\sum_{i=1}^{n} I_{ij} \qquad (3)$$

Where E_{ij} is the overall empowerment index for j^{th} spatial unit (districts and eco-development regions in this case) and I_{ij} denotes the normalized value of i^{th} sub-indices comprising social, economic and political empowerment for j^{th} spatial unit. N is the number of three sub-indices – those for social, economic and political empowerment. Within social empowerment component, three sub-indices have been computed separately for education, health and information using a simple average of their respective indicators. Likewise, the three sub-indices – those for land, credit and employment-based indicators – have been computed first in order to arrive at the economic empowerment index.

Calculating human empowerment index: illustration

The human empowerment index measures the average achievement in the country by district in three dimensions of empowerment: social, economic and political. Before the HEI itself is calculated, an index needs to be created for each indicator underlying these dimensions. Boxes 1 through 3 illustrate the calculation of social, economic and political empowerment index for Nepal.

Some limitations and scope for refinement

There is considerable scope for refining the HEI in a number of ways. First, there is a need for further research to explore the threshold level for certain indicators beyond which an individual or community may feel empowered in each sphere of life. In some cases, a very low level of disempowerment for a single indicator – no matter how high or empowered a region is relative to other indicators – may be enough to dominate all other considerations. Second, it is necessary to establish a more disagregated database for reflecting the social, economic and political status of those most disempowered. Currently, as with HDI, HEI conceals many disparities in levels of empowerment within the district, both in terms of lower spatial units (e.g. VDCs) and social and economic groups (gender, caste/ethnicity etc). The computation of more disaggregated HEI in terms of these groups could help us understand the relative position of these groups within the district. Third, there is a need to fix the goal post for all indicators in order to make the HEI comparable over time. This requires not only enough national-level time series data for most new indicators not reflected in the HDI, but also a consensus among policy-makers to ascertain the maximum path desirable for attainment at the national level. In the absence of such information, the observed minimum

BOX 3 Illustration of social empowerment index calculation

Social empowerment is measured by four key domains, such as participation, information, health and education, with each domain consisting of a set of indicators. Therefore, four sub indices have been computed separately for education, health information and participation, using a simple average of their respective indicators as illustrated below.

Calculating the education index

The education index measures the relative achievement of different districts in terms of two education-related variables: adult literacy and mean years of schooling. For Nepal, with an adult literacy rate of 48.6 and mean years of schooling of 2.75, the education index works out to be 0.429 as illustrated below.

XE1	Adult literacy (15+)	=	48.6		
XE2	Mean years of schooling	=	2.75		
XE1*	Adult literacy index	=	(48.6 - 19.6)/(73.5 - 19.6)	=	0.538
XE2*	Mean years of schooling index	=	(2.75 - 1.25)/(5.94 - 1.25)	=	0.320
XEI	**Education index = (XE1*+ XE2*)/2**	**=**	**(0.538 + 0.32)/2**	**=**	**0.429**

Calculating the health index

The health index measures the relative achievement of different districts in terms of three health-related variables. These include separate indices for infant mortality, malnourished children and access to sanitation (toilets). For Nepal, with an infant mortality rate of 68.51 per 1000 live birth in 2001, child undernutrition (stunting) of 50.51% etc, the health index works out to be 0.563 as illustrated below.

XH1	Infant mortality (number/1000 live birth)	=	68.51		
XH2	Malnourished children under 5 (%)	=	50.51		
XH3	Population with access to sanitation (%)	=	39.22		
XH1*	Infant mortality index	=	(173.83 - 68.51)/(173.83 - 24.01)	=	0.703
XH2*	Malnourished children under 5 index	=	(90.00 - 50.51)/(90.00 - 26.67)	=	0.623
XH3*	Population with access to sanitation index (%)	=	(39.22 - 9.04)/(92.30 - 9.04)	=	0.362
XHI	**Health index**	**=**	**(XH1* + XH2* + XH3*)/3**		
		=	**(0.703 + 0.623 + 0.362)/3**	**=**	**0.563**

Calculating the information and communication index

The information and communication outreach index measures the relative achievement of different districts in terms of two IC technology-related variables: radio and telephone. For Nepal, with the population outreach of these variables, the IC index works out at 0.297, as illustrated below.

XIC1	Household population with radio	=	52.59		
XIC2	Household population with telephone	=	3.91		
XIC1*	Radio ownership index	=	(52.59 - 30.07)/(80.94 - 30.07)	=	0.443
XIC2*	Access to telephone index	=	(3.91 - 0.0)/(25.90 - 0.0)	=	0.151
XICI	**Information and communication index**	**=**	**(0.442 + 0.151)/2**	**=**	**0.297**

Calculating the social mobilization outreach

For Nepal, with the social mobilization outreach of 28.74 % in 2001, the SM outreach index works out at 0.336, as illustrated below.

XSO	Household membership in social organization	=	28.74		
XSOI	**Social mobilization outreach Index**	**=**	**(28.74 - 0.0)/(85.54 - 0.0)**	**=**	**0.336**

Calculating social empowerment index

The social empowerment index is the simple arithmetic mean of the above three sub-indices: education, health and information and communication. With the above estimated values of these indices for Nepal, the composite index of social empowerment for Nepal works out at 0.406, as illustrated below.

SEI	**Social empowerment = (XEI + XHI + XICI + XSOI)/4**	**=**	**(0.429 + 0.563 + 0.297 + 0.336)/4**	**=**	**0.406**

and maximum values of indicators across the regions/districts have to be utilized for normalizing the indicators; this was the method used also by UNDP initially (until 1994) in normalizing HDI indicators. The fourth possible refinement is to explore the possibility of assigning weights for each indicator, although the treatment of weight is not always free of controversy. While the assumption of no substitution among some indicators that are important in their own right makes the equal weighting defensible, more research is needed to explore the substitution possibilities among indicators through modelling.

BOX 4 Illustration of economic empowerment index calculation

Economic empowerment is measured by five sets of variables, namely access to productive resources (land and its distribution), electrification, credit, employment structure and per capita income.

Calculating the land based index

XL2	Gini-corrected average land holding	=	0.337		
XLDI	**Land accessibility index**	=	**(0.337 - 0.072)/(0.564 - 0.072)=**		**0.540**
XEL	Electrified households %	=	31.08		
XELI	**Electrification index**	=	**(31.08 - 0.58)/(96.81 - 0.58) =**		**0.317**

Calculating the credit index

XC1	Households with access to institutional credit	=	19.85		
XCI	**Access to institutional credit index**	=	**(19.85 - 0.0)/(68.68 - 0)**	=	**0.289**

Calculating the employment index

XN1	Labour force employed in non-agricultural sector	=	31.33		
XNI	**Non-agricultural sector job index**	=	**(31.33 - 9.99)/(79.01 - 9.99) =**		**0.309**

Calculating the income index

XIN	Per capita GDP at ppp $ 2001	=	1310		
XINI	**Income index**	=	**(1310 - 679)/(3438 - 679)**	=	**0.229**

Calculating economic empowerment index

The economic empowerment index is the simple arithmetic mean of the above five sub-indices, namely land base index electrification index, credit index, employment index and income index. With the above estimated values of these indices for Nepal, the composite index of economic empowerment works out at 0.337, as illustrated below.

EEI	**Economic empowerment index**	**= (XLDI + XELI + XCI + XNI + XINI)/5**			
		= (0.540 + 0.317 + 0.289 + 0.309 + 0.229)/5		=	**0.337**

BOX 5 Illustration of political empowerment index calculation

The political empowerment index measures the relative achievement of different districts in terms of two indicators, namely voters turnout, degree of competition in local election. For Nepal, the political empowerment index works out to be 0.646 as illustrated below.

XP1	Voter turnout in the last national election %	=	66.05		
XP2	Contested candidates per seat in local election	=	2.05		
XP1*	Voters turnout index	=	(66.05 - 31.81)/(80.84 - 31.8)	=	0.698
XP2*	Degree of competition (candidates per seat) index	=	(2.05 - 0.99)/(2.77 - 0.99)	=	0.594
PEI	**Political empowerment index**	=	**(0.698 + 0.594)/2**	=	**0.646**

Calculating overall human empowerment index

The overall composite index of empowerment is computed using simple arithmetic mean of social empowerment index (SEM), economic empowerment index (EEM) and political empowerment Index (PEM) as illustrated below for Nepal.

HEI	**Overall empowerment (SEI + EEI + PEI)/3**	=	**(0.406 + 0.337 + 0.646)/3**	=	**0.463**

In summary, as a much broader concept, human empowerment includes many aspects – both subjective perceptions and objective realities of life – that have not been possible to capture fully – or that are not being measured. Political freedom, participation in decision-making, personal security, and threats to sustainability (environment) are some critical aspects of human empowerment that are difficult to measure. The concept of political freedom as a touchstone of political empowerment is much larger than what has been measured in this Report through the use of the two most commonly used objective indicators (the voter turnout and the degree of competi-

tion among candidates in local elections), which are often ambiguous in nature. There is a need to establish disaggregated data to meaningfully capture the true level of political empowerment. Conceptually, both negative (freedom from arbitrary arrest, exclusion) as well as positive (freedom to vote, participate in political and social life) aspects of political freedom should be captured by focusing on both the formal availability of political freedom and its actual exercise by the people. However, the lack of such information at a more disagregated level, together with the difficulties of scoring and combining subjective indicators into a composite index of empowerment, is a serious challenge that has deterred researchers. Subjective ratings are always open to obvious contestation about the knowledge and bias of the raters. Nor can such a rating be combined with a real number, as they do not meet the criteria of reliability and validity. While these problems deterred our current efforts to include other pertinent governance-related subjective indicators of political empowerment, constant research in this area will certainly provide scope for capturing additional aspects of political empowerment in future.

Endnotes

1 Empowerment is an integral component of any strategy of development and poverty reduction, a message communicated by the World Bank study Voices of the Poor, which drew on surveys of more than 60,000 poor people in more than 60 countries (see Narayan D. et al 2000a).

2 see UNDP 1999.

3 These include human freedom, the opportunity to be productive and guarantees of enjoying self respect, participation and security-all essential ingredients to people's empowerment. (We thank Selim Jahan for this and other points made in a personal communication.)

4 The manner in which GDP per capita is adjusted, using logarithmic functions among many other possible functions, is often argued to have reduced its importance in the index. Such an adjustment of GDP per capita in HDI does not permit capturing the environment-income nexus, particularly since environmental quality begins to increase once a country reaches GDP per capita of US$ 10,000 (1,985 dollars), a level of income well beyond the point at which the UNDP assumes that growth in GDP per capita contributes minimally to human development (Grossman and Krueger 1995: 370-71).

5 Further, it should also be viewed in the context of other criteria, namely those of sufficient attractiveness to policy-makers and pluralism, rather than mono-centricity (Jahan 2003).

6 GDI was introduced to adjust HDI for gender inequality. HPI was introduced to measure shortfalls in human development from a deprivation perspective, but fails to account for deprivation in other basic capabilities and choices of human lives (social inclusion, political freedom and opportunities to enjoy self respect and guaranteed human right – a notion of disempowerment). Likewise, the GEM shed lights on gender inequality in opportunities in economic and political participation and decision-making. As with HDI, all these composite indices are constructed on the same philosophy of simplicity and universality in the choice of indicators (HDRO/UNDP 2003).

7 For example, the stock variables like life expectancy and adult literacy cannot reflect short-term progress, whereas a flow variable like net primary enrolment figures can do so. This has led to the Human Development Report Office (HDRO), in collaboration with a number of UNDP Country Offices, to devise short-term progress indicators that are more sensitive to policy changes and can also monitor short-term progress (Jahan 1999, 2000 and 2003).

8 The absence of any reliable data on the issue of access to health services has forced the estimate of HPI-1 to rely on the other two variables included in economic provisioning. As noted in the text above, the non-availability of data has restricted the estimates of GDI, GEM and HPI-1 to less than 100 countries.

9 For example, the income component of HDI (justified in terms of command over resources needed for a decent living) is supposed to reflect elementary capabilities for which adequate quantitative data are not available on a comparable cross-country basis. However, there is scope for capturing such elementary capabilities in the preparation of national human development report, depending on the availability of such data.

10 Both the GDI and GEM have established that greater gender equality in building human capabilities or providing opportunities to women does not depend on income level or stage of development (Anand and Sen 1995).

11 The term "empowerment" originated in the social movements of the 1960s and 1970s. Prominent examples are the Black Power movement in the United State and the emancipation movement of Paulo Freire

in Latin America. During the Third World Conference on Women, held in 1985 in Nairobi, the women's network Development Alternatives for a New Era (DAWN) introduced the term into the discourse on development and women's roles in politics (Sen and Grown, 1987). It became a watchword among feminist writers (Friedmann, 1994: 115) and has also become a term of much political rhetoric (Chamberlain 1997).

12 Poverty and disempowerment are closely associated because an insufficiency of the means for meeting one's basic needs restricts one's ability to make meaningful strategic life choices. It also brings to the fore the fact that implicit in the proper use of the term "empowerment" is the notion that someone is giving power and skill to someone who did not have it previously.

13 An exploration of local terms associated with empowerment around the world include self-strength, control, self-power, self-reliance, own choice, life of dignity in accordance with one's values, capable of fighting for one's rights, independence, own decision making, being free, awakening, and capability – to mention only a few (World Bank 2002a).

14 It is also argued that this definition is somewhat narrow and specific rather than what could be understood from the use of the term power in normal parlance, as it associates empowerment with poor people and thus implies that non-poor people have adequate power and need not be empowered; it also limits the range of action to those that involve an interaction with institutions. This implication was partially refuted in a recent empirical study for Russia, which found that many people who do not see themselves as poor nevertheless feel that they have little power. (Lokshin and Ravallion 2002).

15 Actors may be ineffective because they lack agency to transform their claims into outcomes, because they are weaker than other autonomous actors, and because the context in which they operate is inresponsive to their action, etc. Agency, on the other hand, depends on the economic and educational resources of actors, on their cognitive resources and on their organizational capacities and their integration into social networks (Smulovitz 2003).

16 Strategic life choices are meant to describe decisions that influence a person's life trajectory and subsequent ability to exercise autonomy and make choices.

17 See Malhotra et al 2002; Friedmann 1992, 1996; CIDA 1996; Stromquist 1995.

18 Psychological empowerment concerns the individual's sense of potency, which results largely from successful action in the social and political domain (Friedmann 1992 and 1996). Perceived competencies, self-confidence and self-determination are some variables critical for measuring psychological empowerment, even though they are not easily measurable, unlike other dimensions of empowerment in the absence of information on these attribute of psychological empowerment.

19 Capability may be seen as the capacity that enables people to increase their well-being depending on a variety of factors such as education, health, skills that are inherent in the family or skills that are acquired or learned. In addition to its direct value (creative and healthy life) in its own right, it also has instrumental value (indirect role) in influencing social, economic and political participation and entitlements (Sen 1997).

20 See Rowlands 1995; Oxaal and Baden 1997; Sen G 1993; Kabeer 2001.

21 See Friedmann 1992; Oxaal and Baden 1997; Rowlands 1997; Chambers 1997; Narayan et al 2000a and 2000b

22 A given variable may function as an indicator of access to resources (or an enabling factor) in one context, of people's agency in another, and may represent an achievement in still other contexts. The proper understanding of such a relationship thus becomes essential to devising suitable empowerment interventions.

23 For example, a shift in women's ability to visit a health centre without permission from a male household member may be a sign of empowerment in one country (rural Bangladesh) but not in another (urban Peru)

24 Accountability is possible only through access to information. Even if access to timely information is available, people can-not take necessary action in the absence of LOC. Likewise, strengthening LOC is not possible in the absence of access to information, participation, and the accountability of service providers to poor people.

25 See World Bank 2002a.

26 Governance comprising the three closely interrelated concepts: accountability, legitimacy, and transparency is defined as the exercise of (state) power in a variety of institutional contexts to direct, control, and regulate activities of people as citizens, voters, and workers (Robinson, quoted in Dahal 1996).

27 See Sharma 2002.

28 Democratic governance ensures that people's human rights and freedoms are respected, that people have influence in decisions that affect their lives, and that they can hold decision-makers accountable.

29 Sen's capability approach has contributed to an important paradigm shift in development economicsaway from welfarist approach to increased emphasis on incorporating individual entitlements, capabilities, freedoms and rights into the conceptual foundation of economics and social choice. This approach can be seen as a framework of thought and stresses the number of purposes for which it can have relevance to conceptualizing and analyzing well-being and poverty, liberty and freedom and empowerment (Sen 1993).

30 For a detailed exposition of these instrumental freedoms, see Sen 1999.

31 It is only through information on the achieved functionings and the capability set that it becomes possible to deduce whether the non-achievement of a certain functioning is the result of a free choice to forego this particular functioning or simply because it was not available in the capability set. The concept of "refined functioning" takes note of the available alternatives/options or capabilities available to a person. For instance, a person experiencing famine has no option to choose being nourished,

while an activist may chose to fast despite his option to choose being nourished. Considering the options of persons, one can give the activist a higher score on the refined functioning of being nourished than the person experiencing famine.

32 If you have a job offer, then having a job and earning money is an opportunity. But not taking the job would mean those functionings will not (to the same degree) be achieved despite their being a part of the capability set (Sen 1993).

33 See Roemer J. 1996.

34 The capability approach can be used at various levels of sophistication, but Sen has constantly pointed out data limitation as a substantial drawback.

35 Sociologists and psychologists have made similar applications for several decades. Sen (1987:24; 31) himself refers to the literature on basic needs and social indicators and sociological studies.

36 Assets refer to material assets, both physical and financial, which enable people to withstand shocks and expand their horizon of choices. The extreme limitation of people's physical and financial assets severely constrains their capacity to negotiate fair deals for themselves and increases vulnerability.

37 Protective capabilities with respect to security and vulnerabilities is also a key dimension of poverty and hence disempowerment, which are chronic as much as they are transient. The dynamic concepts of empowerment that are closely related to poverty are thus needed to grasp the fact that people move to a large extent in and out of poverty or disemporement trapped intermittently in response to seasonal variations and external shocks at the household, community or national level – resulting, for example, from natural disaster, violent conflict and economic crisis. Addressing such vulnerability issues thus calls for providing protective security in the form of social safety net (Sen 1999).

38 This limitation clearly underscores the possibility of capturing the subjective elements of empowerment, and thereby confining the study to those indicators for which proxies of resources/enabling condition and outcome/achievement of empowerment can be found.

39 Adult literacy is the ratio of the literate population aged 15 years and above to total population of the same age expressed as a percentage. The treatment of children's literacy rates (6-14 yeas) separately would perhaps be another desirable indicator to capture the progress towards making basic education accessible and affordable to those groups of families whose children are still forced to enter the labour market in its worst forms because of extreme poverty, thus perpetuating intergenerational poverty. However, the child literacy figure has not been included because of its strong association with adult literacy figures.

40 In a developing country, where ensuring universal access to basic education is a critical issue of concern, the focus on combined primary and secondary gross enrollment is a better educational indicator than mean years of schooling. Net enrolment rate (NER) is a better indicator than Gross Enrollment Rate (GER) to measure the correct age population actually enrolled. NER statistics at the district level are available separately for primary and lower secondary and secondary education, but not for tertiary education and also for rural-urban areas.

41 It is also one of the key indicators used for measuring HPI.

42 The relationship between increases in income and increases in nutrition may or may not be strong. This weak relationship implies that providing a direct nutrition supplement may have a far greater impact on undernutrition than an increase in income.

43 This is not only in line with the international endorsement of the MDG, which recognizes health outcome of children as priority for action, but it can also capture the short-term policy changes in health outcomes, unlike the long-term change in a stock variable such as life expectancy.

44 It should be noted that the level of deprivation in economic provisioning in HPI-1 is captured by the lack of access to health services, safe water and sanitation and level of malnutrition.

45 It is considered a critical element for supporting empowerment, the others being accountability, inclusion/participation, and local organizational capacity (World Bank 2002a)

46 See Sharma 2002

47 While the Nepalese people have the constitutional right to demand information on any matter of public importance, the government has yet to pass the bill to make this provision feasible.

48 The free and fair flow of information in many poor countries, including Nepal, is the exception rather than the rule. Cost-based barriers include low incomes and the relatively high costs of energy for batteries, electricity or fuel for generators, which are additional barriers produced by low levels of rural electrification, low quality radio and television transmitters and poor press circulation.

49 A correlation analysis suggests that while television is not correlated with radio (0.144), it is positively correlated with telephone service. However, considering the importance of the telephone in going beyond a moderate level of development, it is also included as crucial indicator of communication media.

50 Social capital concerns developing the roles and responsibilities of individuals and their institutions, and is created through changes in the relationship between persons that facilitate collective actions in the form of new relationships between individuals.

51 Shared learning, the devolution of responsibility, the establishment of working rules, how activities are undertaken, monitored and enforced are also forms of social capital. Social capital formation describes the improvement of the ability of a community to make decisions and enlarge their choices and capabilities.

52 see Banskota and Sharma 1996.

53 The social mobilization mapping exercise reveals about 38% of household coverage in 44 districts studied. See Sah J., ed. 2003.

54 When G is the Gini coefficient utilised to measure the degree of inequality in the distribution of land holding and L is the average size of operational holding, the Gini-corrected average landholding (W)

is computed as W= L(1-G). If a particular district has a higher value of W, then it can be seen as having a higher level of productive asset than the latter.

55 Some 47% of the employed labour forces remain underemployed, compared to some 5% of the total labour force that remains completely unemployed. The target set by the Ninth Plan was to reduce unemployment from 4.9% to 3.0% and underemployment from 49% to 10 % in the next 20 years.

56 See Anand and Sen 2000.

57 Empirical evidence from Russian adults indicates that higher individual and household incomes raise both self-rated power and welfare (Lokshin and Ravallion 2002).

58 For instance, the very low voter turnout in the local government elections is also visible even in the healthiest democratic systems, such as Britain. In some cases, a country may hold elections without their ever resulting in a change in power, whereas in others there are changes in power, but civil liberties such as press freedoms may be curtailed.

59 This is because of the uniformity of the most indicators relating to political freedom and power and legal provision throughout the country (UNDP 2002b). Second, measuring the subjective indicators is always beset by controversy regarding their scaling and weight.

60 A World Bank team has constructed six aggregate indices based on numerous indicators from more than a dozen sources: voice and accountability, political instability and violence, rule of law, corruption, government effectiveness and regulatory burden. The voice and accountability index, combines several indicators of the political process, including the selection of governments, with indicators of civil liberties and political rights, and press freedom and independence. (UNDP 2002b).

61 The same applies to even some objective indicators, which remains unchanged at the district level.

62 See Note 58 above.

63 The need for using fixed maxima and minima rather than observed maxima and minima for normalizing the variables was considered important to capturing the two issues. First, the use of observed maxima and minima provided no way of knowing whether the changes in the HDI value of a country stem from its improved performance or from changing the goal posts. Second, since the observed maxima and minima change from year to year, representing changes in goal posts themselves; any meaningful inter-temporal comparison was not possible.

64 As with HDI, there is, however, an assumption of transformation – education is transformed into knowledge and enhances human capabilities; income is transformed into other aspects of empowerment not captured by the existing indicators.

Annex 2: Human development and empowerment monitors

Annex 2.1: Human development indices

TABLE 1 Human development index by region, 2001

Region	Life expectancy at birth	Adult literacy	Mean years of schooling	GDP Per capita (PPP US$)	Life expectancy index	Educational attainment index	Income index	Human development Index (HDI)	Ratio to national HDI
Nepal	60.98	48.6	2.75	1310	0.600	0.385	0.429	0.471	100.0
Rural	60.61	45.0	2.35	1162	0.594	0.352	0.409	0.452	95.8
Urban	64.53	68.3	5.06	2224	0.659	0.568	0.518	0.581	123.3
Mountain	52.55	36.1	2.50	1114	0.459	0.296	0.402	0.386	81.9
Hills	65.50	52.3	3.09	1424	0.675	0.417	0.443	0.512	108.6
Tarai	63.95	46.1	2.54	1235	0.649	0.364	0.420	0.478	101.3
Eastern region	64.90	50.3	2.90	1202	0.665	0.400	0.415	0.493	104.6
Central region	62.51	47.7	2.89	1597	0.625	0.382	0.463	0.490	103.9
Western region	63.00	52.9	2.93	1254	0.633	0.418	0.422	0.491	104.2
Mid-western region	54.50	42.5	2.18	988	0.492	0.332	0.382	0.402	85.3
Far Western region	54.30	41.7	2.14	1079	0.488	0.326	0.397	0.404	85.6
Eastern mountain	63.90	45.2	2.51	1276	0.648	0.357	0.425	0.477	101.2
Central mountain	60.63	34.4	1.88	1157	0.594	0.271	0.409	0.425	90.1
Western mountain	57.00	49.5	2.82	2505	0.533	0.393	0.538	0.488	103.5
Mid-western mountain	52.94	25.3	1.48	940	0.466	0.202	0.374	0.347	73.6
Far Western mountain	50.80	32.6	1.99	939	0.430	0.262	0.374	0.355	75.3
Eastern hills	67.45	50.7	2.75	1057	0.708	0.399	0.394	0.500	106.1
Central hills	64.48	58.6	3.79	2083	0.658	0.475	0.507	0.547	115.9
Western hills	62.10	54.6	3.13	1198	0.618	0.434	0.414	0.489	103.7
Mid-western hills	60.00	38.9	2.05	879	0.583	0.305	0.363	0.417	88.5
Far Western hills	57.65	36.8	1.97	945	0.544	0.289	0.375	0.403	85.4
Eastern Tarai	63.65	50.7	3.03	1266	0.644	0.405	0.424	0.491	104.2
Central Tarai	61.70	38.7	3.01	1222	0.612	0.325	0.418	0.451	95.8
Western Tarai	64.80	50.2	2.60	1277	0.663	0.392	0.425	0.494	104.7
Mid-western Tarai	57.30	48.6	2.42	1130	0.538	0.378	0.405	0.440	93.4
Far Western Tarai	57.90	49.2	2.34	1244	0.548	0.380	0.421	0.450	95.4

TABLE 2 Human development index by district, 2001

District	Life expectancy at birth	Adult literacy	Mean years of schooling	GDP Per capita (PPP US$)	Life expectancy index	Educational attainment index	Income index	Human development index (HDI)	Ratio to national HDI	HDI rank
Nepal	60.98	48.6	2.75	1310	0.600	0.385	0.429	0.471	100.0	
Kathmandu	69.53	73.5	5.94	3438	0.742	0.622	0.590	0.652	138.2	1
Bhaktapur	71.33	64.0	4.41	1862	0.772	0.525	0.488	0.595	126.2	2
Kaski	70.76	66.8	4.40	1707	0.763	0.543	0.474	0.593	125.8	3
Lalitpur	67.10	66.9	5.07	2059	0.702	0.559	0.504	0.588	124.8	4
Rupandehi	68.27	62.2	3.01	1358	0.721	0.482	0.435	0.546	115.8	5
Kavrepalanchok	69.33	56.1	2.60	1572	0.739	0.432	0.460	0.543	115.3	6
Syangja	67.71	57.5	3.47	1333	0.712	0.460	0.432	0.535	113.5	7
Morang	67.28	52.3	3.35	1617	0.705	0.423	0.465	0.531	112.6	8
Tanahu	68.79	54.4	2.98	1188	0.730	0.429	0.413	0.524	111.1	9
Terhathum	67.78	54.0	3.40	1246	0.713	0.436	0.421	0.523	111.0	10
Ilam	64.73	61.5	3.32	1215	0.662	0.484	0.417	0.521	110.5	11
Chitawan	58.78	65.4	3.62	1715	0.563	0.516	0.474	0.518	109.9	12
Dhankuta	64.90	58.6	2.96	1102	0.665	0.456	0.401	0.507	107.6	13
Parbat	65.76	51.2	3.28	1220	0.679	0.414	0.418	0.504	106.9	14
Manang	57.03	52.2	3.17	2746	0.534	0.418	0.553	0.502	106.4	15
Sunsari	61.86	56.2	3.23	1381	0.614	0.446	0.438	0.500	106.0	16
Myagdi	66.62	48.9	2.59	1209	0.694	0.384	0.416	0.498	105.6	17
Jhapa	58.49	62.2	3.67	1302	0.558	0.496	0.428	0.494	104.9	18
Baglung	63.54	55.0	2.64	1145	0.642	0.425	0.407	0.492	104.3	19
Lamjung	64.41	49.2	2.90	1284	0.657	0.392	0.426	0.492	104.3	20
Udayapur	68.03	47.3	2.30	975	0.717	0.366	0.380	0.488	103.5	21
Surkhet	62.69	56.3	2.58	1088	0.628	0.433	0.398	0.486	103.2	22
Palpa	59.64	60.7	2.99	1167	0.577	0.471	0.410	0.486	103.1	23
Panchthar	64.51	50.0	2.87	1072	0.659	0.397	0.396	0.484	102.6	24
Nawalparasi	63.68	46.9	2.60	1310	0.645	0.370	0.429	0.482	102.1	25
Mustang	57.03	47.8	2.58	2466	0.534	0.376	0.535	0.482	102.2	26
Okhaldhunga	69.39	41.7	2.18	952	0.740	0.326	0.376	0.481	102.0	27
Sankhuwasabha	63.78	47.5	2.58	1257	0.646	0.374	0.422	0.481	102.0	28
Banke	60.38	53.4	2.45	1370	0.590	0.410	0.437	0.479	101.6	29
Solukhumbu	65.94	39.0	2.15	1455	0.682	0.308	0.447	0.479	101.6	30
Makwanpur	55.75	58.0	2.33	1836	0.513	0.438	0.486	0.479	101.6	31
Bhojpur	64.64	46.8	2.61	1002	0.661	0.370	0.385	0.472	100.1	32
Arghakhanchi	62.54	47.7	2.95	1130	0.626	0.384	0.405	0.471	100.0	33
Sindhuli	66.05	42.3	1.98	1079	0.684	0.326	0.397	0.469	99.5	34
Gulmi	64.82	50.5	2.84	760	0.664	0.400	0.339	0.467	99.1	35
Taplejung	61.94	47.3	2.73	1169	0.616	0.376	0.410	0.467	99.1	36
Bara	60.72	36.7	1.97	2156	0.595	0.288	0.513	0.465	98.7	37
Nuwakot	63.57	42.5	1.97	1237	0.643	0.327	0.420	0.463	98.3	38
Kanchanpur	57.39	53.6	2.67	1341	0.540	0.417	0.433	0.463	98.3	39
Gorkha	60.50	44.9	2.46	1219	0.592	0.354	0.417	0.454	96.4	40
Saptari	63.13	44.0	2.52	939	0.635	0.349	0.374	0.453	96.1	41
Dolakha	63.50	42.2	2.19	965	0.642	0.330	0.378	0.450	95.5	42

Contd...

TABLE 2 Human development index by district, 2001

District	Life Expectancy at birth	Adult literacy	Mean years of schooling	GDP Per capita (PPP US$)	Life expectancy index	Educational attainment index	Income index	Human development Index (HDI)	Ratio to national HDI	HDI rank
Dhanusha	62.04	44.7	2.14	994	0.617	0.346	0.383	0.449	95.2	43
Parsa	60.71	37.8	2.49	1406	0.595	0.307	0.441	0.448	95.0	44
Khotang	61.37	43.1	2.55	954	0.606	0.344	0.376	0.442	93.8	45
Kailali	58.39	46.5	2.13	1184	0.557	0.357	0.413	0.442	93.8	46
Kapilbastu	62.53	35.8	2.00	1121	0.625	0.283	0.403	0.437	92.8	47
Ramechhap	65.16	31.2	1.71	1009	0.669	0.246	0.386	0.434	92.0	48
Dadeldhura	56.62	43.4	2.40	1321	0.527	0.343	0.431	0.434	92.0	49
Bardiya	60.81	39.4	2.13	969	0.597	0.310	0.379	0.429	90.9	50
Siraha	63.38	34.8	2.06	880	0.640	0.278	0.363	0.427	90.5	51
Darchula	56.43	41.5	2.73	1175	0.524	0.337	0.411	0.424	90.0	52
Pyuthan	61.69	37.8	2.15	754	0.612	0.300	0.337	0.416	88.3	53
Sindhupalchok	60.02	31.0	1.74	1194	0.584	0.245	0.414	0.414	87.9	54
Dhading	58.55	34.3	2.05	1075	0.559	0.274	0.396	0.410	87.0	55
Rautahat	63.51	28.1	1.64	871	0.642	0.224	0.361	0.409	86.7	56
Dang	50.57	52.1	2.63	1062	0.426	0.406	0.394	0.409	86.7	57
Sarlahi	62.95	30.3	1.83	802	0.632	0.243	0.348	0.408	86.5	58
Mahottari	63.20	30.1	1.82	789	0.637	0.241	0.345	0.407	86.4	59
Doti	58.39	35.4	1.68	945	0.557	0.273	0.375	0.402	85.2	60
Salyan	56.79	40.5	2.40	791	0.530	0.323	0.345	0.399	84.7	61
Rasuwa	54.75	25.4	1.56	1802	0.496	0.204	0.483	0.394	83.6	62
Baitadi	52.31	44.9	2.39	890	0.455	0.352	0.365	0.391	82.9	63
Rukum	56.79	30.0	2.01	1002	0.530	0.245	0.385	0.386	82.0	64
Rolpa	58.05	31.1	1.44	877	0.551	0.239	0.362	0.384	81.5	65
Dailekh	55.83	39.9	1.95	679	0.514	0.309	0.320	0.381	80.8	66
Dolpa	52.52	29.0	1.59	1279	0.459	0.229	0.425	0.371	78.7	67
Humla	58.37	19.6	1.25	1014	0.556	0.158	0.387	0.367	77.9	68
Achham	55.18	25.8	1.55	770	0.503	0.206	0.341	0.350	74.3	69
Jumla	50.82	26.6	1.55	1104	0.430	0.212	0.401	0.348	73.8	70
Jajarkot	51.90	28.1	1.78	839	0.448	0.227	0.355	0.343	72.9	71
Bajhang	49.69	29.1	1.65	825	0.412	0.231	0.352	0.331	70.3	72
Kalikot	46.67	33.2	1.81	775	0.361	0.262	0.342	0.322	68.2	73
Bajura	45.67	27.1	1.62	907	0.345	0.217	0.368	0.310	65.7	74
Mugu	44.07	24.1	1.40	1105	0.318	0.192	0.401	0.304	64.4	75

TABLE 3 Human poverty index by region, 2001

Region	Chronic malnourishment among children (under 5 years of age)	Adult illiteracy rate	Proportion of population with life expectancy less than 40 year	Population without access to safe water	Human poverty index (HPI)	Relative value Nepal=100
Nepal	50.5	51.4	17.74	20.48	39.6	100
Rural	51.5	55.0	18.20	22.19	42.0	106
Urban	36.6	31.7	13.39	11.46	25.2	64
Mountain	61.2	63.9	27.40	28.01	49.8	126
Hills	52.7	47.7	12.24	27.70	38.8	98
Tarai	47.1	53.9	15.51	12.10	39.6	100
Eastern region	44.6	49.7	10.50	17.15	37.1	94
Central region	52.3	52.3	16.46	15.84	39.7	100
Western region	50.3	47.1	15.26	18.52	36.7	93
Mid-western region	53.9	57.5	26.08	35.66	46.3	117
Far Western region	53.7	58.3	21.71	32.89	45.9	116
Eastern mountain	51.5	54.8	11.80	25.02	42.0	106
Central mountain	60.7	65.6	18.17	18.43	48.9	123
Western mountain	63.2	50.5	20.80	12.47	40.0	101
Mid-western mountain	75.0	74.7	29.02	38.84	59.3	150
Far Western mountain	60.6	67.4	31.27	42.18	54.0	136
Eastern hills	48.7	49.3	10.02	32.77	39.7	100
Central hills	51.7	41.4	11.08	19.86	34.0	86
Western hills	47.9	45.4	10.24	21.65	35.7	90
Mid-western hills	59.3	61.1	18.97	44.52	50.0	126
Far Western hills	59.1	63.2	21.98	50.56	52.2	132
Eastern Tarai	41.4	49.3	14.46	8.30	35.8	91
Central Tarai	51.5	61.3	14.70	11.30	44.5	112
Western Tarai	53.3	49.8	12.99	12.47	37.7	95
Mid-western Tarai	36.9	51.4	22.22	25.05	38.9	98
Far Western Tarai	43.3	50.8	19.30	12.47	37.6	95

TABLE 4 Human poverty index by district, 2001

District	Chronic malnourishment among children (under 5 years of age)	Adult illiteracy rate	Proportion of population with life expectancy less than 40 year	Population without access to safe water	Human poverty index (HPI)	Relative value Nepal=100	Rank
Nepal	50.5	51.4	17.74	20.48	39.6	100	
Kaski	30.5	33.2	6.60	11.44	24.9	63	1
Lalitpur	26.7	33.1	10.31	15.85	25.0	63	2
Kathmandu	52.9	26.5	7.78	11.05	25.8	65	3
Jhapa	31.9	37.8	20.80	13.95	29.2	74	4
Rupandehi	50.4	37.8	9.06	3.71	29.2	74	5
Bhaktapur	44.4	36.0	6.08	19.71	29.9	75	6
Chitawan	53.4	34.6	20.44	19.06	31.9	81	7
Sunsari	38.8	43.8	16.57	6.10	32.2	81	8
Palpa	47.8	39.3	19.33	20.58	33.0	83	9
Kavrepalachok	35.8	43.9	9.56	24.39	33.5	85	10
Ilam	49.3	38.5	13.10	27.17	33.7	85	11
Dhankutta	48.1	41.4	12.90	25.05	34.4	87	12
Morang	41.5	47.7	10.14	5.03	34.4	87	13
Banke	38.0	46.6	18.40	11.40	34.4	87	14
Kanchanpur	43.6	46.4	22.22	10.80	35.2	89	15
Makwanpur	41.5	42.0	24.38	28.98	35.3	89	16
Syangja	52.0	42.5	9.61	23.59	35.3	89	17
Parbat	34.8	48.8	11.88	15.89	35.5	90	18
Baglung	57.1	45.0	14.50	12.81	35.7	90	19
Lamjung	42.9	50.8	13.46	15.39	37.5	95	20
Manang	63.2	47.8	22.69	6.64	37.9	96	21
Taplejung	44.1	52.7	16.46	9.70	38.4	97	22
Gulmi	57.6	49.5	12.99	20.72	39.4	100	23
Kailali	43.2	53.5	20.93	13.54	39.5	100	24
Udayapur	32.1	52.7	9.36	38.82	40.0	101	25
Saptari	44.0	56.0	15.01	5.79	40.2	101	26
Nawalparasi	51.9	53.1	14.33	17.97	40.2	102	27
Myagdi	63.2	51.1	10.86	16.03	40.3	102	28
Arghakanchi	41.2	52.3	15.72	33.29	40.5	102	29
Terathum	67.9	46.0	9.64	27.30	40.9	103	30
Dhanusha	55.5	55.3	16.35	12.99	41.4	105	31
Dang	33.3	47.9	31.35	50.15	41.4	105	32
Mustang	63.2	52.2	22.69	15.66	41.5	105	33
Gorkha	41.7	55.1	18.24	28.66	41.7	105	34
Tanahu	63.0	45.6	8.50	37.36	42.0	106	35
Panchthar	60.9	50.0	13.33	30.87	42.1	106	36
Khotang	36.0	56.9	17.16	35.75	42.8	108	37
Bardiya	42.9	60.6	17.88	5.70	43.2	109	38
Sahnhuwasawa	54.3	52.5	14.22	38.44	43.5	110	39
Bhojpur	48.7	53.2	13.18	42.59	43.6	110	40

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TABLE 4 Human poverty index by district, 2001

District	Chronic malnourishment among children (under 5 years of age)	Adult illiteracy rate	Proportion of population with life expectancy less than 40 year	Population without access to safe water	Human poverty index (HPI)	Relative value Nepal=100	Rank
Nuwakot	61.3	57.5	14.47	16.47	43.8	111	41
Dolakha	58.7	57.8	14.57	19.04	44.0	111	42
Parsa	47.3	62.2	18.01	3.84	44.4	112	43
Surkhet	66.4	43.7	15.54	46.38	44.6	113	44
Darchula	52.9	58.5	23.49	28.76	45.4	115	45
Bara	50.4	63.3	17.99	6.88	45.5	115	46
Solukhumbu	54.5	61.0	11.64	23.46	45.8	116	47
Okhaldhunga	60.7	58.3	7.91	29.86	46.0	116	48
Dadeldhura	50.0	56.6	23.23	43.28	46.2	117	49
Siraha	52.3	65.2	14.70	11.91	47.1	119	50
Dhading	43.4	65.7	20.73	20.66	47.7	120	51
Pyuthan	55.5	62.2	16.77	32.55	47.9	121	52
Salyan	62.1	59.5	23.01	34.59	48.2	122	53
Sindhuli	60.0	57.7	11.52	45.00	48.3	122	54
Kapilbastu	65.1	64.2	15.74	19.21	48.5	123	55
Baitadi	60.8	55.1	28.96	46.63	48.7	123	56
Sarlahi	48.0	69.7	15.24	13.37	49.8	126	57
Mahottari	55.5	69.9	14.93	14.39	50.6	128	58
Rautahat	50.5	71.9	14.56	6.10	51.0	129	59
Sindhupalchok	62.2	69.0	18.87	18.52	51.1	129	60
Dailekh	52.3	60.1	24.27	65.22	52.5	133	61
Rolpa	58.8	68.9	21.38	37.90	53.1	134	62
Ramechhap	73.3	68.8	12.56	27.86	53.4	135	63
Doti	59.2	64.6	20.95	53.13	53.4	135	64
Rukum	58.8	70.0	23.01	36.84	53.7	136	65
Rasuwa	60.0	74.6	25.69	15.21	54.5	138	66
Bajura	56.3	72.9	38.07	35.38	56.4	143	67
Jumla	74.1	73.4	31.00	26.01	56.8	144	68
Jajarkot	58.8	71.9	29.54	51.02	57.2	145	69
Kalikot	74.2	66.8	36.70	54.54	58.9	149	70
Achham	60.8	74.2	25.13	55.69	59.2	150	71
Bajhang	70.0	70.9	32.57	56.42	59.9	151	72
Mugu	68.8	75.9	40.30	44.83	61.1	154	73
Dolpa*	74.2	71.0	28.68	63.82	61.9	156	74
Humla	90.0	80.4	20.96	35.80	63.8	161	75

TABLE 5 Gender-related development index by region, 2001

Region	Life expectancy		Adult literacy (Percent)		Mean years of schooling		Estimated earned income		GDI	Relative value Nepal=100	GDI/HDI
	Female	Male	Female	Male	Female	Male	Female	Male			
Nepal	61.5	60.5	34.9	62.7	1.95	3.56	0.345	0.485	0.452	100	0.959
Rural	61.1	60.2	31.2	59.4	1.60	3.10	0.319	0.468	0.430	95	0.952
Urban	65.3	63.8	55.8	80.0	4.06	6.06	0.403	0.582	0.562	124	0.967
Mountain	52.8	52.3	20.9	51.9	1.25	2.84	0.370	0.430	0.363	80	0.941
Hills	66.2	64.9	38.3	67.4	2.27	3.90	0.395	0.482	0.498	110	0.973
Tarai	63.6	62.6	32.8	59.0	1.73	3.34	0.317	0.481	0.450	100	0.943
Eastern region	65.5	64.4	37.1	63.8	2.13	3.68	0.328	0.472	0.475	105	0.962
Central region	62.5	61.5	34.0	60.7	2.05	3.74	0.370	0.519	0.467	103	0.953
Western region	62.8	62.2	40.7	67.0	2.21	3.65	0.378	0.459	0.477	105	0.971
Mid-western region	55.0	54.1	28.6	56.8	1.42	2.94	0.332	0.421	0.385	85	0.959
Far Western region	54.1	53.6	23.4	61.2	1.15	3.13	0.359	0.429	0.377	83	0.933
Eastern mountain	64.4	63.4	32.9	58.3	1.92	3.11	0.357	0.474	0.462	102	0.968
Central mountain	61.1	60.2	21.2	47.9	1.22	2.54	0.384	0.430	0.410	91	0.965
Western mountain	57.5	56.5	36.8	59.9	2.10	3.54	0.492	0.569	0.478	106	0.980
Mid-western mountain	54.7	51.1	7.9	41.2	0.55	2.41	0.341	0.401	0.314	70	0.906
Far Western mountain	52.7	48.8	12.0	55.3	0.84	3.13	0.343	0.401	0.319	71	0.898
Eastern hills	68.2	66.8	37.2	65.0	2.07	3.44	0.339	0.436	0.486	107	0.972
Central hills	64.3	63.7	44.5	72.2	2.89	4.70	0.430	0.558	0.528	117	0.966
Western hills	63.1	61.4	43.1	69.4	2.44	3.82	0.373	0.452	0.479	106	0.980
Mid-western hills	60.7	59.3	23.7	55.3	1.27	2.82	0.337	0.386	0.400	88	0.959
Far Western hills	57.8	57.5	16.2	60.2	0.86	3.08	0.350	0.398	0.369	82	0.917
Eastern Tarai	64.1	63.2	37.6	63.9	2.19	3.86	0.316	0.487	0.469	104	0.954
Central Tarai	62.2	61.2	25.4	51.2	1.37	3.00	0.287	0.486	0.416	92	0.921
Western Tarai	65.3	64.3	36.6	63.7	1.81	3.39	0.335	0.482	0.474	105	0.960
Mid-western Tarai	57.8	56.8	36.6	60.6	1.69	3.15	0.315	0.462	0.422	93	0.958
Far Western Tarai	58.4	57.4	34.2	64.1	1.51	3.16	0.357	0.466	0.432	96	0.961

TABLE 6 Gender-related development index by district, 2001

District	Life expectancy		Adult literacy (Percent)		Mean years of schooling		Estimated earned income		GDI	RELATIVE VALUE NEPAL=100	GDI/HDI	Rank
	Female	Male	Female	Male	Female	Male	Female	Male				
Nepal	61.5	60.5	34.9	62.7	1.95	3.56	0.345	0.485	0.452	100	0.959	
Kathmandu	70.61	68.54	60.1	84.9	4.87	7.01	0.479	0.650	0.635	140	0.974	1
Bhaktapur	71.55	71.16	50.1	77.6	3.36	5.46	0.402	0.543	0.578	128	0.972	2
Kaski	70.99	70.58	53.6	81.3	3.46	5.33	0.401	0.527	0.578	128	0.975	3
Lalitpur	67.93	66.36	53.9	79.4	4.10	6.05	0.395	0.568	0.569	126	0.968	4
Kavrepalanchok	70.56	68.20	41.7	71.6	1.86	3.33	0.389	0.511	0.527	117	0.970	5
Rupandehi	69.16	67.47	49.6	74.5	2.16	3.87	0.329	0.498	0.527	117	0.965	6
Syangja	69.55	65.99	46.9	72.3	2.78	4.16	0.341	0.501	0.518	115	0.969	7
Tanahu	69.84	67.82	43.3	68.4	2.34	3.61	0.384	0.441	0.516	114	0.984	8
Ilam	66.55	63.04	50.8	72.1	2.76	3.88	0.363	0.457	0.513	113	0.984	9
Morang	67.78	66.85	39.9	64.9	2.58	4.12	0.363	0.527	0.511	113	0.963	10
Chitawan	59.64	57.99	55.1	76.0	2.93	4.31	0.391	0.530	0.505	112	0.975	11
Terhathum	67.85	67.75	39.6	69.8	2.60	4.19	0.340	0.478	0.504	111	0.963	12
Manang	57.26	56.85	41.6	61.4	2.57	3.77	0.517	0.580	0.495	109	0.986	13
Dhankuta	66.91	63.04	46.0	71.9	2.26	3.66	0.328	0.452	0.493	109	0.972	14
Parbat	65.04	66.48	39.7	66.3	2.58	3.99	0.381	0.452	0.492	109	0.976	15
Myagdi	67.63	65.69	36.8	64.3	1.90	3.29	0.371	0.456	0.486	107	0.975	16
Jhapa	58.88	58.16	51.8	73.0	3.01	4.32	0.353	0.481	0.482	107	0.974	17
Baglung	64.29	62.87	43.7	70.2	2.01	3.27	0.364	0.447	0.481	106	0.979	18
Lamjung	64.73	64.14	36.1	65.2	2.18	3.62	0.397	0.454	0.48	106	0.976	19
Sunsari	63.03	60.78	43.4	69.0	2.44	4.01	0.325	0.504	0.478	106	0.957	20
Palpa	60.50	58.86	50.4	74.1	2.37	3.62	0.368	0.448	0.478	106	0.983	21
Surkhet	63.57	61.89	42.0	71.3	1.78	3.38	0.368	0.425	0.475	105	0.976	22
Udayapur	68.26	67.85	33.1	61.8	1.60	3.00	0.336	0.415	0.474	105	0.971	23
Panchthar	64.92	64.16	36.8	64.3	2.24	3.51	0.355	0.430	0.472	104	0.975	24
Mustang	57.26	56.85	33.4	58.9	1.78	3.39	0.495	0.562	0.470	104	0.976	25
Makwanpur	56.55	55.02	45.5	70.2	1.73	2.94	0.432	0.526	0.468	104	0.978	26
Sankhuwasabha	64.84	62.80	36.4	59.6	2.00	3.16	0.352	0.474	0.467	103	0.972	27
Nawalparasi	64.52	62.92	32.2	62.6	1.86	3.33	0.376	0.471	0.466	103	0.967	28
Arghakhanchi	63.26	61.89	36.3	62.6	2.36	3.54	0.393	0.417	0.463	102	0.982	29
Banke	61.01	59.82	43.0	63.4	1.78	3.12	0.338	0.496	0.463	102	0.966	30
Solukhumbu	66.07	65.84	25.9	52.8	1.55	2.75	0.386	0.493	0.462	102	0.965	31
Okhaldhunga	69.71	69.14	26.0	59.8	1.46	2.90	0.330	0.415	0.461	102	0.959	32
Bhojpur	64.16	65.14	33.8	61.5	1.90	3.32	0.338	0.424	0.457	101	0.968	33
Gulmi	66.54	63.23	39.0	66.8	2.22	3.45	0.301	0.375	0.457	101	0.979	34
Sindhuli	67.15	65.04	27.7	57.4	1.28	2.67	0.354	0.431	0.453	100	0.966	35
Taplejung	62.48	61.46	34.4	61.1	2.11	3.35	0.340	0.461	0.451	100	0.966	36

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TABLE 6 Gender-related development index by district, 2001

District	Life expectancy		Adult literacy (Percent)		Mean years of schooling		Estimated earned income		GDI	RELATIVE VALUE NEPAL=100	GDI/HDI	Rank
	Female	Male	female	Male	Female	Male	Female	Male				
Nepal	61.5	60.5	34.9	62.7	1.95	3.56	0.345	0.485	0.452	100	0.959	
Nuwakot	64.34	62.87	28.9	56.6	1.38	2.55	0.345	0.472	0.445	98	0.960	37
Gorkha	60.22	60.81	34.8	57.5	1.91	3.02	0.390	0.444	0.445	98	0.979	38
Kanchanpur	57.81	57.03	37.2	69.7	1.75	3.60	0.352	0.486	0.442	98	0.954	39
Parsa	62.23	59.29	31.6	52.4	1.51	3.47	0.292	0.513	0.429	95	0.959	40
Kailali	58.78	58.06	32.3	60.6	1.37	2.90	0.368	0.447	0.428	95	0.967	41
Khotang	61.25	61.53	29.0	58.7	1.81	3.28	0.328	0.416	0.425	94	0.962	42
Dolakha	62.03	64.94	27.2	58.3	1.40	2.97	0.300	0.433	0.425	94	0.944	43
Bara	61.56	59.95	21.3	51.0	1.09	2.85	0.327	0.594	0.420	93	0.903	44
Saptari	63.21	63.08	27.6	60.0	1.39	3.65	0.240	0.444	0.416	92	0.918	45
Dhanusha	63.80	60.41	30.2	58.2	1.19	3.09	0.244	0.453	0.416	92	0.927	46
Ramechhap	65.42	64.94	16.9	48.3	1.03	2.39	0.364	0.407	0.414	92	0.956	47
Bardiya	62.18	59.53	28.0	50.7	1.42	2.84	0.298	0.433	0.411	91	0.959	48
Kapilbastu	63.26	61.87	22.1	48.9	1.24	2.76	0.278	0.471	0.407	90	0.931	49
Sindhupalchok	61.22	58.91	18.5	43.8	1.13	2.35	0.409	0.419	0.401	89	0.969	50
Pyuthan	62.55	60.91	22.8	57.8	1.38	2.93	0.322	0.353	0.399	88	0.958	51
Dadeldhura	56.14	57.12	20.6	69.7	1.15	3.65	0.384	0.470	0.396	88	0.914	52
Dhading	59.87	57.32	22.7	46.8	1.47	2.62	0.331	0.445	0.394	87	0.961	53
Darchula	57.24	55.69	20.3	64.3	1.48	3.99	0.387	0.433	0.394	87	0.929	54
Siraha	64.00	62.82	19.2	49.7	1.11	3.00	0.228	0.433	0.388	86	0.910	55
Dang	51.33	49.87	38.3	66.6	1.83	3.43	0.304	0.454	0.388	86	0.949	56
Rautahat	65.09	62.03	15.9	39.4	0.91	2.37	0.266	0.418	0.384	85	0.940	57
Salyan	57.76	55.90	24.5	55.8	1.55	3.24	0.330	0.359	0.382	85	0.957	58
Sarlahi	64.81	61.21	17.6	42.2	1.09	2.57	0.226	0.413	0.377	83	0.925	59
Rasuwa	54.16	55.35	14.3	35.1	1.00	2.12	0.416	0.526	0.376	83	0.955	60
Mahottari	64.92	61.60	16.8	42.3	1.01	2.63	0.194	0.418	0.368	81	0.902	61
Doti	56.75	59.99	15.2	56.2	0.72	2.65	0.345	0.400	0.368	81	0.916	62
Rukum	57.76	55.90	16.3	43.2	1.30	2.71	0.312	0.434	0.364	81	0.942	63
Baitadi	52.89	51.79	23.3	69.5	1.12	3.66	0.347	0.382	0.361	80	0.923	64
Dailekh	56.87	54.88	21.4	60.2	1.01	2.89	0.307	0.332	0.358	79	0.939	65
Rolpa	58.19	57.95	14.9	49.4	0.74	2.13	0.312	0.403	0.357	79	0.930	66
Dolpa	52.92	52.17	11.7	45.4	0.71	2.46	0.388	0.456	0.341	75	0.920	67
Humla	58.68	58.11	4.8	33.5	0.40	2.10	0.362	0.407	0.337	75	0.919	68
Jajarkot	52.98	50.91	15.2	40.3	1.16	2.40	0.332	0.375	0.328	73	0.955	69
Jumla	50.47	51.17	9.3	42.5	0.61	2.49	0.374	0.423	0.316	70	0.910	70
Achham	55.40	55.00	7.6	48.5	0.55	2.55	0.328	0.354	0.314	69	0.897	71
Bajhang	51.09	48.39	7.8	54.1	0.49	2.81	0.332	0.372	0.289	64	0.872	72
Bajura	46.24	45.16	9.0	46.2	0.63	2.60	0.348	0.386	0.277	61	0.893	73
Kalikot	47.21	46.18	10.7	50.3	0.88	2.73	0.258	0.397	0.274	61	0.851	74
Mugu	45.27	42.95	5.2	41.6	0.34	2.45	0.370	0.427	0.263	58	0.867	75

TABLE 7 Gender empowerment measure by region, 2001

Region	Women's participation in local elections (%)	Women in professional jobs	Women in administrative jobs	Women's share in income	Gender empowerment measure (GEM)
Nepal	19.33	18.75	12.71	0.302	0.391
Rural	19.40	15.72	10.49	0.293	0.365
Urban	18.10	23.30	15.46	0.243	0.425
Mountain	19.80	14.26	9.41	0.414	0.356
Hills	19.90	20.94	13.97	0.381	0.408
Tarai	18.60	16.34	11.34	0.265	0.372
Eastern region	19.20	16.44	13.22	0.298	0.382
Central region	19.00	20.47	13.51	0.281	0.407
Western region	20.30	19.92	12.57	0.400	0.395
Mid-western region	19.20	16.65	9.50	0.372	0.363
Far Western region	18.60	19.30	9.44	0.402	0.368
Eastern mountain	19.50	17.42	14.82	0.339	0.394
Central mountain	19.90	13.97	7.05	0.435	0.343
Western mountain	28.70	17.69	19.00	0.351	0.511
Mid-western mountain	19.30	14.06	7.46	0.404	0.345
Far Western mountain	19.00	10.53	6.31	0.426	0.309
Eastern hills	19.70	17.66	11.35	0.366	0.378
Central hills	19.60	23.48	15.38	0.311	0.435
Western hills	21.10	20.25	12.58	0.418	0.395
Mid-western hills	19.30	14.50	6.62	0.435	0.334
Far Western hills	18.40	10.26	8.20	0.444	0.312
Eastern Tarai	18.80	15.83	13.65	0.260	0.380
Central Tarai	18.30	14.04	9.01	0.221	0.349
Western Tarai	18.40	19.32	12.18	0.288	0.386
Mid-western Tarai	19.00	19.13	11.91	0.291	0.387
Far Western Tarai	18.70	13.82	8.53	0.336	0.346

TABLE 8 Gender empowerment measure by district, 2001

District	Women's participation in local elections (%)	Women in professional jobs	Women in administrative jobs	Women's share in income	Gender empowerment measure (GEM)	HDI rank
Nepal	19.33	18.75	12.71	0.302	0.391	
Manang	37.10	18.34	15.02	0.383	0.528	1
Mustang	23.17	17.31	21.68	0.358	0.490	2
Lalitpur	19.66	24.51	17.63	0.253	0.448	3
Kathmandu	19.99	24.94	16.18	0.239	0.442	4
Bhaktapur	19.72	27.14	13.23	0.292	0.436	5
Kaski	21.64	21.20	13.31	0.332	0.433	6
Kalikot	17.79	14.49	31.78	0.301	0.430	7
Palpa	21.01	22.39	18.33	0.415	0.428	8
Taplejung	19.24	19.08	20.83	0.334	0.423	9
Kavrepalanchok	19.64	21.38	12.10	0.333	0.421	10
Myagdi	22.53	15.22	20.26	0.408	0.418	11
Chitawan	20.03	21.11	14.22	0.304	0.416	12
Jhapa	18.83	20.23	17.64	0.320	0.415	13
Baglung	21.15	20.36	16.83	0.417	0.412	14
Bhojpur	19.65	15.02	21.68	0.392	0.407	15
Dhankuta	20.14	22.00	12.93	0.329	0.407	16
Syangja	21.54	21.78	14.05	0.316	0.405	17
Makwanpur	19.84	18.46	12.76	0.356	0.403	18
Banke	19.22	22.29	12.52	0.269	0.401	19
Morang	18.79	18.38	15.01	0.271	0.399	20
Bardiya	19.81	19.01	10.87	0.305	0.394	21
Okhaldhunga	20.47	20.48	11.94	0.393	0.393	22
Sankhuwasabha	19.42	16.64	15.98	0.335	0.393	23
Rupandehi	17.60	21.22	12.84	0.260	0.392	24
Gulmi	21.33	18.48	14.29	0.439	0.388	25
Nawalparasi	20.07	18.29	11.43	0.367	0.388	26
Kailali	18.80	20.54	11.78	0.377	0.385	27
Rasuwa	20.04	17.12	8.28	0.322	0.382	28
Sunsari	18.64	16.78	13.07	0.251	0.381	29
Tanahu	20.49	22.89	8.64	0.449	0.381	30
Surkhet	21.02	18.66	8.48	0.420	0.380	31
Lamjung	21.47	18.96	8.60	0.444	0.376	32
Terhathum	20.09	21.70	7.73	0.317	0.376	33
Ilam	19.59	18.18	8.99	0.359	0.374	34
Dolpa	21.63	15.08	8.52	0.401	0.372	35
Parbat	21.52	18.37	8.91	0.432	0.371	36
Jajarkot	18.26	21.09	7.46	0.428	0.366	37

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TABLE 8 Gender empowerment measure by district, 2001

District	Women's participation in local elections (%)	Women in professional jobs	Women in administrative jobs	Women's share in income	Gender empowerment measure (GEM)	HDI rank
Nuwakot	19.53	15.32	10.59	0.324	0.365	38
Dang	18.05	16.65	11.61	0.293	0.362	39
Dhading	18.99	19.96	7.78	0.346	0.362	40
Jumla	19.85	16.72	6.98	0.414	0.362	41
Kapilbastu	17.77	16.42	11.23	0.229	0.362	42
Panchthar	19.46	14.57	10.71	0.399	0.359	43
Arghakhanchi	20.35	19.39	6.97	0.503	0.356	44
Solukhumbu	19.88	16.36	7.36	0.351	0.356	45
Parsa	17.42	15.74	9.15	0.195	0.354	46
Udayapur	18.87	13.84	10.49	0.384	0.353	47
Sarlahi	18.91	11.51	10.77	0.232	0.349	48
Gorkha	19.02	16.24	9.67	0.453	0.348	49
Sindhuli	19.28	13.87	8.38	0.389	0.345	50
Dolakha	20.43	13.13	8.14	0.319	0.344	51
Kanchanpur	18.51	18.00	5.42	0.302	0.344	52
Salyan	18.97	16.02	5.94	0.456	0.338	53
Rukum	19.30	11.31	8.77	0.320	0.337	54
Rautahat	18.08	11.08	8.99	0.272	0.331	55
Sindhupalchok	19.65	13.78	5.27	0.488	0.331	56
Siraha	18.80	9.28	9.54	0.217	0.327	57
Bara	18.48	12.11	6.31	0.159	0.326	58
Dhanusha	18.26	11.39	7.06	0.208	0.324	59
Bajhang	18.78	9.29	9.21	0.457	0.323	60
Saptari	18.90	9.79	8.31	0.220	0.323	61
Achham	19.17	9.20	9.77	0.489	0.314	62
Baitadi	17.65	12.77	7.52	0.464	0.314	63
Khotang	19.70	15.89	1.82	0.384	0.314	64
Ramechhap	19.15	8.17	9.55	0.460	0.311	65
Humla	18.80	11.88	3.21	0.418	0.308	66
Doti	18.08	7.91	8.76	0.419	0.306	67
Rolpa	18.34	14.57	3.72	0.382	0.306	68
Bajura	18.71	14.06	3.20	0.449	0.304	69
Mugu	19.55	10.42	3.29	0.409	0.304	70
Darchula	19.31	9.82	4.93	0.441	0.303	71
Dailekh	18.42	10.51	5.82	0.474	0.300	72
Dadeldhura	18.20	9.90	5.61	0.390	0.296	73
Mahottari	17.89	9.11	5.14	0.194	0.295	74
Pyuthan	19.55	11.04	4.23	0.491	0.293	75

TABLE 9 Changes in HDI and HPI over time

Region	HDI 2001	HDI 1996 adjusted for comparison	HDI 1996 actual	HPI 2001	HPI 2001 adjusted for comparison	HPI 1996 adjusted for comparison	HPI 1996 actual
Nepal	0.471	0.403	0.325	39.6	38.6	48.1	49.7
Urban	0.581	0.567	0.518	25.2	-	-	-
Rural	0.452	0.384	0.306	42.0	-	-	-
Mountain	0.386	0.349	0.271	49.8	49.0	58.0	59.1
Hills	0.512	0.434	0.357	38.8	37.6	47.6	49.1
Tarai	0.478	0.423	0.344	39.6	38.9	47.0	48.6
Eastern region	0.493	0.417	0.339	37.1	36.2	44.0	45.3
Central region	0.490	0.411	0.339	39.7	38.8	48.2	49.7
Western region	0.491	0.428	0.350	36.7	35.6	45.6	48.1
Mid-western region	0.402	0.354	0.276	46.3	44.5	54.8	55.0
Far Western region	0.404	0.364	0.286	45.9	44.8	50.7	53.7

Note:
The calculation of income index in the present HDI is different from that of the 1996 HDI. In the present HDI, the logarithmic transformation of income is used following the standard HDI methodology whereas in the previous 1996 HDI, income was not adjusted using such logarithmic method but was only normalized. In order to make the present HDI comparable with the previous HDI, the 1996 HDI has been recalculated using the logarithmic transformation method for the calculation of income index.

To make the present estimate of HPI comparable with the 1996 HPI, the 1998 HPI based on 1996 data has been recalculated by dropping the proportion of population without health services. Making further adjustment in the 2001 HPI for malnourished children from 1-5 years to 1-3 years to make the two reference points comparable, the HPI in 2001 drops marginally to 38.6.

As with HDI, the 1996 GDI value has been recalculated using the logarithmic transformation method of computing income index so as to make the comparison possible.

GEM is also not directly comparable due to difference in the measurement of women's representation in the parliament. The 1996 GEM utilized women's and men's representation in parliament at the country level whereas in the present GEM the percentage share of men and women in local elections was used for development regions, ecological regions and districts.

TABLE 10 Estimates of per capita income by region, 2001

(Rs. in Million)

Region	Agriculture fisheries and forestry	Mining and quarrying	Manufacturing	Electricity gas and Water	Cunstruction	Trade restaurants and hotels	Transport Communication and storage	Finance and real estate	Community and social services	Total economy (Total value added)	GDP at market prices	Population	Per capita incom Rs. at market prices	Per capita income in $	Per capita income in PPP $
Nepal	151058	1923	35495	7004	39584	44572	33297	41634	38997	393564	410287	23151423	17722	240	1310
Eastern development region	36944	269	7830	1446	4706	10252	7284	9525	5137	83392	86936	5344476	16266	221	1202
Central development region	47676	991	20862	3924	20040	16858	16359	16025	23753	166487	173561	8031629	21610	293	1597
Western development region	31982	356	4368	1268	8135	9150	5770	8292	5042	74363	77522	4571013	16960	230	1254
Mid-western development region	18782	156	1561	245	3227	4821	2493	4300	3045	38629	40271	3012975	13366	181	988
Far Western development region	15674	151	875	122	3477	3491	1390	3492	2021	30693	31997	2191330	14602	198	1079
Mountain	12110	113	811	228	2549	2909	892	2726	2054	24392	25429	1687859	15066	204	1114
Hills	64422	1335	13461	2692	26409	19336	15280	19369	27116	189420	197468	10251111	19263	261	1424
Tarai	74526	476	21223	4084	10626	22326	17125	19540	9827	179752	187390	11212453	16713	227	1235
Eastern mountain	3775	14	209	6	316	906	241	741	442	6651	6933	401587	17264	234	1276
Central mountain	4031	50	181	212	1110	970	341	872	559	8327	8680	554817	15646	212	1157
Western mountain	305	3	10	2	59	117	67	103	133	799	833	24568	33895	460	2505
Mid-western mountain	2037	9	105	4	218	456	100	377	464	3770	3930	309084	12716	173	940
Far Western mountain	1962	37	305	3	846	461	143	633	456	4846	5052	397803	12700	172	939
Eastern hills	11979	127	1019	39	1436	2787	848	2672	1638	22545	23503	1643246	14303	194	1057
Central hills	19223	800	10210	2263	15669	8053	11036	8500	20015	95768	99838	3542732	28181	382	2083
Western hills	19523	247	1403	350	5628	5318	2588	4983	3372	43413	45257	2793180	16203	220	1198
Mid-western hills	8458	81	624	34	1840	1992	522	1934	1326	16812	17526	1473022	11898	161	879
Far Western hills	4330	80	205	6	1836	1015	286	1272	764	9793	10210	798931	12779	173	945
Eastern Tarai	21189	128	6602	1401	2954	6560	6195	6112	3057	54197	56500	3299643	17123	232	1266
Central Tarai	24422	142	10470	1449	3261	7835	4982	6653	3179	62392	65043	3934080	16533	224	1222
Western Tarai	11245	106	2955	915	2448	3544	3115	3198	1537	29063	30297	1753265	17281	234	1277
Mid-western Tarai	8287	66	832	206	1169	2373	1871	1989	1254	18048	18814	1230869	15285	207	1130
Far Western Tarai	9383	34	365	113	795	2014	962	1588	800	16053	16735	994596	16826	228	1244

TABLE 11 Estimates of per capita income by district, 2001 (Rs. in Million)

Region/district	Agriculture fisheries and forestry	Mining and quarrying	Manufacturing	Electricity gas and water	Construction	Trade restaurants and hotels	Transport communnication and storage	Finance and real estate	Community and social services	Total economy (Total value added)	GDP at market prices	Population	Per capita income Rs. at market prices	Per capita income in $	Per capita income in PPP $
Eastern mountain															
Taplejung	1283	5	28	1	105	258	46	194	123	2043	2130	134698	15814	215	1169
Sankhuwasabha	1416	5	158	1	107	343	74	302	189	2596	2706	159203	16999	231	1257
Solukhumbu	1094	4	23	4	103	308	121	244	130	2033	2119	107686	19679	267	1455
Eastern hills															
Panchthar	1629	6	89	1	146	341	79	341	179	2811	2931	202056	14504	197	1072
Ilam	2412	14	147	14	330	585	180	492	285	4460	4649	282806	16440	223	1215
Dhankuta	1175	7	52	10	159	332	95	311	240	2380	2481	166479	14904	202	1102
Terhathum	1095	5	50	0	108	228	44	170	129	1829	1907	113111	16861	229	1246
Bhojpur	1548	5	96	1	107	321	37	352	173	2640	2752	203018	13556	184	1002
Okhaldhunga	967	10	39	1	228	204	54	226	207	1935	2018	156702	12876	175	952
Khotang	1672	9	50	1	203	328	44	340	216	2864	2986	231385	12905	175	954
Udayapur	1495	72	495	10	155	449	316	440	209	3641	3796	287689	13196	179	975
Eastern Tarai															
Jhapa	5108	23	737	214	540	1505	1631	1282	588	11628	12123	688109	17617	239	1302
Morang	6694	53	2961	665	1223	2059	1312	1812	912	17690	18442	843220	21871	297	1617
Sunsari	2964	22	2517	291	498	1350	1760	1219	590	11211	11688	625633	18682	253	1381
Saptari	3517	14	185	57	331	840	573	903	528	6949	7244	570282	12703	172	939
Siraha	2752	16	202	173	361	776	919	895	439	6534	6812	572399	11900	161	880
Central mountain															
Dolakha	1067	18	69	7	409	307	141	307	231	2557	2666	204229	13054	177	965
Sindhupalchok	2388	28	99	201	624	533	159	473	233	4737	4939	305857	16147	219	1194
Rasuwa	588	4	14	4	77	132	40	93	95	1046	1091	44731	24379	331	1802
Central hills															
Sindhuli	2001	11	91	7	169	475	465	366	333	3917	4083	279821	14593	198	1079
Ramechhap	1543	11	36	0	251	322	90	358	170	2780	2899	212408	13646	185	1009
Kavrepalanchok	3436	28	435	68	622	1042	1082	710	443	7866	8200	385672	21262	288	1572
Lalitpur	1253	135	1857	216	1595	787	1115	929	1138	9026	9410	337785	27857	378	2059
Bhaktapur	1307	39	734	137	911	528	638	529	625	5448	5679	225461	25189	342	1862
Kathmandu	2721	444	4698	1562	10413	2711	5741	3817	16161	48267	50318	1081845	46511	631	3438
Nuwakot	2214	25	170	35	574	535	270	486	321	4630	4827	288478	16733	227	1237
Dhading	2274	36	144	14	634	555	267	508	291	4723	4924	338658	14539	197	1075
Makwanpur	2679	71	2046	224	498	1136	1369	799	534	9356	9754	392604	24843	337	1836

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TABLE 11 Estimates of per capita income by district, 2001

(Rs. in Million)

Region/district	Agriculture fisheries and forestry	Mining and quarrying	Manufacturing	Electricity gas and water	Construction	Trade restaurants and hotels	Transport communnication and storage	Finance and real estate	Community and social services	Total economy (Total value added)	GDP at market prices	Population	Per capita income Rs. at market prices	Per capita income in $	Per capita income in PPP $
Central Tarai															
Dhanusha	3072	23	1238	138	525	1054	998	1024	588	8661	9029	671364	13448	182	994
Mahottari	2689	13	332	39	297	685	430	809	373	5667	5908	553481	10674	145	789
Sarlahi	2990	24	361	48	559	731	483	884	536	6616	6897	635701	10850	147	802
Rautahat	3234	13	361	39	288	772	361	775	316	6159	6420	545132	11777	160	871
Bara	4880	16	5914	256	372	2186	690	984	343	15642	16306	559135	29163	396	2156
Parsa	3431	21	1124	700	472	980	821	1148	375	9072	9458	497219	19021	258	1406
Chitawan	4068	33	1140	229	747	1415	1200	1028	647	10507	10953	472048	23204	315	1715
Western mountain															
Manang	145	1	5	1	24	59	16	46	45	342	356	9587	37153	504	2746
Mustang	179	2	5	2	35	62	51	57	88	479	500	14981	33365	453	2466
Western hills															
Gorkha	2279	23	207	1	528	567	165	449	338	4556	4750	288134	16484	224	1219
Lamjung	1571	14	90	0	329	358	59	303	227	2951	3077	177149	17369	236	1284
Tanahu	2433	25	81	43	579	583	208	543	365	4860	5066	315237	16071	218	1188
Syangja	2944	24	59	12	552	717	274	594	314	5490	5724	317320	18037	245	1333
Kaski	2757	45	533	222	1026	1015	1140	1058	632	8428	8786	380527	23088	313	1707
Myagdi	802	13	43	5	307	225	39	222	140	1796	1873	114447	16362	222	1209
Parbat	1249	14	44	2	327	279	90	279	214	2499	2605	157826	16504	224	1220
Baglung	1765	25	113	31	571	516	199	415	361	3994	4164	268937	15484	210	1145
Gulmi	1226	24	56	2	558	324	112	402	222	2925	3049	296654	10279	139	760
Palpa	1854	20	133	31	455	583	235	398	358	4068	4241	268558	15792	214	1167
Arghakhanchi	1653	18	44	4	398	341	68	329	201	3055	3185	208391	15281	207	1130
Western Tarai															
Nawalparasi	3420	25	1810	511	583	1171	648	996	402	9567	9974	562870	17719	240	1310
Rupandehi	4190	53	816	329	1232	1458	2054	1577	776	12485	13015	708419	18373	249	1358
Kapilbastu	3638	27	329	75	633	915	413	626	358	7014	7312	481976	15171	206	1121
Mid-western Mountain															
Dolpa	202	2	25	1	37	46	11	63	105	490	511	29545	17296	235	1279
Jumla	756	2	37	1	56	174	36	114	105	1282	1336	89427	14942	203	1104
Kalikot	714	2	1	2	41	149	7	52	96	1062	1108	105580	10491	142	775
Mugu	332	2	12	0	40	69	19	72	83	630	657	43937	14948	203	1105
Humla	225	2	30	0	43	54	27	78	76	534	557	40595	13724	186	1014

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TABLE 11 Estimates of per capita income by district, 2001

(Rs. in Million)

Region/district	Agriculture fisheries and forestry	Mining and quarrying	Manufacturing	Electricity gas and water	Construction	Trade restaurants and hotels	Transport communnication and storage	Finance and real estate	Community and social services	Total economy (Total value added)	GDP at market prices	Population	Per capita income Rs. at market prices	PER CAPITA INCOME IN $	Per capita income in PPP $
Mid-western hills															
Pyuthan	1004	11	51	5	253	229	56	318	154	2079	2168	212484	10202	138	754
Rolpa	1112	12	225	1	262	281	57	278	162	2389	2491	210004	11861	161	877
Rukum	1337	10	92	1	220	292	29	281	189	2449	2554	188438	13551	184	1002
Salyan	1471	4	26	3	81	293	16	178	119	2190	2283	213500	10694	145	791
Surkhet	1847	17	114	23	403	526	306	404	432	4074	4247	288527	14721	200	1088
Dailekh	854	16	62	1	360	202	45	289	156	1986	2070	225201	9192	125	679
Jajarkot	687	12	55	1	262	141	13	184	114	1469	1531	134868	11351	154	839
Mid-western Tarai															
Dang	2852	34	198	42	432	871	774	692	478	6374	6645	462380	14371	195	1062
Banke	2633	20	560	141	472	888	860	771	516	6861	7152	385840	18537	252	1370
Bardiya	2804	11	74	23	265	615	238	526	260	4814	5019	382649	13115	178	969
Far Western mountain															
Bajura	545	9	80	1	199	127	30	183	107	1280	1335	108781	12271	167	907
Bajhang	727	13	89	1	309	169	61	248	173	1789	1865	167026	11167	152	825
Darchula	760	15	136	1	338	179	52	203	176	1861	1940	121996	15901	216	1175
Far Western hills															
Achham	993	21	18	2	492	206	52	373	156	2312	2410	231285	10421	141	770
Doti	1039	20	83	2	469	255	88	364	218	2538	2646	207066	12779	173	945
Dadeldhura	1125	12	46	0	275	270	68	212	155	2163	2255	126162	17870	242	1321
Baitadi	1113	26	58	1	601	274	77	323	235	2709	2824	234418	12046	163	890
Far Western Tarai															
Kailali	5436	18	258	65	425	1193	568	1040	472	9477	9879	616697	16020	217	1184
Kanchanpur	3948	16	107	48	369	822	394	548	328	6579	6858	377899	18148	246	1341

Annex 2.2: Human empowerment indices

TABLE 1 Human empowerment index by region, 2001

Region	Social empowerment index	Economic empowerment index	Political empowerment index	Human empowerment index (HEI)	Relative value Nepal = 100
Nepal	0.406	0.337	0.646	0.463	100
Urban	0.604	0.518	0.737	0.620	134
Rural	0.372	0.304	0.642	0.439	95
Mountain	0.315	0.236	0.526	0.359	78
Hills	0.476	0.310	0.568	0.451	97
Tarai	0.362	0.392	0.674	0.476	103
Eastern region	0.398	0.369	0.691	0.486	105
Central region	0.413	0.383	0.695	0.497	107
Western region	0.468	0.317	0.599	0.461	100
Mid-western region	0.330	0.247	0.602	0.393	85
Far Western region	0.347	0.268	0.582	0.399	86
Eastern mountain	0.364	0.283	0.581	0.409	88
Central mountain	0.409	0.296	0.789	0.498	108
Western mountain	0.483	0.480	0.763	0.575	124
Mid-western mountain	0.137	0.161	0.759	0.352	76
Far Western mountain	0.243	0.149	0.829	0.407	88
Eastern hills	0.420	0.263	0.663	0.449	97
Central hills	0.549	0.420	0.642	0.537	116
Western hills	0.537	0.287	0.546	0.456	99
Mid-western hills	0.297	0.187	0.346	0.276	60
Far Western hills	0.310	0.199	0.465	0.324	70
Eastern Tarai	0.397	0.439	0.719	0.519	112
Central Tarai	0.294	0.368	0.721	0.461	100
Western Tarai	0.334	0.381	0.583	0.433	93
Mid-western Tarai	0.458	0.353	0.635	0.482	104
Far Western Tarai	0.409	0.405	0.360	0.392	85

TABLE 2 Human empowerment index by district, 2001

District	Social empowerment index	Economic empowerment index	Political empowerment index	Overall human empowerment index (HEI)	Relative Value Nepal =100	HEI rank
Nepal	0.406	0.337	0.646	0.463	100	
Kathmandu	0.710	0.629	0.643	0.660	143	1
Lalitpur	0.752	0.515	0.705	0.657	142	2
Kaski	0.777	0.548	0.644	0.656	142	3
Bhaktapur	0.614	0.499	0.823	0.645	139	4
Morang	0.451	0.506	0.919	0.625	135	5
Chitawan	0.521	0.531	0.722	0.591	128	6
Banke	0.437	0.454	0.847	0.579	125	7
Jhapa	0.482	0.457	0.795	0.578	125	8
Dhankuta	0.596	0.374	0.712	0.561	121	9
Dang	0.554	0.337	0.775	0.556	120	10
Rupandehi	0.438	0.440	0.785	0.555	120	11
Sunsari	0.425	0.449	0.789	0.554	120	12
Kanchanpur	0.430	0.433	0.800	0.554	120	13
Terhathum	0.509	0.406	0.704	0.539	116	14
Nawalparasi	0.362	0.392	0.843	0.532	115	15
Parbat	0.613	0.398	0.565	0.525	113	16
Kavrepalanchok	0.517	0.388	0.626	0.510	110	17
Bardiya	0.296	0.343	0.875	0.505	109	18
Saptari	0.330	0.385	0.791	0.502	108	19
Parsa	0.314	0.428	0.758	0.500	108	20
Ilam	0.412	0.278	0.800	0.497	107	21
Tanahu	0.626	0.273	0.579	0.493	106	22
Nuwakot	0.389	0.346	0.727	0.487	105	23
Kailali	0.409	0.403	0.647	0.486	105	24
Syangja	0.643	0.287	0.507	0.479	103	25
Kapilbastu	0.239	0.361	0.833	0.478	103	26
Mustang	0.520	0.500	0.406	0.475	103	27
Dhanusha	0.298	0.350	0.778	0.475	103	28
Bara	0.205	0.444	0.768	0.472	102	29
Makwanpur	0.371	0.331	0.699	0.467	101	33
Sindhupalchok	0.331	0.362	0.707	0.467	101	31
Surkhet	0.384	0.269	0.724	0.459	99	32

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TABLE 2 Human empowerment index by district, 2001

District	Social empowerment index	Economic empowerment index	Political empowerment index	Overall human empowerment index (HEI)	Relative value Nepal =100	HEI rank
Arghakhanchi	0.464	0.254	0.658	0.459	99	33
Okhaldhunga	0.512	0.292	0.569	0.458	99	34
Sankhuwasabha	0.481	0.333	0.558	0.457	99	35
Udayapur	0.388	0.344	0.640	0.457	99	36
Dolakha	0.549	0.277	0.546	0.457	99	37
Siraha	0.216	0.398	0.720	0.445	96	38
Panchthar	0.322	0.203	0.801	0.442	96	39
Rasuwa	0.273	0.383	0.661	0.439	95	40
Sarlahi	0.213	0.309	0.760	0.427	92	41
Lamjung	0.463	0.295	0.523	0.427	92	42
Dhading	0.318	0.262	0.700	0.427	92	43
Mahottari	0.238	0.303	0.721	0.421	91	44
Solukhumbu	0.346	0.314	0.600	0.420	91	45
Dadeldhura	0.373	0.394	0.491	0.419	91	46
Palpa	0.413	0.280	0.565	0.419	91	47
Baglung	0.423	0.226	0.591	0.414	89	48
Pyuthan	0.373	0.295	0.561	0.410	88	49
Rautahat	0.244	0.310	0.641	0.398	86	50
Myagdi	0.483	0.212	0.468	0.388	84	51
Gulmi	0.378	0.217	0.557	0.384	83	52
Taplejung	0.334	0.217	0.601	0.384	83	53
Bhojpur	0.349	0.190	0.531	0.357	77	54
Manang	0.429	0.550	0.088	0.356	77	55
Khotang	0.343	0.216	0.508	0.356	77	56
Ramechhap	0.243	0.233	0.568	0.348	75	57
Salyan	0.368	0.223	0.418	0.336	73	58
Dailekh	0.246	0.124	0.636	0.335	72	59
Darchula	0.279	0.183	0.540	0.334	72	60
Gorkha	0.343	0.209	0.449	0.334	72	61
Sindhuli	0.385	0.100	0.506	0.330	71	62
Baitadi	0.355	0.216	0.356	0.309	67	63
Achham	0.293	0.171	0.452	0.305	66	64
Jumla	0.193	0.164	0.554	0.304	66	65
Jajarkot	0.247	0.174	0.421	0.281	61	66
Bajhang	0.228	0.195	0.418	0.280	60	67
Bajura	0.218	0.142	0.479	0.279	60	68
Kalikot	0.218	0.158	0.444	0.273	59	69
Humla	0.061	0.220	0.512	0.264	57	70
Dolpa	0.139	0.141	0.485	0.255	55	71
Mugu	0.050	0.214	0.483	0.249	54	72
Doti	0.210	0.185	0.293	0.229	50	73
Rukum	0.228	0.161	0.146	0.178	39	74
Rolpa	0.184	0.119	0.128	0.144	31	75

TABLE 3 Social empowerment index by region, 2001

Region	Adult literacy (15+)	Mean years of schooling	Infant mortality	% Malnourished children under 5 (stunting)	Population with access to sanitation (%)	Proportion of households with radio	Proportion of households with telephone service	Social mobilization outreach (% of households covered)	Educational attainment index	Average health capability index	Communication media index	Social mobilization outreach index	Social empowerment index	Relative value Nepal = 100
Nepal	48.6	2.75	68.51	50.51	39.22	52.59	3.91	28.75	0.383	0.563	0.297	0.336	0.406	100
Urban	68.3	5.06	51.71	36.62	77.06	64.84	20.24	0.00	0.852	0.825	0.732	0.000	0.604	149
Rural	45.0	2.35	70.32	51.51	32.05	50.27	0.82	34.00	0.299	0.525	0.214	0.398	0.372	92
Mountain	50.3	2.05	109.19	61.19	39.95	53.88	0.50	30.66	0.227	0.419	0.244	0.358	0.315	78
Hills	47.7	3.09	47.32	52.70	51.09	62.53	5.77	27.92	0.467	0.646	0.430	0.326	0.476	117
Tarai	52.9	2.54	59.76	47.13	27.15	42.39	2.54	29.31	0.328	0.552	0.170	0.343	0.362	89
Eastern region	42.5	2.90	61.37	44.56	39.77	48.95	2.26	24.82	0.424	0.612	0.229	0.290	0.398	98
Central region	41.7	2.89	63.51	52.31	43.51	52.91	7.61	22.67	0.392	0.582	0.371	0.265	0.413	102
Western region	36.1	2.93	58.91	50.33	48.53	57.34	2.34	38.29	0.446	0.623	0.313	0.448	0.468	115
Mid-western region	52.3	2.18	103.05	53.86	22.63	54.46	1.05	29.73	0.268	0.402	0.260	0.348	0.330	81
Far Western region	46.1	2.14	84.44	53.68	20.29	47.60	1.01	39.47	0.252	0.435	0.192	0.461	0.347	85
Eastern mountain	45.2	2.51	113.33	51.46	53.40	59.13	0.80	22.88	0.355	0.515	0.301	0.267	0.364	90
Central mountain	34.4	1.88	70.20	60.71	49.49	59.14	0.42	50.55	0.186	0.547	0.294	0.591	0.409	101
Western mountain	49.5	2.82	92.84	66.20	38.73	57.94	0.66	66.34	0.442	0.424	0.287	0.776	0.483	119
Mid-western mountain	25.3	1.48	116.53	75.00	31.15	45.57	0.59	0.96	0.076	0.295	0.164	0.011	0.137	34
Far Western mountain	32.6	1.99	127.39	60.60	14.27	43.42	0.24	30.71	0.198	0.279	0.136	0.359	0.243	60
Eastern hills	50.7	2.75	39.00	48.69	48.65	55.09	0.75	25.38	0.423	0.676	0.260	0.297	0.420	103
Central hills	58.6	3.79	43.01	51.70	63.05	68.14	14.08	17.84	0.595	0.709	0.646	0.209	0.549	135
Western hills	54.6	3.13	39.87	47.88	58.88	65.98	1.96	43.86	0.497	0.719	0.391	0.513	0.537	132
Mid-western hills	38.9	2.05	73.45	59.29	19.97	57.88	0.50	17.98	0.236	0.429	0.283	0.210	0.297	73
Far Western hills	36.8	1.97	85.50	59.11	19.60	45.59	0.39	37.76	0.201	0.401	0.160	0.441	0.310	76
Eastern Tarai	50.7	3.03	55.74	41.38	33.58	44.58	3.20	24.77	0.434	0.617	0.204	0.290	0.397	98
Central Tarai	38.7	2.18	53.75	51.52	22.45	36.25	2.07	23.45	0.225	0.523	0.101	0.274	0.294	72
Western Tarai	50.2	2.60	100.81	53.26	28.34	40.33	3.12	26.82	0.363	0.433	0.161	0.314	0.334	82
Mid-western Tarai	48.6	2.42	64.85	36.95	24.39	51.89	1.75	51.81	0.330	0.583	0.248	0.606	0.458	113
Far Western Tarai	49.2	2.34	97.17	43.33	23.57	51.31	1.92	45.00	0.314	0.474	0.246	0.526	0.409	101

TABLE 4 Social empowerment index by district, 2001

District	Adult literacy (15+)	Mean years of schooling	Infant mortality	% Malnourished children under 5 (stunting)	Population with access to sanitation(%)	Proportion of households with radio	Proportion of households with telephone service	Social mobilization Outreach (% of households covered)	Educational attainment index	Average health capability index	Communication media index	Social mobilization outreach index	Social empowerment index	Relative value Nepal = 100
Nepal	48.6	2.75	68.51	50.51	39.22	52.59	3.91	28.75	0.383	0.563	0.297	0.336	0.406	100
Taplejung	47.3	2.73	63.52	44.12	47.49	55.72	0.51	1.45	0.413	0.641	0.262	0.017	0.334	82
Sankhuwasabha	47.5	2.58	55.00	54.29	57.44	61.31	0.99	47.25	0.362	0.646	0.326	0.552	0.481	118
Solukhumbu	39.0	2.15	44.94	54.55	54.41	59.92	0.85	12.39	0.274	0.655	0.310	0.145	0.346	85
Panchthar	50.0	2.87	51.40	60.87	56.85	49.35	0.47	1.55	0.452	0.617	0.199	0.018	0.322	79
Ilam	61.5	3.32	50.91	49.25	71.39	54.83	1.10	3.13	0.557	0.738	0.265	0.037	0.412	101
Dhankuta	58.6	2.96	50.20	48.15	53.32	65.84	1.65	67.19	0.476	0.673	0.383	0.785	0.596	147
Terhathum	54.0	3.40	37.36	67.86	53.07	63.71	1.15	45.97	0.545	0.596	0.353	0.537	0.509	125
Bhojpur	46.8	2.61	50.58	48.68	48.67	65.27	0.18	0.00	0.395	0.650	0.349	0.000	0.349	86
Okhaldhunga	41.7	2.18	31.03	60.71	56.67	58.26	0.85	67.34	0.302	0.663	0.294	0.787	0.512	126
Khotang	43.1	2.55	66.08	35.96	36.18	52.71	0.45	13.09	0.354	0.633	0.231	0.153	0.343	85
Udayapur	47.3	2.30	36.37	32.14	19.65	41.62	0.51	34.81	0.326	0.653	0.123	0.407	0.388	96
Jhapa	62.2	3.67	80.74	31.88	55.51	49.87	2.66	28.35	0.616	0.699	0.246	0.331	0.482	119
Morang	52.3	3.35	39.38	41.54	41.81	49.17	4.04	27.80	0.525	0.685	0.266	0.325	0.451	111
Sunsari	56.2	3.23	64.11	38.81	39.25	46.11	4.56	22.99	0.489	0.635	0.246	0.269	0.425	105
Saptari	44.0	2.52	57.72	44.00	9.81	36.23	1.06	31.90	0.274	0.504	0.081	0.373	0.330	81
Siraha	34.8	2.06	56.69	52.35	9.04	34.60	0.92	9.90	0.170	0.459	0.062	0.116	0.216	53
Dolakha	42.2	2.19	55.66	58.73	61.14	64.83	0.38	76.93	0.258	0.636	0.349	0.899	0.549	135
Sindhupalchok	31.0	1.74	73.18	62.22	44.67	58.29	0.34	31.70	0.157	0.513	0.284	0.371	0.331	82
Rasuwa	25.4	1.56	101.03	60.00	31.51	40.34	1.10	40.32	0.086	0.410	0.122	0.471	0.273	67
Sindhuli	42.3	1.98	44.71	60.00	15.93	49.68	0.20	49.81	0.214	0.473	0.197	0.582	0.385	95
Ramechhap	31.2	1.71	48.43	73.33	34.36	52.76	0.08	10.44	0.156	0.468	0.224	0.122	0.243	60
Kavrepalanchok	56.1	2.60	37.46	35.85	44.80	65.84	2.22	39.40	0.377	0.732	0.394	0.461	0.517	127
Lalitpur	66.9	5.07	40.12	26.67	81.42	80.94	25.90	20.64	0.844	0.921	1.000	0.241	0.752	185
Bhaktapur	64.0	4.41	24.01	44.44	83.16	74.34	13.57	11.84	0.734	0.870	0.697	0.138	0.614	151
Kathmandu	73.5	5.94	30.65	52.87	92.30	80.28	25.08	1.22	1.000	0.847	0.978	0.014	0.710	175
Nuwakot	42.5	1.97	55.85	61.29	37.93	55.63	0.92	40.20	0.211	0.529	0.269	0.470	0.389	96
Dhading	34.3	2.05	80.77	43.37	43.00	57.78	0.19	15.91	0.220	0.588	0.276	0.186	0.318	78
Makwanpur	58.0	2.33	95.79	41.51	39.26	53.07	2.42	16.33	0.330	0.550	0.273	0.191	0.371	91
Dhanusha	44.7	2.14	63.46	55.50	16.03	35.86	2.11	26.76	0.198	0.455	0.098	0.313	0.298	73
Mahottari	30.1	1.82	57.96	55.50	13.36	33.92	0.51	24.77	0.127	0.457	0.048	0.290	0.238	59
Sarlahi	30.3	1.83	59.21	48.00	12.88	33.81	0.48	13.07	0.131	0.491	0.046	0.153	0.213	52
Rautahat	28.1	1.64	56.46	50.47	13.12	35.74	0.49	26.04	0.087	0.486	0.065	0.304	0.244	60
Bara	36.7	1.97	69.58	50.39	14.06	30.99	1.19	7.73	0.181	0.460	0.032	0.090	0.205	50
Parsa	37.8	2.49	69.88	47.30	24.17	35.75	4.75	24.79	0.303	0.517	0.147	0.290	0.314	77
Chitawan	65.4	3.62	79.41	53.42	66.58	47.87	5.53	42.17	0.611	0.633	0.282	0.493	0.521	128

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TABLE 4 Social empowerment index by district, 2001

District	Adult literacy (15+)	Mean years of schooling	Infant mortality	% Malnourished children under 5 (stunting)	Population with access to sanitation(%)	Proportion of Households with Radio	Proportion of households with telephone service	Social mobilization outreach (% of households covered)	Educational attainment index	Average health capability index	Communication media Index	Social mobilization outreach index	Social empowerment index	Relative value Nepal = 100
Manang	52.2	3.17	88.46	63.20	35.70	65.32	0.68	35.15	0.504	0.438	0.359	0.411	0.429	106
Mustang	47.8	2.58	88.46	63.20	40.39	53.90	0.65	83.27	0.401	0.457	0.247	0.973	0.520	128
Gorkha	44.9	2.46	70.33	41.67	45.43	56.56	0.59	9.23	0.318	0.630	0.272	0.108	0.343	85
Lamjung	49.2	2.90	51.84	42.86	54.36	64.13	0.74	30.08	0.448	0.701	0.349	0.352	0.463	114
Tanahu	54.4	2.98	33.43	62.96	50.89	66.03	1.12	85.54	0.478	0.622	0.375	1.000	0.626	154
Syangja	57.5	3.47	37.83	52.04	58.10	72.02	0.80	73.30	0.557	0.699	0.428	0.857	0.643	158
Kaski	66.8	4.40	26.02	30.51	82.17	75.86	4.85	73.16	0.750	0.935	0.544	0.855	0.777	191
Myagdi	48.9	2.59	42.22	63.16	50.95	56.53	0.60	55.00	0.412	0.602	0.272	0.643	0.483	119
Parbat	51.2	3.28	45.63	34.78	67.05	68.27	0.25	64.40	0.507	0.808	0.380	0.753	0.613	151
Baglung	55	2.64	55.96	57.14	59.32	62.77	0.44	21.39	0.410	0.637	0.330	0.250	0.423	104
Gulmi	50.5	2.84	50.45	57.65	59.12	61.00	0.37	8.61	0.453	0.645	0.311	0.101	0.378	93
Palpa	60.7	2.99	74.96	47.83	58.13	64.60	1.26	7.08	0.498	0.638	0.364	0.083	0.413	102
Arghakhanchi	47.7	2.95	60.68	41.18	45.48	65.26	0.36	34.63	0.439	0.655	0.353	0.405	0.464	114
Nawalparasi	46.9	2.60	55.35	51.90	32.03	40.08	0.99	32.21	0.394	0.556	0.118	0.377	0.362	89
Rupandehi	62.2	3.01	35.43	50.41	34.74	43.84	6.33	25.02	0.447	0.619	0.258	0.292	0.438	108
Kapilbastu	35.8	2.00	60.74	65.06	13.03	35.00	0.82	22.44	0.201	0.399	0.064	0.262	0.239	59
Dolpa	29.0	1.59	114.75	74.20	13.66	50.18	0.05	0.00	0.123	0.233	0.199	0.000	0.139	34
Jumla	26.6	1.55	125.10	74.07	51.73	56.50	0.75	3.34	0.096	0.363	0.274	0.039	0.193	48
Kalikot	33.2	1.81	153.89	74.19	39.24	65.70	4.54	0.00	0.184	0.248	0.438	0.000	0.218	54
Mugu	24.1	1.40	173.83	68.75	14.22	30.85	0.02	0.00	0.058	0.133	0.008	0.000	0.050	12
Humla	19.6	1.25	81.37	90.00	18.12	30.07	0.00	0.00	0.000	0.242	0.000	0.000	0.061	15
Pyuthan	37.8	2.15	64.82	55.45	21.17	48.01	0.48	48.69	0.263	0.473	0.186	0.569	0.373	92
Rolpa	31.1	1.44	83.00	58.80	9.45	51.82	0.02	2.44	0.126	0.368	0.214	0.029	0.184	45
Rukum	30.0	2.01	90.04	58.80	15.90	61.76	0.07	3.69	0.177	0.378	0.313	0.043	0.228	56
Salyan	40.5	2.40	90.04	62.07	28.80	73.74	0.15	26.48	0.315	0.413	0.432	0.310	0.368	91
Surkhet	56.3	2.58	60.03	66.40	35.52	68.80	1.67	13.45	0.392	0.483	0.413	0.157	0.384	95
Dailekh	39.9	1.95	95.43	52.29	11.27	50.20	0.24	11.87	0.211	0.382	0.202	0.139	0.246	61
Jajarkot	28.1	1.78	118.82	58.80	18.56	61.55	0.03	18.63	0.135	0.325	0.310	0.218	0.247	61
Dang	52.1	2.63	127.17	33.33	23.28	58.44	1.63	85.50	0.376	0.459	0.310	1.000	0.554	136
Banke	53.4	2.45	71.17	38.00	24.06	44.02	2.89	47.27	0.312	0.562	0.193	0.553	0.437	108
Bardiya	39.4	2.13	69.33	42.86	26.28	51.72	0.62	11.29	0.291	0.550	0.225	0.132	0.296	73
Bajura	27.1	1.62	161.23	56.25	19.76	41.46	0.17	34.10	0.109	0.249	0.115	0.399	0.218	54
Bajhang	29.1	1.65	133.32	70.00	10.68	37.90	0.08	42.76	0.130	0.202	0.079	0.500	0.228	56
Darchula	41.5	2.73	92.00	52.94	14.34	52.64	0.51	10.74	0.359	0.398	0.232	0.126	0.279	69
Achham	25.8	1.55	98.83	60.78	14.95	44.22	0.13	50.88	0.089	0.344	0.142	0.595	0.293	72
Doti	35.4	1.68	80.92	59.18	20.30	45.11	0.73	6.13	0.151	0.414	0.162	0.072	0.210	52
Dadeldhura	43.4	2.40	90.51	50.00	27.98	46.50	0.58	43.14	0.304	0.472	0.173	0.504	0.373	92
Baitadi	44.9	2.39	116.10	60.78	19.48	47.01	0.25	48.69	0.297	0.324	0.171	0.569	0.355	87
Kailali	46.5	2.13	81.25	43.21	21.91	52.66	1.83	45.44	0.269	0.504	0.257	0.531	0.409	101
Kanchanpur	53.6	2.67	86.57	43.59	26.18	49.19	2.06	44.31	0.385	0.507	0.228	0.518	0.430	106

TABLE 5 Economic empowerment index by region, 2001

Region	Proportion of electrified households	Land inequality (Gini coefficient)	Gini corrected average land size (ha)	Proportion of household with access to institutional credit	Proportion of labour force employed in non-agricultural jobs	Per capita GDP at PPP $	Electrification index	Gini corrected land index	Credit index	Employment status index	income index	Economic empowerment index	Relative value Nepal = 100
Nepal	31.08	0.544	0.337	19.85	31.33	1310	0.317	0.540	0.289	0.309	0.229	0.337	100
Urban	82.53	0.642	0.211	0.00	71.74	2224	0.852	0.283	0.000	0.895	0.560	0.518	154
Rural	21.34	0.536	0.348	23.52	25.75	1162	0.216	0.561	0.342	0.228	0.175	0.304	90
Mountain	16.64	0.484	0.335	14.06	18.02	1114	0.167	0.535	0.205	0.116	0.157	0.236	70
Hills	34.25	0.489	0.286	14.98	29.09	1424	0.350	0.436	0.218	0.277	0.270	0.310	92
Tarai	30.01	0.569	0.418	25.74	35.81	1235	0.306	0.704	0.375	0.374	0.202	0.392	116
Eastern region	24.15	0.516	0.469	21.99	29.51	1202	0.245	0.808	0.320	0.283	0.190	0.369	110
Central region	44.62	0.562	0.294	17.29	39.01	1597	0.458	0.451	0.252	0.420	0.333	0.383	114
Western region	32.55	0.518	0.308	21.72	27.14	1254	0.332	0.481	0.316	0.249	0.208	0.317	94
Mid-western region	15.69	0.505	0.331	13.65	26.56	988	0.157	0.528	0.199	0.240	0.112	0.247	73
Far Western region	12.45	0.594	0.293	28.82	23.89	1079	0.123	0.449	0.420	0.201	0.145	0.268	79
Eastern mountain	11.17	0.475	0.467	15.81	13.66	1276	0.110	0.804	0.230	0.053	0.216	0.283	84
Central mountain	26.86	0.415	0.340	21.98	21.58	1157	0.273	0.545	0.320	0.168	0.173	0.296	88
Western mountain	62.66	0.445	0.255	22.03	37.65	2505	0.645	0.372	0.321	0.401	0.662	0.480	143
Mid-western mountain	11.69	0.479	0.321	0.96	15.26	940	0.115	0.506	0.014	0.076	0.094	0.161	48
Far Western mountain	6.14	0.484	0.237	10.21	17.40	939	0.058	0.336	0.149	0.107	0.094	0.149	44
Eastern hills	11.07	0.456	0.454	13.92	16.06	1057	0.109	0.777	0.203	0.088	0.137	0.263	78
Central hills	60.68	0.494	0.228	10.79	43.85	2083	0.624	0.317	0.157	0.491	0.509	0.420	125
Western hills	30.98	0.458	0.271	21.04	25.01	1198	0.316	0.405	0.306	0.218	0.188	0.287	85
Mid-western hills	10.16	0.438	0.287	9.83	22.47	879	0.099	0.437	0.143	0.181	0.073	0.187	55
Far Western hills	9.82	0.467	0.235	23.40	18.83	945	0.096	0.332	0.341	0.128	0.096	0.199	59
Eastern Tarai	32.37	0.534	0.484	26.73	39.50	1266	0.330	0.838	0.389	0.428	0.213	0.439	131
Central Tarai	30.81	0.569	0.364	23.36	37.10	1222	0.314	0.595	0.340	0.393	0.197	0.368	109
Western Tarai	35.12	0.532	0.415	23.07	30.51	1277	0.359	0.698	0.336	0.297	0.217	0.381	113
Mid-western Tarai	22.60	0.512	0.422	21.92	33.72	1130	0.229	0.712	0.319	0.344	0.163	0.353	105
Far Western Tarai	17.64	0.601	0.427	42.25	31.28	1244	0.177	0.721	0.615	0.308	0.205	0.405	120

TABLE 6 Economic empowerment index by district, 2001

District	Proportion of electrified households	Land inequality (Gini coefficient)	Gini corrected average land size (ha)	Proportion of household with access to institutional credit	Proportion of labour force employed in non-agricultural jobs	Per capita GDP at PPP $	Electrification index	Gini corrected land index	Credit index	Employment status index	Income index	Economic empowerment index	Relative value Nepal = 100
Nepal	31.08	0.544	0.337	19.85	31.33	1310	0.317	0.540	0.289	0.309	0.229	0.337	100
Taplejung	8.10	0.502	0.443	1.45	13.77	1169	0.078	0.755	0.021	0.055	0.177	0.217	65
Sankhuwasabha	12.16	0.464	0.483	29.74	14.69	1257	0.120	0.836	0.433	0.068	0.209	0.333	99
Solukhumbu	13.30	0.498	0.477	20.94	12.16	1455	0.132	0.823	0.305	0.031	0.281	0.314	93
Panchthar	5.10	0.453	0.443	1.55	13.47	1072	0.047	0.755	0.023	0.050	0.142	0.203	60
Ilam	21.43	0.490	0.499	3.13	14.33	1215	0.217	0.870	0.046	0.063	0.194	0.278	83
Dhankuta	16.95	0.454	0.459	44.01	18.29	1102	0.170	0.787	0.641	0.120	0.153	0.374	111
Terhathum	12.54	0.420	0.527	43.21	19.80	1246	0.124	0.927	0.629	0.142	0.206	0.406	120
Bhojpur	5.39	0.436	0.440	0.00	12.45	1002	0.050	0.749	0.000	0.036	0.117	0.190	57
Okhaldhunga	5.67	0.483	0.564	18.88	12.27	952	0.053	1.000	0.275	0.033	0.099	0.292	87
Khotang	3.94	0.437	0.456	10.69	10.55	954	0.035	0.780	0.156	0.008	0.100	0.216	64
Udayapur	13.53	0.463	0.338	48.55	25.91	975	0.134	0.541	0.707	0.231	0.107	0.344	102
Jhapa	38.99	0.519	0.524	24.05	36.84	1302	0.399	0.920	0.350	0.389	0.226	0.457	136
Morang	35.78	0.549	0.483	34.17	44.02	1617	0.366	0.836	0.498	0.493	0.340	0.506	150
Sunsari	40.28	0.564	0.454	19.89	45.24	1381	0.412	0.776	0.290	0.511	0.254	0.449	133
Saptari	24.40	0.560	0.462	30.40	34.00	939	0.247	0.793	0.443	0.348	0.094	0.385	114
Siraha	16.69	0.551	0.489	37.03	35.02	880	0.167	0.848	0.539	0.363	0.073	0.398	118
Dolakha	24.96	0.425	0.340	18.08	25.26	965	0.253	0.544	0.263	0.221	0.103	0.277	82
Sindhupalchok	27.22	0.420	0.330	46.36	20.00	1194	0.277	0.526	0.675	0.145	0.186	0.362	107
Rasuwa	32.57	0.429	0.405	26.61	17.76	1802	0.332	0.678	0.387	0.113	0.407	0.383	114
Sindhuli	8.72	0.700	0.072	6.91	21.57	1079	0.085	0.000	0.101	0.168	0.145	0.100	30
Ramechhap	6.92	0.434	0.430	7.37	19.90	1009	0.066	0.728	0.107	0.144	0.119	0.233	69
Kavrepalanchok	43.20	0.430	0.325	32.11	23.16	1572	0.443	0.514	0.467	0.191	0.323	0.388	115
Lalitpur	87.64	0.529	0.137	14.25	67.37	2059	0.905	0.131	0.207	0.831	0.500	0.515	153
Bhaktapur	96.41	0.439	0.123	18.68	58.00	1862	0.996	0.105	0.272	0.696	0.429	0.499	148
Kathmandu	96.81	0.532	0.112	4.24	79.01	3438	1.000	0.082	0.062	1.000	1.000	0.629	187
Nuwakot	33.69	0.403	0.352	28.00	24.31	1237	0.344	0.570	0.408	0.207	0.202	0.346	103
Dhading	13.99	0.412	0.341	25.19	17.86	1075	0.139	0.547	0.367	0.114	0.143	0.262	78
Makwanpur	38.28	0.432	0.296	14.57	22.29	1836	0.392	0.455	0.212	0.178	0.419	0.331	98
Dhanusha	20.76	0.583	0.367	25.53	41.22	994	0.210	0.601	0.372	0.452	0.114	0.350	104
Mahottari	16.49	0.593	0.387	23.53	32.59	789	0.165	0.641	0.343	0.328	0.040	0.303	90
Sarlahi	20.07	0.580	0.433	12.42	36.46	802	0.202	0.734	0.181	0.383	0.044	0.309	92
Rautahat	18.51	0.614	0.366	24.70	33.21	871	0.186	0.599	0.360	0.336	0.069	0.310	92
Bara	33.60	0.586	0.360	25.89	35.94	2156	0.343	0.587	0.377	0.376	0.535	0.444	132
Parsa	46.29	0.585	0.394	19.43	42.14	1406	0.475	0.655	0.283	0.466	0.263	0.428	127
Chitawan	66.71	0.508	0.285	51.62	38.06	1715	0.687	0.434	0.752	0.407	0.375	0.531	158

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TABLE 6 Economic empowerment index by district, 2001

District	Proportion of electrified households	Land inequality (Gini coefficient)	Gini corrected average land size (ha)	Proportion of household with access to institutional credit	Proportion of labour force employed in Non-agricultural jobs	Per capita GDP at PPP $	Electrification index	Gini corrected land index	Credit index	Employment status index	Income index	Economic empowerment index	Relative value Nepal = 100
Manang	80.24	0.441	0.268	31.33	31.97	2746	0.828	0.399	0.456	0.318	0.749	0.550	163
Mustang	53.04	0.466	0.251	34.09	40.86	2466	0.545	0.364	0.496	0.447	0.648	0.500	149
Gorkha	19.22	0.448	0.282	7.04	18.65	1219	0.194	0.426	0.103	0.126	0.195	0.209	62
Lamjung	31.18	0.434	0.255	27.38	21.59	1284	0.318	0.371	0.399	0.168	0.219	0.295	88
Tanahu	26.95	0.437	0.304	12.06	27.91	1188	0.274	0.472	0.176	0.260	0.184	0.273	81
Syangja	36.63	0.442	0.256	22.61	18.19	1333	0.375	0.375	0.329	0.119	0.237	0.287	85
Kaski	74.36	0.493	0.223	48.23	50.75	1707	0.767	0.307	0.702	0.591	0.372	0.548	163
Myagdi	25.70	0.474	0.221	11.92	19.09	1209	0.261	0.303	0.174	0.132	0.192	0.212	63
Parbat	25.33	0.458	0.238	68.68	23.76	1220	0.257	0.339	1.000	0.199	0.196	0.398	118
Baglung	18.00	0.502	0.204	26.02	19.10	1145	0.181	0.269	0.379	0.132	0.169	0.226	67
Gulmi	14.99	0.474	0.384	8.61	20.17	760	0.150	0.634	0.125	0.148	0.029	0.217	65
Palpa	25.36	0.426	0.373	8.85	25.42	1167	0.257	0.613	0.129	0.224	0.177	0.280	83
Arghakhanchi	9.47	0.456	0.261	34.63	18.80	1130	0.092	0.385	0.504	0.128	0.163	0.254	76
Nawalparasi	38.45	0.529	0.339	36.69	28.11	1310	0.393	0.543	0.534	0.263	0.228	0.392	117
Rupandehi	42.57	0.527	0.421	28.14	37.45	1358	0.436	0.711	0.410	0.398	0.246	0.440	131
Kapilbastu	18.61	0.562	0.548	19.80	23.97	1121	0.187	0.968	0.288	0.203	0.160	0.361	107
Dolpa	0.59	0.432	0.267	0.00	16.46	1279	0.000	0.396	0.000	0.094	0.217	0.141	42
Jumla	19.47	0.461	0.242	3.34	15.25	1104	0.196	0.347	0.049	0.076	0.154	0.164	49
Kalikot	4.94	0.412	0.135	0.00	49.97	775	0.045	0.129	0.000	0.579	0.035	0.158	47
Mugu	5.68	0.415	0.491	0.00	10.83	1105	0.053	0.853	0.000	0.012	0.154	0.214	64
Humla	12.17	0.481	0.488	0.00	10.84	1014	0.120	0.846	0.000	0.012	0.121	0.220	65
Pyuthan	16.59	0.489	0.343	35.35	24.95	754	0.166	0.550	0.515	0.217	0.027	0.295	88
Rolpa	3.84	0.423	0.237	2.44	18.29	877	0.034	0.335	0.036	0.120	0.072	0.119	35
Rukum	7.61	0.410	0.248	2.43	25.35	1002	0.073	0.358	0.035	0.223	0.117	0.161	48
Salyan	15.82	0.429	0.337	11.10	24.90	791	0.158	0.539	0.162	0.216	0.040	0.223	66
Surkhet	18.90	0.431	0.307	13.45	33.03	1088	0.190	0.478	0.196	0.334	0.148	0.269	80
Dailekh	5.15	0.441	0.241	7.83	17.81	679	0.047	0.343	0.114	0.113	0.000	0.124	37
Jajarkot	0.67	0.381	0.434	5.28	9.99	839	0.001	0.735	0.077	0.000	0.058	0.174	52
Dang	20.02	0.492	0.386	30.45	28.13	1062	0.202	0.639	0.443	0.263	0.139	0.337	100
Banke	32.20	0.543	0.425	32.89	43.90	1370	0.329	0.719	0.479	0.491	0.250	0.454	135
Bardiya	15.34	0.534	0.485	22.58	29.89	969	0.153	0.840	0.329	0.288	0.105	0.343	102
Bajura	5.25	0.520	0.225	14.65	13.70	907	0.048	0.312	0.213	0.054	0.083	0.142	42
Bajhang	5.11	0.471	0.196	30.15	22.55	825	0.047	0.252	0.439	0.182	0.053	0.195	58
Darchula	8.32	0.469	0.318	7.09	13.30	1175	0.080	0.501	0.103	0.048	0.180	0.183	54
Achham	5.64	0.443	0.217	29.51	13.06	770	0.053	0.296	0.430	0.044	0.033	0.171	51
Doti	8.15	0.480	0.260	6.13	29.07	945	0.079	0.382	0.089	0.276	0.096	0.185	55
Dadeldhura	17.36	0.419	0.343	63.85	15.78	1321	0.174	0.551	0.930	0.084	0.233	0.394	117
Baitadi	11.79	0.517	0.198	36.74	16.65	890	0.116	0.256	0.535	0.097	0.076	0.216	64
Kailali	14.85	0.665	0.445	40.76	32.89	1184	0.148	0.759	0.593	0.332	0.183	0.403	120
Kanchanpur	22.03	0.508	0.418	50.06	28.57	1341	0.223	0.704	0.729	0.269	0.240	0.433	129

TABLE 7 Political empowerment index by region, 2001

Region	Voter turn-out in the national election (%)	Candidates contested per post in local election (No)	Voter turn-out index	Contestants competition index	Political empowerment index	Relative value Nepal =100
Nepal	66.05	2.05	0.698	0.594	0.646	100
Urban	67.63	2.31	0.731	0.744	0.737	114
Rural	65.84	2.04	0.694	0.589	0.642	99
Mountain	64.30	1.68	0.663	0.390	0.526	81
Hills	62.90	1.88	0.634	0.502	0.568	88
Tarai	66.25	2.14	0.703	0.644	0.674	104
Eastern region	68.14	2.13	0.741	0.640	0.691	107
Central region	66.49	2.20	0.707	0.683	0.695	108
Western region	65.68	1.89	0.691	0.507	0.599	93
Mid-western region	64.05	1.96	0.658	0.546	0.602	93
Far Western region	64.63	1.87	0.669	0.495	0.582	90
Eastern mountain	63.82	1.89	0.653	0.508	0.581	90
Central mountain	72.00	2.34	0.820	0.758	0.789	122
Western mountain	72.89	2.21	0.838	0.688	0.763	118
Mid-western mountain	71.90	2.23	0.818	0.700	0.759	117
Far Western mountain	70.50	2.53	0.789	0.868	0.829	128
Eastern hills	67.79	2.04	0.734	0.593	0.663	103
Central hills	64.23	2.10	0.661	0.622	0.642	99
Western hills	63.89	1.77	0.654	0.437	0.546	84
Mid-western hills	49.67	1.57	0.364	0.327	0.346	53
Far Western hills	61.09	1.58	0.597	0.332	0.465	72
Eastern Tarai	68.37	2.22	0.746	0.692	0.719	111
Central Tarai	66.90	2.28	0.716	0.727	0.721	112
Western Tarai	63.45	1.92	0.645	0.521	0.583	90
Mid-western Tarai	65.79	2.01	0.693	0.577	0.635	98
Far Western Tarai	53.77	1.47	0.448	0.272	0.360	56

TABLE 8 Political empowerment index by district, 2001

District	Voter turn-out in the national election (%)	Candidates contested per post in local election (No)	Voter turn-out index	Contestants competition index	Political empowerment index	Relative value Nepal =100
Nepal	66.05	2.05	0.698	0.594	0.646	100
Taplejung	65.90	1.89	0.695	0.507	0.601	93
Sankhuwasabha	59.56	1.97	0.566	0.550	0.558	86
Solukhumbu	67.74	1.82	0.733	0.467	0.600	93
Panchthar	71.93	2.38	0.818	0.784	0.801	124
Ilam	76.51	2.21	0.912	0.688	0.800	124
Dhankuta	71.61	2.08	0.812	0.612	0.712	110
Terhathum	67.87	2.18	0.735	0.672	0.704	109
Bhojpur	59.20	1.88	0.559	0.503	0.531	82
Okhaldhunga	61.40	1.94	0.604	0.534	0.569	88
Khotang	58.19	1.84	0.538	0.478	0.508	79
Udayapur	64.15	2.09	0.660	0.620	0.640	99
Jhapa	70.13	2.43	0.782	0.809	0.795	123
Morang	72.87	2.77	0.837	1.000	0.919	142
Sunsari	71.45	2.36	0.809	0.770	0.789	122
Saptari	72.54	2.33	0.831	0.752	0.791	122
Siraha	72.15	2.09	0.823	0.617	0.720	111
Dolakha	60.59	1.89	0.587	0.505	0.546	84
Sindhupalchok	66.85	2.23	0.715	0.699	0.707	109
Rasuwa	73.60	1.82	0.852	0.469	0.661	102
Sindhuli	59.12	1.80	0.557	0.454	0.506	78
Ramechhap	56.05	2.13	0.495	0.641	0.568	88
Kavrepalanchok	65.72	1.99	0.692	0.560	0.626	97
Lalitpur	66.20	2.25	0.701	0.710	0.705	109
Bhaktapur	72.73	2.43	0.835	0.812	0.823	127
Kathmandu	58.09	2.32	0.536	0.749	0.643	99
Nuwakot	62.75	2.45	0.631	0.823	0.727	112
Dhading	67.54	2.18	0.729	0.672	0.700	108
Makwanpur	64.75	2.28	0.672	0.727	0.699	108
Dhanusha	68.70	2.42	0.752	0.803	0.778	120
Mahottari	65.40	2.34	0.685	0.757	0.721	112
Sarlahi	68.76	2.35	0.754	0.766	0.760	118
Rautahat	67.62	1.97	0.730	0.551	0.641	99
Bara	73.80	2.20	0.856	0.679	0.768	119
Parsa	71.86	2.23	0.817	0.700	0.758	117
Chitawan	69.12	2.20	0.761	0.683	0.722	112

Contd...

TABLE 8 Political empowerment index by district, 2001

District	Voter turn-out in the national election (%)	Candidates contested per Post in local election (No)	Voter turn-out index	Contestants competition index	Political empowerment index	Relative value Nepal =100
Manang	40.05	1.00	0.168	0.008	0.088	14
Mustang	69.09	1.08	0.760	0.051	0.406	63
Gorkha	60.29	1.55	0.581	0.317	0.449	69
Lamjung	64.10	1.68	0.659	0.387	0.523	81
Tanahu	63.39	1.90	0.644	0.514	0.579	90
Syangja	58.22	1.83	0.539	0.475	0.507	78
Kaski	66.10	2.04	0.699	0.588	0.644	100
Myagdi	66.92	1.38	0.716	0.220	0.468	72
Parbat	64.17	1.82	0.660	0.470	0.565	87
Baglung	64.42	1.91	0.665	0.518	0.591	92
Gulmi	61.48	1.90	0.605	0.509	0.557	86
Palpa	64.70	1.81	0.671	0.460	0.565	87
Arghakhanchi	64.88	2.13	0.675	0.642	0.658	102
Nawalparasi	73.48	2.47	0.850	0.835	0.843	130
Rupandehi	70.57	2.38	0.790	0.780	0.785	122
Kapilbastu	70.91	2.53	0.797	0.868	0.833	129
Dolpa	79.36	0.99	0.970	0.000	0.485	75
Jumla	74.36	1.42	0.868	0.239	0.554	86
Kalikot	56.80	1.66	0.510	0.379	0.444	69
Mugu	72.47	1.23	0.829	0.136	0.483	75
Humla	80.84	1.03	1.000	0.024	0.512	79
Pyuthan	57.65	2.05	0.527	0.595	0.561	87
Rolpa	31.81	1.44	0.000	0.255	0.128	20
Rukum	43.98	1.07	0.248	0.044	0.146	23
Salyan	47.58	1.90	0.322	0.514	0.418	65
Surkhet	68.68	2.23	0.752	0.696	0.724	112
Dailekh	64.10	2.08	0.659	0.614	0.636	98
Jajarkot	62.98	1.36	0.636	0.206	0.421	65
Dang	67.84	2.44	0.735	0.815	0.775	120
Banke	70.84	2.59	0.796	0.898	0.847	131
Bardiya	73.66	2.59	0.854	0.897	0.875	135
Bajura	63.86	1.53	0.654	0.303	0.479	74
Bajhang	56.64	1.57	0.506	0.329	0.418	65
Darchula	65.05	1.70	0.678	0.402	0.540	84
Achham	61.07	1.53	0.597	0.307	0.452	70
Doti	50.43	1.36	0.380	0.207	0.293	45
Dadeldhura	59.07	1.75	0.556	0.426	0.491	76
Baitadi	49.12	1.63	0.353	0.359	0.356	55

TABLE 9 Correlation coefficients between human empowerment and human development indices (N = 75)

	HEI	HDI	GDI	GEM	HPI	EHEI	SHEI	PHEI
HEI	1							
HDI	0.7901 P= .000	1						
GDI	0.7737 P= .000	0.994 P= .000	1					
GEM	0.4676 P= .000	0.593 P= .000	0.6115 P= .000	1				
HPI	-0.8218 P= .000	-0.9067 P= .000	-0.9082 P= .000	-0.583 P= .000	1			
EHEI	0.8465 P= .000	0.6815 P= .000	0.653 P= .000	0.5193 P= .000	-0.6935 P= .000	1		
SHEI	0.7495 P= .000	0.8327 P= .000	0.839 P= .000	0.5494 P= .000	-0.813 P= .000	0.5815 P= .000	1	
PHEI	0.757 P= .000	0.3802 P= .001	0.3608 P= .001	0.075 P= .522	-0.4401 P= .000	0.4812 P= .000	0.2306 P= .047	1

Notes:
EHEI, SHEI and PHEI stand for economic empowerment index, social empowerment index and political empowerment index respectively. P stands for 2-tailed significance

ANNEX 3: National and international commitments and supplementary information

Table 1 Accepted conditions in electricity purchase agreements

	Khimti	Bhote Koshi	Upper Modi
Per unit base year price (cents)	5.94	6.0	5.4
Compulsory purchase units at take or pay price	350 Million	246 million	89.6 million
Annual increment in base year price	As per annual rate of inflation	3%	2.7%
Mode of payment	100% US$	Converting US$ into Nepali rupees	Starting from 90 percent now to 70 percent at the lower end in US$
Royalty	NEA	NEA	NEA

Source: NEA 1999/2000.

TABLE 2 Effectiveness of the Judiciary

Year	Cases	Verdicts given	Percent
2000	4564	1884	41.3
2001	4131	1348	33.8

Source: Supreme Court 2001.

TABLE 3 Representation of different groups in Parliament (number)

	Brahmin/Chhetri	*Mangol*	*Kirat*	*Madhesi*	*Dalit*	*Newar*	Total
Lower house	105	45	11	24	0	20	205
Upper house	20	11	4	12	4	9	60

Source: Election Commission 1999.

TABLE 4 *Dalits*, indigenous people and women candidates and elected numbers in the Parliamentary election, 1999

	UML	NC	RPP	Others	Total	Winner % in total seats
Total candidates contested	195	205	195	1643	2238	-
Total winners	71	111	11	12	205	-
No. of indigenous candidates contested		71	83	89	924	1167 -
No. of winners	26	40	7	5	78	38.0
No. of *Dalit* candidates contested	2	0	2	78	82	-
No. of winners	0	0	0	0	0	0.0
No. of women candidates contested	12	14	14	103	143	-
No. of winners	6	5	1	0	12	5.9

Source: Election Commission 1999.

Table 5 Representation of various socio-economic groups in the central committees of major political parties

	Nepali Congress+	CPN (UML)	RPP
Total seats (number)	29	46	41
Brahmin (%)	62.1	65.2	19.5
Chhetri (%)	10.3	10.9	31.7
Newar (%)	3.4	13.0	4.9
Hill ethnic groups (%)	13.8	6.5	26.8
Tarai communities (%)	10.3	4.3	17.1
Others (%)	-	-	-
TOTAL (%)	100	100	100

+ This represents the situation before the split of the Nepali Congress.

Source: Political parties.

BOX 1 International human rights instruments ratified by Nepal

S.N.	International Instruments	Ratification/Accession Date
1.	Slavery convention, 1926	7 January, 1963 (A)
2.	Protocol amending the slavery convention, 1953	7 January, 1993 (A)
3.	Supplementary convention on the abolition of slavery, the slave Trade and the institutions and practices similar to slavery,.	7 January, 1963 (A)
4.	Convention on the political rights of women, 1952	26 April, 1967 (A)
5.	Convention on the prevention and the punishment of genocide, 1948	17 January, 1969 (A)
6.	International convention on the elimination of all forms of racial discrimination, 1965	30 January, 1971 (A)
7.	International convention on the suppression and punishment of the crime of apartheid, 1973	12 July, 1977 (A)
8.	International convention against apartheid in sports, 1985	1 March, 1989 (R)
9.	Convention on the rights of the child, 1989	14 September, 1990 (R)
10.	Convention on the elimination of all forms of discrimination against women, 1979	22 April, 1991(R)
11.	International covenant on economic, social and cultural rights, 1966	14 May, 1991 (A)
12.	International covenant on civil and political rights, 1966	14 May, 1991 (A)
13.	Optional protocol to the international covenant on civil and political rights, 1966	14 May, 1991 (A)
14.	Convention against torture and other cruel, inhuman or degrading treatment or punishment, 1984	14 May, 1991 (A)
15.	Convention on the suppression of immoral trafficking and protocol, 1949	27 December, 1995 (A)
16.	Second optional protocol to the international convention on civil and political rights/aiming at the abolition of death penalty, 1989	26 September, 1997 (A)

Note: R = Ratification/A = Accession date.

BOX 2 Unfulfilled commitments: a few cases from a long list

- Recommendations of Mallik Commission to take action against abuses before the restoration of democracy
- Recommendations of Administrative Reform Commission
- Recommendations of the High Level Commission (1994) on Resolving Citizenship Problem
- Recommendations of Land Reform Commission of 1994
- Unanimous Resolution of Joint Parliamentary Committee on Revenue Leakages
- Deuba Committee Report (2002) on solving the Maoist Problem
- Recommendations of High-Level All-Party Election Reform Committee
- Eight-point programmes declared by the Prime Minister in Parliament in 2001
- Suggestions of the High-Level Public Expenditure Review Commission (2001)

Source: Compiled from government documents 1990-2003.

ANNEX 4: Statistical tables and definitions

TABLE 1 Population aged 6 years and above by educational attainment and sex, 1981-2001

Literacy, level of education	1981		1991		2001	
	Male	Female	Male	Female	Male	Female
Total number (in 000)	**6233**	**5947**	**7523**	**7622**	**9593**	**9663**
Illiterate (%)	66.0	88.0	45.2	74.4	34.3	56.8
Literate (%)	34.0	12.0	54.1	24.7	65.1	42.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Level of educational attainment (%)						
No schooling	23.9	22.8	22.3	24.0	8.5	9.2
Primary	46.1	56.4	39.1	45.2	39.3	45.9
Secondary	22.2	15.9	23.7	20.1	30.8	30.3
SLC	3.6	2.4	5.6	3.8	9.6	8.1
Intermediate and above	4.1	2.4	4.6	2.4	10.7	5.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: MoES 2001a, 2001b.

TABLE 2 Mortality rate by sex, 1996-2001

	CBR	CDR	IMR	Under 5 mortality	Maternal mortality ratio
1996, total	35.4	11.5	78.5	118.3	539
Male			101.9	142.8	
Female			83.7	135.5	
2001, total	33.5	9.6	64.4	91.2	415*
Male			79.2	104.8	
Female			75.2	112.4	

Source: Pradhan et al 1997; MoH, New ERA, and ORC Macro 2002; CBS 2002a.

** HMG/N/NPC/MoPE 2003.*

TABLE 3 Estimates of trafficked girls and women for sex work

Sources*	No. of girls/women	Frequency/time frame	Destinations
Acharya 1998 and Koirala 1999	200,000	-	India
	40,000-50,000	-	Bombay
	60,000	-	Falkland
	17,000	-	Calcutta
Pokhrel 1999	250,000	-	India
SAFAHT 1997	70,000-100,000	-	India
CWIN 1997	153,000 (in 1987) (20 per cent children below 16 years)		
	100,000-200,000 (1996)	-	India
CWIN 1997	100,000-160,000	-	India
MoWCSW 1998		-	India
Times of India 1989	100,000	-	India
Singh 1999	80,000-100,000	-	India
Pradhan 1991	27,000	-	Calcutta
	21,000	-	Delhi
	3,480	-	Banaras
	4,700	-	Gorakhapur
STOP/Maiti 2002	5,000-11,000	Annually	-
CAC Nepal 2000	300,000 (globally)	-	-
Ghimire 2002	5,000-(7,000)	Annually	-
PC and TAF 2001	5,000-7,000	Annually	-
STOP 2002	50,000	-	-
Population Council, Delhi 2001	200,000	-	Sex Industry
LHRLA and UNESCO 1997	Approximately 160,000		Working in Indian brothels
ILO/IPEC 2001	12,000	Annually	-

Note: According to the SANLAAP report, receiving children and women from Bangladesh and Nepal and sending them to the Middle East is a daily occurrence in India. As a case in point, more than 40 per cent of the 484 female prostitutes rescued during major raids on brothels in Bombay in 1996 were from Nepal.

** The data were extracted either directly from the given sources or from the reports of ILO/IPEC 2001 and ADB 2002.*

Source: IIDS and UNIFEM 2004.

TABLE 4 Households reporting female ownership of land, house and livestock, 2001

	Number	Percent
Total households	4,174,374	100.0
House, land, livestock	32,766	0.8
House and land	161,204	3.9
House and livestock	3,709	0.1
Land and livestock	39,257	0.9
House only	32,518	0.8
Land only	219,196	5.3
Livestock only	226,320	5.4

Note: Households not reporting ownership of female of house, land and livestock = 83%.
Source: CBS 2002a.

TABLE 5 Usually economically active population 10 years of age and over by major industry, 2001

	Both sexes	Male %	Female %
Agriculture and forestry	6496222	52	48
Fishing	8467	85	15
Mining and quarrying	16048	64	36
Manufacturing and recycling	872254	52	48
Electricity, gas and water supply	148218	22	78
Construction	286418	82	18
Wholesale and retail trade	863773	60	40
Hotels and restaurants	120889	65	35
Transport, storage and communications	161638	96	4
Financial intermediation	46765	85	15
Real state, renting and business activities	29922	86	14
Public administration and social security	301024	88	12
Education	228381	74	26
Health and social work	61797	71	29
Other community, social and personal service activities	72575	85	15
Private households with employed persons	105139	60	40
Extra-territorial organizations and bodies	58273	94	6
Not stated	22395	59	41
Total	9900196	57	43

Source: CBS 2002a.

TABLE 6 Women's representation in civil service by class/level, 1999-2001

Class	Total civil servants	% of women	
	2000	1999	2000
Special	85	3.5	2.4
First	633	5.1	4.1
Second	2,719	4.9	3.2
Third	7,418	5.3	5.2
Non-gazetted	87,834	8.0	8.2
Total	98,689	7.7	7.8

Source:MoWCSW 2000 (May).

TABLE 7 Women's representation in the House of Representatives, 1991-1999

	1991		1994		1999	
	Male	Female	Male	Female	Male	Female
Number	198	7	198	7	193	12
%	96.6	3.4	96.6	3.4	94.2	5.8

Source: Election Commission 1991, 1994, 1999.

TABLE 8 Women's representation in local government institutions, 1997-2002

Local bodies	Total representation	Share of women (%)
District councils	10,000	1.5
District development committees	1,117	6.7
Municipalities	4,146	19.5
Village development committees	50,857	7.7
Village councils	183,865	2.1
Ward committees	176,031	20.0

Source: Election Commission 1991, 1994, 1999.

TABLE 9 Literacy status of indigeneous people aged 6 years and above and educational attainment by ethnicity, 2001

Ethnicity/caste	Literate (%)	S.L.C. and equivalent		Certificate level and equivalent		Graduate and above	
		No.	%	No.	%	NO.	%
Mountain and hills							
Thakali, Byansi	72.42	1220	0.13	663	0.12	363	0.10
Newar	72.18	110599	11.87	70633	13.27	47577	13.51
Yakkha, Chantel, Jirel, Darai, Dura	59.84	1316	0.14	509	0.10	149	0.04
Limbu	59.64	13084	1.40	5398	1.01	2381	0.68
Rai	58.77	21454	2.30	9169	1.72	4417	1.25
Magar	57.70	42683	4.58	16415	3.08	7624	2.16
Gurung	57.61	18455	1.98	8647	1.62	3784	1.07
Bhujel, Kumal, Sunuwar, Baramu, Pahari	46.17	5637	0.61	1642	0.31	736	0.21
Sherpa	45.76	3050	0.33	1412	0.27	734	0.21
Tamang	42.00	19291	2.07	5998	1.13	2650	0.75
Majhi, Danuwar, Thami, Lepcha	37.38	1873	0.20	886	0.17	163	0.05
Bhote, Walung, Hyolmo	36.72	362	0.04	229	0.04	87	0.02
Chepang, Bote, Raji, Hayu, Raute*, Kusunda	28.66	227	0.02	114	0.02	35	0.01
Tarai							
Rajbansi, Tajpurya, Gangai, Dhimal, Meche, Kisan, Munda	49.10	2876	0.31	1136	0.21	390	0.11
Tharu	46.54	32780	3.52	14638	2.75	5955	1.69
Dhanuk	33.99	4296	0.46	2161	0.41	1121	0.32
Santhal, Jhangad, Koche, Kusbadiya	26.87	639	0.07	360	0.07	296	0.08
Caste groups							
Hill Brahmin	75.64	278626	29.91	185464	34.85	146093	41.48
Chhetri, Thakuri, Syansi	60.90	204830	21.99	107376	20.17	64278	18.25
Tarai Upper Castes	73.92	38260	4.11	29975	5.63	24468	6.95
Hill *Dalits*	41.93	12309	1.32	4600	0.86	1814	0.51
Tarai *Dalits*	21.06	5878	0.63	2433	0.46	1093	0.31
Nepal**	53.74	931583	100	532227	100	352243	100

** Settled Rautes mostly from Dadeldhura. Nomadic Rautes are not included in the statistics and they are mostly illiterate.*

*** Including other castes, religious minorities and unidentified groups.*

Source: CBS 2002a.

TABLE 10 Percentage of households with toilet facilities by ethnicity, 2001

Ethnicity	Without toilet	Ordinary toilet	Flush/modern toilet	Not reported	Total households
Jhangad	96.26	2.14	0.99	0.66	8072
Gangain	95.03	3.13	1.44	0.39	6037
Dhanuk	91.71	4.33	2.66	1.30	32609
Santhal	87.67	7.07	4.74	0.51	7859
Danuwar	87.18	7.96	3.98	0.89	9461
Tajpuriya	86.17	8.72	2.03	3.08	3007
Rajbansi	86.16	7.38	5.18	1.28	20016
Tharu	85.57	8.25	4.82	1.36	236341
Raji	85.25	10.36	4.40	0.00	513
Chepang	83.85	13.76	1.45	0.94	8819
Bote	80.57	11.07	5.29	3.07	1268
Majhi	79.99	12.38	6.71	0.92	12013
Hayu	79.43	17.32	3.25	0.00	364
Baramu	76.85	18.96	2.71	1.48	1556
Sunuwar	73.44	19.30	5.54	1.72	17159
Bhote	72.08	12.52	14.23	1.18	3697
Kumal	71.88	21.63	5.83	0.66	17937
Meche69.50	24.93	4.01	1.55	965	
Kisan	65.59	20.77	13.37	0.27	552
Darai	63.47	21.57	13.60	1.36	2245
Nepal	60.10	23.24	15.48	1.18	4174374

Source: CBS 2002a.

TABLE 11 Percentage distribution of households owning self-operated land by farm size and ethnicity, 2001

Ethnicity/caste	Landless	Semi-landless (<.20 acres*)	Marginal cultivators (0.21-1.00 acres)	Small cultivators (1.01-2.00 acres)	Semi-medium (2.01-4.00 acres)	Medium cultivators (4.01-10.00 acres)	Large cultivators (10.01+ acres)	Total households
Indigenous Groups								
Santhal, Jhangad, Kisan, Munda	58.46	4.91	10.44	7.07	9.5	8.76	0.87	16910
Raute, Kusbodiya, Kusunda	46.12	6.12	20.41	15.51	9.39	2.04	0.41	245
Rajbansi (Koche), Gangain, Dhimal, Tajpuriya, Meche	45.78	6.12	10.89	9.09	11.85	12.88	3.39	33597
Dhanuk	34.04	7.79	25.66	14.2	10.67	6.45	1.2	32290
Sherpa, Bhote, Walung	32.4	3.81	20.45	18.27	14.35	8.67	2.04	35731
Majhi, Bote, Raji	31.64	15.07	28.91	14.22	7.11	2.71	0.33	15005
Gurung	26.85	6.36	30.53	21.5	11.1	3.25	0.41	110574
Tharu	22.83	6.36	17.93	15.65	19.25	15.18	2.79	235500
Kumal, Sunuwar, Danuwar, Bhujel, Pahari, Baramu, Adivasi/Janajati	20.04	10.59	32.84	20.28	11.6	4.13	0.51	72715
Rai	20.04	4.89	24.97	24.24	17.69	7.4	0.76	125297
Tamang	16.69	6.93	31.29	26.73	14.18	3.85	0.32	239755
Limbu	15.83	4.57	27.06	25	18.67	7.95	0.91	67916
Magar	14.41	5.88	33.33	26.53	14.71	4.51	0.63	296313
Caste Groups								
Tarai *Dalits*	43.98	9.89	26.19	11.3	6.01	2.29	0.34	231880
Hill *Dalits*	15.32	15.24	44.55	17.25	6.14	1.27	0.24	308796
Religious Groups								
Muslims, Churaute	40.37	6.39	19.54	13.18	11.19	7.4	1.94	148036
Nepal	24.44	6.98	27.59	20.15	13.42	6.25	1.17	4174374

Source: CBS 2002a.

TABLE 12 Economically active population 10 years and above by white collar occupation and ethnicity/caste (in % of the group's population), 2001

Caste/ethnicity	Legislators, senior Officials, managers and professionals	Technician and associate professionals	Clerks or office assistants
Mountain and hills Indigenous People	2.72	1.51	1.94
Thakali	8.24	3.21	1.88
Newar	6.39	3.70	3.80
Gurung	2.22	1.32	1.82
Yakkha, Chantel, Jirel, Darai, Dura	2.12	1.14	0.84
Limbu	2.08	0.80	1.03
Rai	1.97	1.00	1.22
Byansi, Hyolmo, Bhote, Walung	1.76	0.55	1.23
Sherpa	1.74	0.75	1.25
Magar	1.61	0.91	1.61
Tamang	1.02	0.54	0.01
Bhujel, Kumal, Sunuwar, Baramu, Pahari	1.03	0.51	1.73
Majhi, Danuwar, Tharu, Lepcha	0.76	0.54	0.89
Chepang, Bote, Raji, Hayu, Raute	0.31	0.26	1.00
Tarai Indigenous People	1.30	0.78	1.84
Dhanuk	1.58	1.16	2.52
Rajbansi, Tajpuriya, Gangain, Dhimal, Meche, Kisan, Munda	1.34	0.52	1.13
Tharu	1.31	0.81	1.90
Santhal, Jhangad, Koche, Kusbadiya, Kusunda	0.65	0.17	1.06
Caste groups			
Hill *Brahmin*	9.09	4.83	4.13
Hill *Dalits*	0.45	0.31	0.55
Tarai *Dalits*	0.30	0.26	1.06

Source: CBS 2002a.

TABLE 13 Trends in the composition of gazetted third class officers in Government by ethnicity (from Mid-April 1983 to Mid-April 2002)

Caste/ethnicity	1983/85		1986/87		1988/89		1990/91		1992/93		1994/95		1996/97		1998/99		2001/2002	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Brahmin																		
Chhetri	327	69.3	176	64.5	438	69.9	309	67.3	383	80.5	823	81.1	759	83.1	327	83.4	161	87.0
Newar	88	18.6	64	23.4	118	18.8	85	18.5	51	10.7	98	9.7	86	9.4	31	7.9	16	8.7
Adivasis/ Janajatis (except *Newar*)	14	3.0	8	2.9	11	1.6	11	2.4	12	2.5	18	1.8	15	1.7	6	1.5	1	0.5
Dalit	-	-	1	0.4	3	0.5	3	0.7	2	0.4	2	0.2	1	0.1	-	-	-	-
Tarai castes (except *Brahmin, Rajput, Dalit*)	40	8.5	22	8.1	56	9.0	47	10.2	25	5.3	69	6.8	50	5.5	26	6.7	6	3.3
Muslims	3	0.6	2	0.7	1	0.2	4	0.9	3	0.6	4	0.4	2	0.2	2	0.5	1	0.5
TOTAL	472	100	273	100	627	100	459	100	476	100	1014	100	913	100	392	100	185	100

Source: Various issues of Public Service Commission bulletins.

BOX 1 Defining the *Dalits*

Despite the fact that the term '*Dalit*' is used extensively in different reports/studies, deliberations and day-to-day dialogues, understandings differ as to its definition. The literal meaning of *Dalit* in the Nepali dictionary is "the person who is suppressed". In the context of South Asia, *Dalit* is a common term used to address culturally, economically and socially marginalized individuals or communities.

The proposed Bill on *Dalits* in Nepal forwarded by National *Dalit* Commission to the Lower House of Parliament for approval has defined the term '*Dalit*' as "those communities who by virtue of atrocities of caste-based discrimination and untouchability, are most backward in social, economic, educational, political and religious fields, and are deprived of human dignity and social justice.

In this Report, the term is used to designate communities that in practice continue to be treated as *Pani Nachalne, Chhoi Chhito Halnu Parne* (groups or castes from whom water is not accepted, and whose touch requires sprinkling of water by the so-called high caste communities).

The National Code of 1854 listed 10 castes at the bottom of the caste hierarchy, *Pani Nachalne Chhoi Chhito Halnu Parne*. These are: *Sarki, Kami, Sunar, Chunara, Hudke, Damai, Gaine, Badibhand, Pode* and *Chymkhalak*.

The *Uppechhit, Utpidit ra Dalit Barga Utthan Bikas Samiti* (Ignored, Oppressed and *Dalit* Group's Upliftment Development Committee), formed under the Ministry of Local Development, has identified 23 different *Dalit* communities: *Lohar, Sunar, Kami, Damai, Kasai, Sarki, Badi, Gaine, Kusule, Kuche, Chyame, Chamar, Dhobi, Paswan (Dusadh), Tatma, Batar, Khatbe, Masahar, Santhal, Sattar* and *Halkhor*.

The recent government Bill in the Parliament (March 19, 2002) forwarded by the National *Dalit* Commission has identified 19 caste groups as *Dalits*: These castes are: *Biswakarma (Kami, Sunar, Lohar, Tamata, Chunara, Aod), Darji (Damai, Pariyar, Hudke, Dholi), Sarki (Mijhar, Charmkar), Badi, Gaine (Gandharva), Kapali, Khadgi, Deula, Kuche, Chamar, Dushadh, (Paswan, Hajara), Dhobi (Rajak), Tatma, Doom, Batar, Khatwe, Musahar, Halkhor*, and *Pattharkatta*. There is, however, a controversy on the issue of whether any *Newar* caste falls into the *Dalit* categories, since *Newars* have been identified as Indigenous Nationalities by the Ministry of Local Development. These groups have appealed to the appropriate offices for their removal from the list of *Dalits*.

Source: Rajbhandari T. 2003 and Shrestha A. 2003.

BOX 2 Defining the indigenous people of Nepal

The words *Janajati*, *Adivasi*, *Mulbasi* and *Bhumiputra* are interchangeably used to describe the ethnic minorities as a whole. *Adivasi* and *Janajati* are terms widely used by the majority population and those that also appear extensively in government documents:*Janajatis* (nationalities) are known as *Adivasis* (indigenous people, autochthons, native people); conversely *Adivasis* are known as *Janajatis* in Nepal. So the term *Adivasis* or "indigenous people" applies to all ethnic groups – *Adivasi*, *Janajati*, *Mulbasi* (native people) and *Bhumiputra* (sons of the soil).

According to ILO Convention No. 169, indigenous people "are [those] regarded indigenous on account of their descent from the populations which inhabited the country or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries, and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions." In addition to these characteristics, self-identification as indigenous is also considered a fundamental criterion for determining the groups as "indigenous people".

The World Bank has specified five distinctive characteristics for the identification of indigenous people: i) a close attachment to ancestral territories and natural resources in these areas; (ii) an indigenous language that often differs from the predominant language; (iii) the presence of customary social and political institutions; (iv) an economic system primarily oriented to subsistence production; and (v) self-identification and identification by others as members of a distinct cultural group.

According to the official definition stated by the National Foundation for Development of Indigenous Nationalities Act 2002, "indigenous people/nationalities are those ethnic groups or communities enlisted in the Appendix I Schedule of the Act who have their own mother tongue and traditional customs, distinct cultural identity, distinct social structure and written or oral history of their own."

Though incomplete, this definition illuminates certain characteristics of Nepalese indigenous people or nationalities as those ethnic groups with the following characteristics:

- those who have their own ethnic languages other than Nepali;
- those who have their own distinct traditional customs other than those of the ruling high castes;
- those who espouse a culture distinct from that of the Aryan/Hindu culture of dominant groups;
- those who have distinct social structures that do not fall under the hierarchical *varna* or caste system;
- those who have a written or oral history that traces their line of descent back to the occupants of the territories before their annexation into the present frontiers of Nepal; and
- those who are listed in the schedule of indigenous people/nationalities published by HMGN.

The identification of the indigenous people of Nepal was carried out by the government on the basis of these criteria. So far, 59 ethnic groups have been identified as indigenous people or nationalities: the *Kisan, Kumal, Kusbadiya, Kusunda, Gangai, Gurung, Chepang, Chhantyal, Chairotan, Jirel, Jhangad, Dolpo, Tangbe, Tajpuriya, Tamang, Tingaunle Thakali, Topkegola, Thakali, Thami, Tharu, Thudam, Danuwar, Darai, Dura, Dhanuk (Rajbansi), Dhimal, Newar, Pahari, Free, Bankariya, Baramo, Bahragaunle, Bote, Bhujel, Bhote, Magar, Majhi, Marphali Thakali, Mugali, Meche (Bodo), Yakkha, Rai, Raute, Rajbansi (Koch), Raji, Larke, Limbu, Lepcha, Lhopa, Lhomi (Singsawa), Walung, Byasi, Sherpa, Satar (Santhal), Siyar, Sunuwar, Surel, Hayu* and *Hyolmo*. Only 43 indigenous groups were specified in the Census 2001, along with two additional tribal groups, *Munda* and *Khadiya* that are linguistically distinct.

On the basis of various indicators, Nepal Federation of Indigenous Nationalities has classified 59 indigenous people/nationalities into five major categories:

(i) endangered groups *(1) Bankariya, (2) Kusunda, (3) Kushbadiya, (4) Raute, (5) Surel, (6) Hayu, (7) Raji, (8) Kisan, (9) Lepcha, (10) Meche*;
(ii) highly marginalized groups *(1) Santhal, (2) Jhangad, (3) Chepang, (4) Thami, (5) Majhi, (6) Bote, (7) Dhanuk (Rajbansi), (8) Lhomi (Singsawa), (9) Thudamba, (10) Siyar (Chumba), (11) Baramu, (12) Danuwar*.
iii) marginalized groups *(1) Sunuwar, (2) Tharu, (3) Tamang, (4) Bhujel, (5) Kumal, (6) Rajbansi (Koch), (7) Gangai, (8) Dhimal, (9) Bhote, (10) Darai, (11) Tajpuriya, (12) Pahari, (13) Dhokpya (Topkegola), (14) Dolpo, (15) Free, (16) Mugal, (17) Larke (Nupriba), (18) Lhopa, (19) Dura, (20) Walung*.
(iv) disadvantaged groups *(1) Jirel, (2) Tangbe (Tangbetani), (3) Hyolmo, (4) Limbu, (5) Yakkha, (6) Rai, (7) Chhantyal, (8) Magar, (9) Chhairotan, (10) Tingaunle Thakali, (11) Bahragaunle, (12) Byansi, (13) Gurung, (14) Marphali Thakali, (15) Sherpa*.
(v) advanced groups: *(1) Newar, (2) Thakali*.

Among the small number of endangered groups, the *Bankariya, Kusunda, Kushbadiya, Raute* and *Surel* are close to physical extinction. The *Hayu, Raji, Kisan, Lepcha* and *Meche* are also threatened groups, as their population is decreasing and does not exceed 4,000.

BOX 3 Defining people with disability

The first Sample Survey on Disabilities, carried out by the Sub-Committee for the Sample Survey of Disabled Persons in Nepal in 1980 defined a disabled person as one who by virtue of a congenital disease or an acquired disease or injury is incapable of living an independent personal or social life or is incapable of engaging in gainful employment or acquiring normal education consistent with age or sex. In 1999, the government officially defined disabilities in five categories: Physical Disabled, Blind and Visually Impaired, Mentally Retarded, Deaf and Hearing Impaired and Mental Illness. Further, such people are categorized as severely disabled and profoundly disabled. A study carried out by National Planning Commission and UNICEF in 2001 has contextualized disability in four major categories as: 1) Communication disability 2) Locomotion disability 3) Mentally related disability and 4) Multiple/complex disability.

CLASSIFICATION OF DISABILITY

Communication disability	Locomotion disability	Mentally related disability	Multiple/complex disabilities
Seeing disability A person, who, even after treatment cannot count fingers with improved eyesight from a distance of ten feet (3 meters), is said to have seeing disability.	**Physical disability** A person who is unable to perform daily activities of life due to a physical deficiency, defect or deformity is said to be physical disable.	**Mental retardation** A person who is unable to acquire the ability to perform activities or to learn new tasks per the age and environment due to delayed mental development prior to the age of 18 years is said to be mentally retarded. 1. Persons who can manage the daily activities of life with the help of training. 2. Persons who cannot manage the daily life activities like eating, dressing, speaking, going to toilet even with training.	**Multiple disabilities** A person having more than one type of disability is said to be multiply disabled.
Hearing disability A person who can not hear ordinary voices from a distance of one meter is said to have hearing disability.	**Mobility/walking** A person who is unable to perform the daily activities of life due to a physical deficiency, defect or deformity in the lower limbs is said to have mobility or walking disability.	**Neuro-psychiatric conditions.** *Epilepsy:* A person who has frequent attacks of unconsciousness and shows symptoms of tongue biting, frothing from the mouth, shivering and incontinence is said to be an epileptic. *Chronic mental Illness* A person, who after 18 years of age has some kind of mental instability with symptoms of unprovoked anger or elation, crying without reason and seeking isolation is said to have some kind of mental illness.	**Cerebral palsy** A person who has some damage in the immature brain leading to physical incapacity is said to have cerebral palsy. Some cases could have mental retardation.
Speaking disability A person who can not speak at all or a person who can not be understood outside the family is said to have a speaking disability.	**Manipulation/working** A person who is unable to perform the daily activities of life due to a physical deficiency, defect or deformity in the upper limbs is said to have working or manipulation disability.		

Source: IYDP 1981 and WHO 1996.

Annex 5: Survey of socially mobilized communities – methods and results

The study on Socially Mobilized Communities (SMCs) was carried out during 2003 in 10 districts *(Dhankuta, Morang, Sindhupalchok, Chitwan, Syangja, Rupandehi, Surkhet, Dang, Doti and Kanchanpur)* of five development regions (taking one Hill and one Tarai district in each). The Social Mobilization Agencies (SMAs) comprised cooperatives and banks, (SFCL and Nirdhan), INGO-implemented programmes (AAN, CARE and the Red Cross), government-implemented programmes (BAP and Khageri irrigation), donor-assisted programmes (VDP of UNDP and LFP of DFID), technology-focused programmes (CEAPRED and SAPPROS), women's empowerment programmes (PACT), alliance-building programmes (SAP) and NGO-targeted programmes (BASE and FECOFUN). The Participatory Learning and Action method was adopted as the major research approach. To collect the necessary data, the Survey used four major types of instruments: 20 SMA interviews, 40 stakeholder interviews, 38 focus group discussions and 599 individual member/household interviews. The distribution of sample size is shown in the table below.

The average score or ranking (AN) is calculated as:
AN = 1/N[1x(freq. for rank1) + 2x(freq. for rank2) + 3x(freq. for rank3) + 4x(freq. for rank4) + 5x(freq. for rank5)], where N = total frequency

On a five-point scale, the average rank of an indicator lies between 1 and 5. Inferences are based on whether the average rank is nearest 1 (signifying a very low rating of the relevant indicator) or, at the upper end, 5 (signifying a very positive indicator rating). A score of 3 on the five-point scale represents an average position between the lowest and highest possible ranks. The average scores summarize the percentage distribution of responses within this five-point range.

The selected SMCs were examined in terms of four attributes: process, outcomes, impact of conflict and impact of programme. Analysis was done based on the aggregate index of different indicators underlying different dimensions of organizational capacity building *(see table 1)*. The perceived impact of SM programmes on varied dimensions of livelihood, and level of satisfaction after the programme intervention are shown in *table 2 through 4*.

Distribution of sample size

Group	Sample	Group	Sample	Group	Sample
Poor	325	Rural	325	Eastern	120
Non-poor	274	Urban	274	Central	120
Female	121	Hills	121	Western	120
Male	478	Mountain	478	Mid-western	120
Targeted	298			Far Western	119
Holistic	301				
Total	599	Total	599	Total	599

Source: UNDP 2004c.

To classify the 20 SMCs in groups with similar and dissimilar characteristics, the Cluster Analysis method was used. Although models vary from one another in many respects, in terms of making the greatest impact on livelihood conditions and also in the aggregate of process outcome and impact, the most noteworthy are those implemented by the government (BAP) and those supported by UNDP (VDP) and DFID (LFP). By contrast, the others emerged as relatively poor in terms of desirable impact on livelihood conditions and also in the aggregate of process model and impact *(see table 5)*.

Analysis based on the aggregate index of different indicators showed that the targeted models are stronger in terms of process, while the holistic models are stronger in terms of outcomes and impact on people's livelihoods. Their horizons are broader in terms of developing coordination with other agencies, mobilizing resources and enhancing the strengths of people in their command area. In short, because the holistic models generate greater synergy, they produce greater impact overall on the livelihood conditions of the people they mobilize. However, the weakness that often besets holistic models is a "'process" that tends towards "exclusion of ultra-poor". If a holistic model sets out to eliminate this "weakness" by targeting the ultra-poor within its framework, its effectiveness may well increase.

TABLE 1 Rating of different attributes of organizational capacity and empowerment in sample SMCs

Indicators	Poor	Non-poor	Female	Male	Targeted	Holistic	Total
Participation in decision-making processes							
Selection of executive body	4.8	4.8	4.8	4.8	4.9	4.7	4.8
Formulation of rules	4.7	4.6	4.5	4.6	4.7	4.5	4.6
Selection of programme	4.4	4.5	4.2	4.5	4.5	4.4	4.5
Programme implementation	4.5	4.5	4.2	4.5	4.5	4.4	4.5
Inspection and evaluation	3.6	4.2	3.7	3.9	3.9	3.8	3.9
Aggregate index	**4.4**	**4.52**	**4.28**	**4.46**	**4.5**	**4.36**	**4.46**
Level of participation in community activities							
Formulation of rules	3.5	3.7	3.6	3.6	3.6	3.6	3.6
Programme selection	3.3	3.6	3.4	3.4	3.4	3.5	3.5
Community development	3.4	3.6	3.4	3.4	3.3	3.5	3.5
Implementation	3.4	3.6	3.3	3.5	3.4	3.5	3.5
Maintenance	3.3	3.6	3.3	3.5	3.4	3.5	3.5
Inspection	2.7	3.1	2.9	2.9	2.7	3	2.9
Aggregate index	**3.3**	**3.6**	**3.3**	**3.4**	**3.3**	**3.4**	**3.4**
Knowledge about the process and transparency							
Programme objective	2.9	3.3	3	3.1	3.2	3	3.1
Loan and investment	2.9	3.2	2.9	3	3	3	3
Seed money/revolving fund	2.2	3.1	1.9	2.1	1.9	2.2	3
Community rules	3.1	3.5	3.1	3.3	3.2	3.2	3.2
Government's attitude	1.5	2.1	1.8	1.7	1.8	1.7	1.8
Other organization and co-ordination	2.1	2.4	2	2.3	2.1	2.4	2.3
Aggregate index	**2.5**	**2.9**	**2.5**	**2.6**	**2.5**	**2.6**	**2.7**
Accountability of groups and members							
Leadership accountability to group	3.4	3.7	3.6	3.5	3.5	3.5	3.5
Other members' accountability	3.4	3.6	3.5	3.4	3.4	3.4	3.5
Accountability of stakeholders to leadership	3.4	3.7	3.5	3.5	3.5	3.5	3.6
Aggregate index	**3.4**	**3.7**	**3.5**	**3.5**	**3.5**	**3.5**	**3.5**

Contd...

TABLE 1 Rating of different attributes of organizational capacity and empowerment in sample SMCs

Indicators	Poor	Non-Poor	Female	Male	Targeted	Holistic	Total
Quality of group leaders							
Honesty	4	4.2	4.2	4	4	4.1	4.1
Dedication	4	4.1	4.1	3.9	3.9	4	4
Accountability	3.9	4	4	3.9	3.9	3.9	4
Trustworthiness	4	4.2	4.1	4	4	4	4.1
Skill/capacity	3.7	3.9	3.7	3.7	3.7	3.7	3.8
Aggregate index	**3.9**	**4.1**	**4**	**3.9**	**3.9**	**4.1**	**4**
Relations with other partner/support organizations							
Groups of other I/NGO	3	3.3	2.6	2.7	2.5	2.8	3.1
VDC	2.8	2.9	2.9	2.8	2.5	3.2	2.8
DDC	2.2	2.4	2.5	2.2	2	2.6	2.3
District line agency	2.4	2.6	2.5	2.5	2.5	2.4	2.5
Financial institution	1.9	2.2	2.4	2.2	2.1	2.4	2
Group federation	1.9	2.2	2.5	1.9	1.9	2.2	2
Other groups	3.4	3.4	2.4	2.9	3	2.5	3.3
Aggregate index	**2.5**	**2.7**	**2.5**	**2.5**	**2.4**	**2.6**	**2.6**
Mutual trust and solidarity organizational capacity to work together and manage inter/intra group conflicts							
Demand for public facilities	3.3	4	3.6	3.3	3.4	3.4	4
Working together with other groups	3.3	3.5	3.5	3.4	3.4	3.4	3.4
Manage inter-group conflict	3.3	3.6	3.4	3.4	3.3	3.5	3.5
Manage intra-group conflict	2.8	3.6	1.5	1.4	1.4	1.5	3.4
Aggregate index	**3.2**	**3.7**	**3**	**2.9**	**2.9**	**2.9**	**3.6**

Source: UNDP 2004c.

TABLE 2 Perceived impact of SM programmes on livelihood

SMCs	Poor	Non-Poor	Female	Male	Targeted	Holistic	All
Health	3.9	3.2	4	3.9	4	4	3
Education	4	4	4.1	4	4	4	4
Information	4	4	4	4	4	4	4
Natural resources	3.8	4	3.9	3.8	3.9	3.8	4
Loan facility	4.1	3.9	4.3	4.1	4.2	4.1	3.8
Improved technology	3.5	4.2	3.5	3.5	3.5	3.6	4.2
Market facility	3.4	3.5	3.6	3.5	3.5	3.6	3.5
Public facilities	3.7	3.6	3.8	3.7	3.6	3.7	3.5
Training	3.4	3.7	3.5	3.5	3.4	3.5	3.7
Employability	3.7	3.5	3.8	3.7	3.7	3.8	3.5
Household income	3.8	3.8	3.6	3.8	3.7	3.7	3.7
Dependency on landlord	1.9	3.7	1.8	1.9	1.9	1.9	3.7
Dependency on SMCs	2.5	1.8	2.5	2.4	2.4	2.5	1.9
Social evils	3.5	2.3	3.6	3.6	3.7	3.4	2.4
Mutual work	4	3.6	4.2	4.1	4.2	4.1	3.6
Mutual trust	4	4.2	4.2	4.1	4.1	4.1	4.1
Economic status of marginalized	3.9	4.2	3.9	3.9	3.9	3.9	4.1
Socioeconomic status of women	3.9	3.9	3.9	3.9	4	3.8	3.9
Aggregate index	**3.6**	**3.6**	**3.7**	**3.6**	**3.6**	**3.6**	**3.6**

Source: UNDP 2004c.

TABLE 3 Improvement in social/economic/political status

Area	Poor	Non-poor	Female	Male	Targeted	Holistic	All
Social	3.5	3.6	0	3.5	3.5	3.6	3.5
Family health	3.3	3.5	3.4	3.4	3.3	3.5	3.4
Knowledge/skill	3.6	3.8	3.8	3.7	3.7	3.6	3.7
Respect	2.9	3.1	3.1	3	2.9	3.1	3
Economic	3.2	3.6	3.4	3.4	3.3	3.4	3.4
Employability	3.3	3.4	3.4	3.3	3.3	3.4	3.3
Physical assets	2.9	3.1	3.1	3	3	3	3
Income	3.3	3.5	3.4	3.4	3.4	3.4	3.4
Comparability in income	3.4	3.6	3.5	3.4	3.5	3.5	3.5
Political strength	3.3	3.5	3.5	3.4	3.5	3.3	3.4
Civil power	3.9	4.3	1.1	1.1	1.1	1.1	4
Aggregate index	**3.3**	**3.5**	**2.9**	**3.1**	**3.1**	**3.2**	**3.4**

Source: UNDP 2004c.

TABLE 4 Level of satisfaction after programme intervention (percentage distribution by group)

Group	Little satisfaction	As before	Some satisfaction	Great satisfaction	Total
Poor	1.5	2.8	56.6	39.1	100
Non-poor	0.4	1.5	44.2	54	100
Female	0.8	0.8	51.2	47.1	100
Male	1	2.5	50.8	45.6	100
Targeted	1	2	52.3	44.6	100
Holistic	1	2.3	49.5	47.2	100
TOTAL	**1**	**2.2**	**50.9**	**45.9**	**100**

Source: UNDP 2004c.

TABLE 5 Comparison of SM models by average scores

SMCs	Process	Outcome	Livelihood impact	Aggregate
Targeted	3.2	4.1	3.3	3.7
Holistic	2.6	3.3	3.9	3.6
Technology-focused	4.0	4.3	3.5	4.0
I/NGO-implemented	2.7	4.3	2.4	3.3
Government-implemented	3.0	3.0	5.0	5.0
UNDP-supported	2.0	2.5	5.0	4.5
Women's empowerment	3.0	4.5	1.0	3.0
Partnership-focused	2.0	3.5	3.5	3.5
NGO/CBO-targeted	3.5	3.5	1.5	3.0
Financial	2.8	3.7	2.5	3.7
DFID-supported	3.0	3.0	5.0	4.0
Khageri/water user group	2.0	2.0	3.0	3.0

Note: In this table, average scores are calculated on the basis of cluster analysis. A model classified as best is given a score of five and that classified as poorest a score of one.

Nepal Human Development Report 2004

Empowerment and Poverty Reduction

Even at the dawn of this new millennium, policy-makers and planners still conceive of poverty in the narrow traditional terms of material deprivation. Yet conventional poverty reduction approaches, which focus almost exclusively on income and basic needs, have generally failed to reduce powerlessness and the isolation, vulnerability and marginality in which poor people live - the very factors that perpetuate poverty from one generation to another. For this reason, the Nepal Human Development Report 2004 concentrates on empowerment.

The empowerment approach stresses enhancing people's abilities to realize their basic rights and exercise the freedoms promised by democratic forms of governance. It creates the conditions necessary to enable the poor to take advantage of poverty-reduction opportunities by strengthening their socio-cultural, economic and political capabilities. Empowerment also entails a restructuring of these opportunities themselves:

- on the "supply side", through national action to make state institutions more responsive to citizens and to remove existing social barriers and discriminations - especially those that disempower women, Dalits and Nepal's indigenous peoples;
- on the "demand side", through strengthening the initiatives taken by the poor themselves through social mobilization at the grassroots level.

Together, empowerment and democratic governance structures have the potential to make development equitable and inclusive. If human development flourishes best when it draws on the indigenous capacities of a country, Nepal has many rich sources to mine. The human empowerment analyses set out in these pages pinpoint many of the kinds of intervention essential to reducing inequities and conflict at the local, regional and national levels. In so doing, the Report also provides policy signals for replicating and upscaling the promising practices that Nepal's own citizens have pioneered.

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