

POLICY DISCUSSION PAPER - 3/2012

**Rethinking Group-Based Development Approach in Nepal:
Ways Forward**

Stuty Maskey

**Alliance for Social Dialogue
Policy Research Fellowship Program 2012
December 2012
www.asd.org.np**



ABSTRACT

Over the last few decades, the role of ‘group-formation’ for community development has drawn substantial interest from policy makers, academics and development practitioners. The paper aims to examine the growing popularity of these development groups especially in the context where ‘groups’ are now the common entry point in the programme designs of most development agencies, programme and projects in Nepal. The increasing popularity of this approach brings attention to some important questions. Is group formation a *sin-qua-non* for community development? Does group mobilization always work out as per expectation?

The purpose of this paper is not to provide a complete alternate option to the group approach but rather raise a note of caution on why excessive reliance on this strategy must be viewed cautiously. By highlighting some issues related to this approach, this paper aims to indicate that although groups formed for community-driven development have great potential, they should not be viewed as a panacea for developing communities’ rather just one component to tackle the dynamics of developmental challenges.

This paper is a product of the Alliance for Social Dialogue Policy Research Fellowship Program 2012. Policy Research Discussion Papers are also posted on www.asd.org.np. The author may be contacted at stutymaskey@gmail.com. Findings and Conclusions expressed in this paper are those of the author and do not necessarily represent the views of ASD.

Acronyms

CO	Community organizations
CAC	Community Awareness Center
DAG	Disadvantaged groups
DDC	District Development Committee
DMEGA	District Micro-entrepreneurs' Group Association
LGCDP	Local Governance and Community Development Programme
MEDEP	Micro Enterprise Development Programme
MEG	Micro Entrepreneurs Groups
MEGA	Micro Entrepreneurs Groups Association
PAF	Poverty Alleviation Fund
SM	Social mobilization
VDC	Village Development Committee

1. Introduction

Since the establishment of democracy in 1990 the principle entry-point in the programme designs of most development agencies, programmes and projects in Nepal has been ‘groups’. These groups are favored as the basic unit for development intervention due to two significant advantages. The first is that governments and other organizations can reach a large number of marginalized rural people effectively through the group-approach. The second is that distributing resources to groups rather than to individuals is faster and more cost-effective.¹ Additionally, process of group formation contributes to the empowerment of group-members therefore strengthening collective bargaining power, raising awareness on rights and responsibilities of the citizen and the state, and enabling the poor and discriminated to engage in decision-making processes.² Group formation and group-oriented activities are now commonly understood as the standard implementation strategy for most development programmes and projects in Nepal.

While the group-approach for development has become popular only recently, it is important to note that it is not an entirely new concept for Nepal. Group-model is based on the conceptual framework of ‘collective action’ and it existed in Nepal before these concepts were articulated in these terms. There are several examples of traditional community groups typically based on community-support, religion, caste, self-help etc. in Nepal. However, this study does not look into the development or role of such self-initiated customary groups but rather focuses on the advent of ‘sponsored’ groups, formed and mobilized by a government agency or an external agent (e.g. NGO).

Literature indicates that a definite date is not identified for the conception of ‘group formation’ as a development approach. However, there are references that the approach emerged in developing countries as an alternate to the dominant development paradigm of the 1970s, popularly called the ‘top-down/ trickle down’ approach.³ Critics of this approach claimed that the state targeted majorly on growth of gross domestic product and overlooked redistributive measures while the market did not offer fair benefits for those who lacked knowledge,

¹Stringfellow et al. 1997

² Baas n.d.

³Sanyal 1996

information, assets or a steady source of income.⁴ Group model emerged as a concept of 'participatory development', also referred to as 'development from below' or 'bottom-up approach'. Around the 1980s, this model caught the attention of policy makers and national governments and by 1990s it was adopted as a valid model for community development.⁵ Donor agencies as well as local governments rapidly adopted group-formation approach to form issue-specific groups in order to foster development from below.

1.1 The Process of Group Mobilization

Group approach was introduced in the development discourse in Nepal around 1960s and early 1970s through users' groups for public assets management such as drinking water, forest and irrigation systems.⁶ In the early stages, it created scope for another actor called 'Non-governmental organization (NGO) that played a pivotal role in implementing the formation process. This followed the development of an approach that was designed to organize and form these development groups. This was the Social Mobilization (SM) process. Groups were formed only after the members/community underwent a process of SM.⁷

1.1.1 Social mobilization – the concept

The key to most of the group formation process at the community level is the concept of 'social mobilization'.⁸ Broadly, SM is seen as a catalyzing process by which people living in a community are organized into groups to share and discuss problems, to seek solutions by mobilizing resources, and to become more active participants in the decision-making processes that impact their lives.⁹

The Government of Nepal (GoN) supports social mobilization as development model for rural communities¹⁰. SM is now the most recognized approach for group formation. However,

⁴Reddy and Manak 2005

⁵Satterthwaite and Sauter 2008

⁶UNDP 2002, 93–106

⁷Wijayaratna 2004

⁸ The Local governance programme (LGCDP) with funding from 11 donors; The Tenth Plan, (2002-2007); as well as other donor implemented projects including that of USAID, DFID, SDC, DANIDA among others

⁹ UNDP 2002, 93-109

¹⁰ DLGSP 2009

there are as many guidelines to SM as there are donors and line agencies pursuing it. In practice any process of empowerment, inclusion, social and political awareness etc. in groups, is termed as SM. The exercise could be targeting just one component or contributing to a holistic poverty reduction goal. SM has become a generic term to define any process of organizing people into groups.

In this light, this study will consider the definition proposed by Ministry of Local Development (MLD), which is more specifically related to SM for poverty reduction. MLD has defined SM as a process of making people aware of their rights and responsibilities in society in order to help break social barriers especially for disadvantaged groups (DAGs) to change their social, economic, and/or political situation.¹¹ The definition is based on the premise that the dominant top-down centralized development approach did not address locally identified specific issues and concerns across all sectors and therefore inherent inequalities of access and opportunities emerged in society. MLD's guideline emphasizes that the new focus of SM is to empower citizens and enable them to engage with the state and make the local government and service providers accountable to the people.

Therefore, groups formed under SM for poverty reduction approach can have significant impacts on enhancing livelihood options for the group-members (especially DAGs). Secondly, since such groups are created democratically, they take full responsibility of inclusion and equity as well as ensure that the local level service providers are accountable to the people i.e. good governance.

1.2 Group Typology

Although no official record of the number of groups formed in Nepal exists, a report estimated that by 2004 there were more than 400,000 groups.¹² Groups are responsible for mobilizing and delivering services across a range of sectors. The increasing role of group based development approach necessitates the need for an overview of the variety of groups that exist. Broadly, groups can be classified into two types – the self-initiated 'traditional' groups and the

¹¹ Ministry of local development's 'Social Mobilization Guideline' 2010

¹² LGCDP 2009

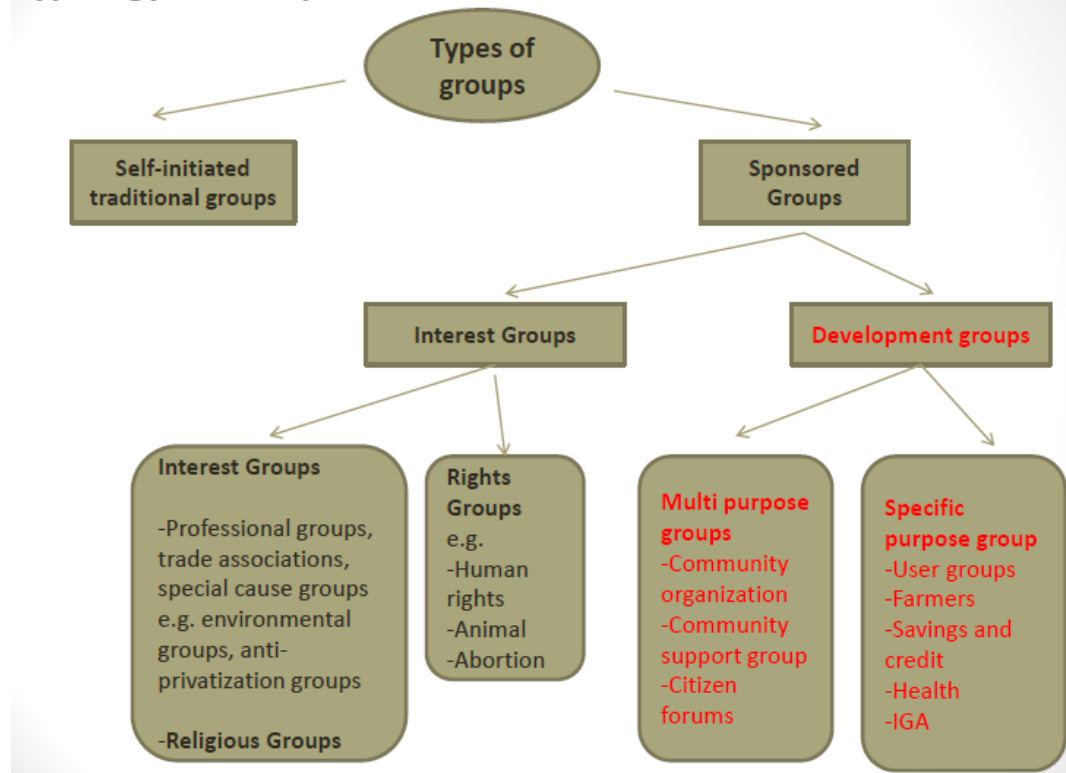
contemporary ‘sponsored’ groups promoted or supported by state agencies, NGOs, development programmes, and projects.

For the purpose of this study, sponsored groups have been further divided into two types, based on their functions. The first type includes ‘interest groups’ and ‘right groups’. These groups focus on a political process of transformation.¹³ They are usually narrow in focus and dependent on organized supporters. They have specific public policy goals pursued through relevant lobbying tactics.¹⁴ Some examples of such groups are trade associations, human rights groups, clean air lobbying groups etc. The second type includes groups that focus on livelihood improvement through access to assets and services. Such groups also have more broad-based development goals such as inclusion, equity and governance, and intentions to contribute to national goals of poverty reduction. Examples include user groups such as community forest user groups, water user groups, agriculture groups, mother’s groups, saving and credit groups, education, health, enterprise and income generation groups. These groups are generally referred as social or development groups. This study will focus on this second category of groups. Community organizations, citizen forums, user groups such as forest user groups, water user groups, savings and credit, micro finance, enterprise, income generation groups etc. are all such development groups that are in the contemporary Nepali context sponsored either by donor projects or by NGOs or directly by government sector agencies.

¹³Browne 1990

¹⁴Cornwall and Nyamu-Musembi 2004

Typology of Groups



2. Problem Statement

While local groups of various types have their origins in the distant past of Nepali history, the advent of ‘sponsored development groups’ and more importantly the rapid increase of such groups is a more recent phenomenon. Group formation has become such an integral part of the development process that local villagers can expect to receive services of agencies only by forming groups. At the same time, donor agencies and NGOs are likely to start their interventions, only after formation of community level groups.

Nepal has witnessed the emergence of a striking number of different groups at various levels -- village, community, and national levels. These groups have become exemplary models for community participation, awareness and more recently for greater inclusiveness of disadvantaged members of society. There are several documented cases of micro finance groups providing credit to raise the economic opportunity and status of Dalit households or allowing access to emergency funds during times of need for marginalized women. While there are noted advantages of group-formation for community development, policy-makers and development

practitioners must pro-actively begin to examine the fallouts of excessive dependence on ‘group model’ as a development strategy.

One outcome of the proliferation of a numerous groups at the community level is multiple-membership of individuals in several groups. This causes double counting when any analysis is conducted. At the same time the proliferation of groups creates ‘group fatigue’—a concept that indicates a situation where group-members struggle to keep up with excess number of group meetings and activities.¹⁵ As group membership demands time, members of disadvantaged and poor households are discouraged to participate, as the opportunity cost of group meetings tends to be very high for them. This negatively impacts the objective of social development, which is to break social barriers especially for DAGs and poor and change their social, economic and political situation.

Another problem with the group-based approach is the standard practice of ‘social mobilization’ approach for group formation process. The current practice of SM is formulaic process that takes place through external agents called mobilizers.¹⁶ One of the major criticisms of such a practice is that mobilizers as jobholders are driven by job-specific targets. Their interest is in creating a given number of groups and providing continuous support for group development. However, this support continues only till the project lasts and the groups become very dependent on SM. Furthermore, groups under such situations dissolve as soon as the mobilization service is phased out.

Besides the sustainability part, the other strong criticism of development groups is that the process has not been successful in checking the capture of power and resources by elites.¹⁷ The classic example would be that of community fund or revolving fund. Many a times, community groups set norms such as the rate of borrowing, meeting days/time and those who lack any basic capital or any physical assets as collateral are perceived as untrustworthy of loan repayment. This leads to their exclusion. There is high risk of the elites and politically influential individuals controlling the community funds in such groups.

¹⁵ Thorp, Stewart and Heyer 2005

¹⁶ Bigg, Gurung and Messerschmidt 2004

¹⁷ Iversen et al. 2006

Since several purposes of development groups such as breaking social and economic barriers for DAGs and poor, and creating abilities of groups to take full responsibility of ownership, inclusion, accountability and empowerment are contested; there is a need to revisit development-groups and its effectiveness in meeting the set objectives. This paper is only an exploratory exercise in attempting to understand group based development approach in Nepal. Since there is little Nepal-specific literature on groups as vehicles to deliver services and since there is limited time and resources, this paper does not go into a detailed analysis. A much more detailed analysis is required to make a strong case of whether ‘group formation’ is a *sin-qua-non* for community development or if there are alternate strategies for development intervention. This paper however aims to raise the question as to why excessive reliance on ‘groups’ as development strategy must be viewed with caution.

3. Research questions

Group model is based on some crucial underlying assumptions. The arguments in favor of ‘group’ as a basic unit of operation are complemented by the widely accepted approach of Social mobilization (SM) for group formation. SM is a process of nurturing collective consciousness, social cohesion, collective action, networks of trust and social equity.¹⁸ Therefore, after groups undergo a process of SM, it is expected that group-members are empowered and become responsible community members with voice and influence in group-based decisions. Further they are expected to be socially conscious individuals with keen interest towards opportunities for access to resources for all and especially the marginalized in the community. Moreover, development groups formed under SM process are considered fine demonstrations of local level ‘good governance’.

The questions that arise from these assumptions therefore are –

- a. Is the group approach a fine demonstration of the practice of good governance at the community level?
- b. What are the problems due to ‘too many groups’? How can they be tackled?

¹⁸ Baas n.d.

The paper will test these assumptions on the broad criteria of good governance – ownership, equity, transparency and accountability and analyze how the ‘group model’ performs. Further, it will discuss the problems with too many groups, and what could be the likely solutions to manage this.

4. Methodology

Secondary data

The study is primarily based on secondary documents. First it focused on understanding why and how group approach emerged as a dominant development tool for bottom-up development, and exposed its underlying assumption. Relevant researches on the topic, including international experiences were referred to build up this argument. The assumptions were then tested against four broad criteria of good governance – ownership, equity, transparency and accountability. The findings were based on an assessment of the approach against specific assumptions that formed the underpinnings of a successful group performance.

To support the findings, three national programmes with a common development goal of contributing to the national goal of poverty reduction were selected. All three of them are multi-lateral donor-funded programmes and are strongly endorsed by the concerned ministries. Local Governance and Community Development Programme (LGCDP) is managed and implemented by Ministry of Local Development (MLD). Micro Entrepreneurs Development Programme (MEDEP) is a joint initiative of Ministry of Industry, Commerce and Supplies (MICS) and United National Development Programme (UNDP), and Poverty Alleviation Fund (PAF) was established under Poverty Alleviation Fund Act 2063 with the prime minister as the chairperson of the board. These programmes are managed by professional staffs hired via competitive measures such as call for applications in newspapers.

The three programmes were selected such that all used social mobilization (SM) as a common approach to facilitate the process of group formation. A matrix for the three programmes to assess their commitment and capacities to contribute to the end goal was created based on systematic review of the programme documents, progress reports, mid-term reviews, social mobilization guidelines and related reports.

Key informant interviews

3 social mobilizers from Khotang district (Nunthala VDC, Bijaykharka VDC, Buipa VDC) and 2 from Okhaldhunga (Katunje VDC, Kuntadevi VDC) were interviewed to understand challenges and issues related to social mobilization. A structured questionnaire form was also filled by all of the mobilizers (annex 1). However, much more information was gathered from informal unstructured interaction sessions held with them. One ranger from Ramechhap district (Ramechhap VDC) was also interviewed to understand the view of government employee regarding social mobilizers and the interface with their roles.

To strengthen the findings and clear any confusion, key resource persons at the three selected programmes namely LGCDP, PAF and MEDEP were interviewed. The information collected from them was used to strengthen the findings from the secondary review. While key informants at LGCDP and PAF were interviewed in person, only a phone interview was possible with MEDEP expert.

5. Analysis

Groups' performance was assessed against the underlying assumption of good governance. The areas of enquiry were ownership, equity, transparency and accountability of group model to the members of the group and to the larger community. The analysis was based on review of secondary sources.

Ownership: The underlying assumption related to ownership in groups is that members become partners in development rather than passive recipient of services. This increases ownership and therefore sustainability of activities.

The analysis from available resources verifies that this is, however, not always the case.¹⁹ Two types of situation impede the realization of this objective. Firstly, group-formation is an activity initiated by an external agent. Most of the time groups are increasingly dependent on an external agent (mobilizer and NGOs) to carry forward the activities of the groups. Once the

¹⁹Sanyal 1996

programme / project phases out, so does the follow-up of the mobilizers and then groups tend to become dysfunctional.

Secondly, the problem of multiple group membership also impacts negatively on ownership of the group.²⁰ Not only does this create disinterest among group members but also often, a single individual is involved in the management committees of several groups, causing conflict of interest and time.

Equity: The assumptions related to equity aspect of group-formation is that SM as an approach positively discriminates against DAGs, poor and women for representation and access to economic, social and political opportunities. When assessed whether this objective of group-formation is met or not, two outcomes were identified. As far as gender inclusion was concerned, group-formation has largely been effective.²¹ Several mandatory obligations such as quota or compulsory representations of women in groups are mainly attributed for this outcome. However, of late, the need for ‘meaningful participation’ rather than ‘token membership’ is increasingly called for.²²

The other assumption of the inclusion of DAGs and poor is perhaps the most criticized outcome of group formation. Critics argue that all groups contain some element of power and control contributing to alienation and inequality within groups. The chronically poor are always disadvantaged in groups and often captured by elites unless homogenous class based groups for very-poor are formed.²³ Such a tendency is high for group-funds since those who lack basic capital or physical assets as collateral are perceived as untrustworthy loan recipients. Secondly, those with low income have a high opportunity-cost of labor-time and wage and are therefore discouraged from participating in meetings.

Transparency and Accountability: The third argument in favor of group-formation is that it promotes transparency and accountability. Proponents argue that groups promote a practice of providing information access to the public through proper accounting system, public hearing,

²⁰ Van Heck 2003

²¹ Pandolfelli, Meinen-Dick and Dohrn 2007

²² Razavi 2002

²³ Thorp, Stewart and Heyer 2005

social/public audits, monitoring & evaluation, information boards etc. Groups are also claimed to ensure accountability since SM and group-members perceive joint responsibility to contribute to the targeted result. Participatory planning for group activities permits members to have a say in the planning process which also enhances individual commitment.²⁴ Examples of forest user groups that have their own source of income and manage revolving fund as well as contribute 35% for community development are good examples in support this assumption. Groups with strong SM and support in information management are able to accomplish such accountability. However, in larger projects where higher standard of bookkeeping is required NGOs' continuous support is crucial and dependency is high.

Despite of criticisms, it is perhaps in issues of transparency and accountability that groups and SMs have played major reformative roles. For instance, in micro credit or savings and credit cooperation, the fact that accounts are accessible and publicly displayed, has put social pressure on loan repayment and paved way for responsible lending practices.²⁵

6. Research Findings

As a part of the methodology, three national programmes were identified to assess the current approaches of group-formation process and its impact on community development. The programmes are LGCDP, PAG and MEDEP; and are broadly comparable as follows:

		LGCDP	PAF	MEDEP
1	Government ownership	Implemented by Ministry of Local Development (MLD)	Established by an ordinance in 2004 with the PM as the chair of the governing board. An autonomous institution.	Implemented by Ministry of Industry, Commerce and Supplies (MICS)
2	Programme life	-July 2008- July 2012	-2004-2008 (Phase 1)	-1998-2003 (Phase1)

²⁴Van Heck 2003

²⁵Bandyopadhyay n.d.

		-No cost extension till July 2013 -2 nd Phase in plan	-2008-2014 (Phase2)	-2003-2007 (Phase 2) -2008-2012 (Phase 3)
3	Funding from donors	12 development partners provide financial and technical support	World Bank (overall programme), IFAD (capacity building only)	6 donors with AusAid, CIDA and UNDP as lead donors
4	Approach	Participatory community-led, bottom-up development	Demand led community-based, bottom-up development	Participatory community-led, bottom-up development
5	Target groups	Women, poor, discriminated and disadvantaged groups	Poor women, dalits & janajatis and vulnerable communities living below poverty line	Poor HH living below country's poverty line, women and unemployed youth

It was observed that although the geographical coverage of 3 programmes differed; LGCDP is implemented in all 75 districts (3915 VDCs), PAF in 40 districts (regular programme supported) and MEDEP in 36 districts; there was overlap of districts²⁶.

²⁶ PAF and MEDEP have 23 overlapping districts. LGCDP is implemented in all 75 districts so it overlaps with one or both in the 23 districts

		LGCDP	PAF	MEDEP
6	Purpose	To empower citizens, communities and COs to actively participate in public affairs and increase their capacity to hold local government accountable	To enable rural people obtain basic services in cost-effective and sustainable manner with their direct involvement from planning to management	To address the issues of rural unemployment and lack of economic opportunities for the poor.
9	SM approach	Long-term working group formation for multiple functions.	Long-term working group formation for multiple functions	Functional group for specific purpose
10	Basic Unit of operation	Ward citizen forum – 1 in 1 ward	Community organizations (COs)- 3 in 1 ward	Micro-entrepreneurs' groups – VDC level, depending on need
11	Main functions	Community awareness, local governance strengthening	Provide COs with revolving fund to start IGA. Fund small infrastructure projects identified and operated by communities	Entrepreneurship development, micro-credit (collateral free) to MEG members

In order to understand mechanisms envisioned by each programme to address issues related good governance, available documents from each programme were reviewed. An expert from each programme was also met or communicated with over the phone.

LGCDP envisions that the programme will create sustainable and self-governing groups since their focus is on transformational SM which although is time-consuming enhances capacity of

members for self-reliance ²⁷ . PAF supports only projects that communities demand while encouraging matching funds as well. Groups formed are called community organizations (CO), and PAF supports the formation of networks and cooperatives for such groups. MEDEP promotes establishment of micro entrepreneurs' group. It helps them further their associations and federations for market linkages, networks and sustainable enterprises. All three have targeted to reach out to households living below the poverty line, women and other communities they deem as "disadvantaged."

The programme documents have focused strongly on transparency measures. For instance, in case of LGCDP, fiscal transfers to local governments are provided only after Minimum Conditions Performance Measures (MC/PM) is met. MC/PM system promotes follow-up on internal audit irregularities at DDC and VDC level as well. LGCDP also publishes regular audit report. In PAF, COs have mandatory provision of display boards at the project sites that incorporate all costs and grants involved. Public hearing and public audit are carried out periodically or at the end of the sub-projects. MEDEP focuses on open bidding process to select Business Development Service Provider (BDSP). There are strict mandates for annual public audit for BDSP as well as for audit of the micro entrepreneurs' associations and federations.

It was inferred that institutional linkages were not present among the three programmes, even as there is clearly overlap of interests. For instance, the target population of all programmes are poor, marginalized, discriminated and disadvantaged households. Poverty Alleviation Fund forms COs in every ward. Even if there is an overlap in the working district, LGCDP creates another group called Community Awareness Centers (CAC) for community mobilization rather than proceeding via COs. When asked about this scenario, LGCDP maintained that their SM process is transformational and therefore sustainable compared to PAF that resorted to transactional SM, which is bound to last only during the project life. PAF on the other hand expressed dissatisfaction over CAC and Ward Citizen Forum (WCF). A representative from PAF opined that their POs could be easily used as the entry point for LGCDP as well.

Addressing the concern of the burden of multiple group membership, LGCDP's social mobilization specialist expressed that the basic goal of LGCDP is to make citizens more engaged

²⁷ Jha et al. 2009

in the public affairs and the local governance institutions more accountable to its citizens. For multiple purposes LGCDP aims to create long term working groups called CACs under which other sub-groups such as user groups, savings and credit can be a part. However, the basic unit of entry for all development interventions must be CACs. The formation of CACs will address issues of duplication. LGCDP's social mobilization specialist added that harmonization between donors and a move towards a sector-wide community development approach under the leadership of government will provide the missing link of sustainability to the community led development approach.

Another issue is that of duplication of activities. In several districts where PAF and MEDEP overlap, for similar activities such as entrepreneurship promotion, different groups are mobilized. MEDEP reaches out via Business Development Service Providers (BDSP) and PAF via POs. The expert from PAF mentioned that many of their entrepreneurship packages as well as those of MEDEP such as Start and Improve your business (SIYB) and Micro enterprise creation and development (MECD) are the same. . But not many linkages exist as far as programme implementation was concerned.

In the interaction with Social mobilizers, they accepted that in the community level there is duplication in group-formation and expressed the need to harmonize the process. They explained that the current problem is that if individuals do not become members of more than one group they miss out on crucial benefits. Especially since membership to one group doesn't satisfy all their livelihood needs, individuals become members of several development based groups. In response to this issue, Ranger from Ramechhap VDC opined that all programmes either implemented via NGO, donor or government agency should be channeled via one door. Furthermore, she expressed concern over the differences in remuneration of government staff and NGO staff explaining how lower income leads to low perception of government staff by the community members. Responding to this concern, contact persons from LGCDP and PAF maintained that their staff have a have fixed salary of NPR 7000. They explained that they hire only locals as staff and that the current salary is at par with government staff. Responsible MEDEP staff could not be contacted on this issue.

7. Conclusion

This paper has examined the underlying assumptions about governance in favor of group-based development approach and concluded that although group formation has a great potential to enable marginalized people to mobilize and strengthen their collective voice, not all group mobilization work out as per the expectations. There are inherent problems with group formation process such as elite seizure of resources and power, lack of meaningful participation of women and DAGs, increasing dependence of members on the service of social mobilizer especially in sponsored development groups.

Additionally, there are counterproductive issues of overlapping memberships and ‘group fatigue’ amongst the members and drop out of marginalized and poor due to high opportunity cost of attending group activities and meeting.

A possible solution that came up in the research was to harmonize government’s and donors’ efforts and group several functions under one type so as to enhance operational efficiency as well as to reduce transactional costs and opportunity costs (time for attending meetings for DAGs). But the feasibility of this proposition in terms of targeted objectives must be assessed through further research.

The review of the three programme documents showed that harmonized development efforts were already highlighted in the programme documents of all three projects. Forging partnership with other organizations working in the same area of operation at the village, district and national level for quick impact and up scaling has been clearly marked. However, a review of the progresses made by the programmes revealed that although some institutional linkages (horizontal and vertical) had been instituted, the priority of all programmes remained in establishing their own social mobilizers, own groups, processes (e.g. well-being ranking) rather than building over what was available from other programmes. One reason cited was that each had its own set of monitoring and evaluation criteria. Similarly, the incentive to create new groups as high because tangible outputs such as number of groups mobilized was easy to monitor and report. According to a report only six programmes/ projects/ agencies work with existing

groups or facilitate people to join existing groups in Nepal. Others form new groups to meet their particular objectives²⁸.

Based on these findings the study proposes that groups are a strong medium to reach communities with services and to mobilize them. However to strengthen the objective of group-model to broad based development goal of poverty reduction, social inclusion and empowerment; there is a need for a strong collaboration between state, the civil society and the donor community. The project implemented in isolation from the rest will be fundamentally weak and unsustainable. Therefore, there is a clear need to restore and strengthen local institutions, their link with community organizations as well as the importance of government agency to lead the harmonization process of funds and activities to meet the long lasting development goals.

8. Policy Options:

From this study it is evident that it is necessary to bring together groups whose objectives are similar to enhance effectiveness and reduce transactional costs. This will also be helpful in harmonizing donor funds via one door. This will in turn require high standards for transparency and accountability. Therefore, in all VDCs where functioning community organizations (established by LGCDP, PAF or MEDEP) exist, efforts must be made to network and mobilize them. If they are specific purpose groups, for e.g. forest user groups then SM must build networks to bring them together with other groups and form broad community based organizations. All intervention must be routed via this channel. These bodies will be held responsible for coordination, monitoring, conflict resolution, planning and decision making on fund utilization.

8.1 Harmonize social mobilization

Two mechanisms are possible to take this proposition forward. These are as follows:

- a. Allow the government to lead all development intervention and enhance and strengthen the role of VDC and DDC. Increase fiscal transfers from the government and donors to local

²⁸ LGCDP 2001

bodies for all development related work. For this, a strong mechanism to ensure accountability and transparency needs to be developed.

b. In Nepal, several hundred NGOs and dozens of INGOs have emerged, especially after the 1990s. Many use social mobilization approach to form community groups with an end objective to reduce poverty. Many claim that these NGOs have been more successful in mobilizing households and improving their livelihoods compared to the government-sponsored poverty related programmes. So instead of these small isolated projects, all NGOs must form institutional linkages amongst themselves and with government agencies, and form a single body under one NGO leadership that can take forward development related work. All donor and development funds must be channeled through this NGO.

A note of caution is that this process is dependent on how efficient the lead organization is, be it government or the NGO. One door policy can lead to more political ploy from political parties as well as pressures from local elite and strongmen. This can push the interest and concerns of the poor even further away.

8.2 Focus on individuals rather than groups

While social mobilization approach for group formation is a valid approach, sometimes the rhetorical emphasis given to this concept of community led development, bottom-up development planning etc. needs further investigation. Often there is a risk of taking ready-made model and applying it in all programme designs. This has been the case in Nepal too where excessive group reliance for all development interventions exist. However, strategies aimed at developing personal capacities and sense of self is an important approach and should not be overlooked. Projects that explicitly provide for personal attention and affirmation by meeting specific target for personal growth can be instrumental for individual as well as community's overall growth. For example developing community leaders, artists, scholars can enhance overall community vision. Some development agencies have focused on this aspect such as Youth Programme promoted by Alliance for Social Dialogue in coordination with Change Fusion Nepal. Similarly, Youth Initiative is based on the philosophy of supporting and grooming innovative thinkers, developing skills of youth, and engaging them in critical contemporary issues. Another example is that of a Helvetas project called ELAM (Income, employment and

enterprise programme) that is focused on developing local service provider through skill training and business development knowledge. These service providers then further reach out to other individuals in their communities to initiate micro-level enterprises and income generation. The focus is on working with pre-existing groups, and especially working with self-motivated individuals who can influence and encourage the larger community.

9. Recommendation

The paper is an exploratory study of the growing popularity of group-based development approach in Nepal. While its purpose is not to provide a complete alternate option to this approach it does aim to raise the question as to why excessive reliance on this strategy must be viewed with caution.

Based on the conclusion that group-based approach have been a strong basis for service delivery, empowerment and local decision making process, the paper recommends that to strengthen its performance there needs collaboration between stakeholders i.e. state, the civil society and the donor community; and a government led harmonized social mobilization process for broad-based development goals of poverty reduction. The reason for recommending this policy option is because the government has the administrative machinery for large-scale implementation and replication of projects and therefore can play a major role in harmonizing group-based development work. It can also substantially support the creation of an enabling policy environment. Also, the presence of strong local mechanism helps in transparency and accountability. At the same time, a harmonized approach reduces transaction costs of project implementation avoiding duplication of funds, group formation processes and relief group members of the burden of excess group related events and activities.

The other recommendation is to further investigate group-based federations and other organizations e.g. informal or formal networks, alliances, coalitions that are increasingly gaining popularity in Nepal. Such groups and federations are showing potential of giving group members stronger voice in policy and political arenas as well as enhancing social and economic opportunities.

References

- Bandyopadhyay, Saugata. 2008. 'Microfinance in the Improvement of Living Standard and GNH.' In *Towards Global Transformation: Proceedings of the Third National Conference on GNH*. Thimpu: The Centre for Bhutan Studies. <http://www.bhutanstudies.org.bt/category/conference-proceedings/>.
- Baas, Stephan. 1997. 'The Concept of Participatory Institutional Development.' Paper presented at the International Academic Exchange Conference on Sustainable Agriculture and Sand Control, Gansu Desert Area, China, 3-8 November. <ftp://ftp.fao.org/SD/SDA/SDAR/Pub11.ZIP>.
- Bigg, Stephen D., Sumitra M. Gurung, and Don Messerschmidt. 2004. 'An Exploratory Study of Gender, Social Inclusion and Empowerment through Development Groups and Group-Based Organizations in Nepal: Building On the Positive.' Report Submitted to the Gender and Social Exclusion Assessment (GSEA) Study. Kathmandu: National Planning Commission, The World Bank and DFID.
- Browne, William P. 1990. 'Organized Interests and Their Issue Niches: A Search for Pluralism in a Policy Domain.' *Journal of Politics* 52(2): 477–509.
- Cornwall, Andrea and Celestine Nyamu-Musembi. 2004. 'Putting the 'rights-based Approach' to Development into Perspective.' *Third World Quarterly* 25(8): 1415–37.
- Decentralized Local Governance Support Programme (DLGSP). 2009. 'Social mobilization in Nepal – A way out of poverty.' www.undp.org.np/uploads/.../2010110410264299.pdf.
- Government of Nepal. 1999. 'The Local Self Governance Act, 1999.' Kathmandu: Government of Nepal. http://www.mld.gov.np/local_self_governance_act_1999.htm.
- Iversen, Vegard, Birka Chhetry, Paul Francis, Madhu Gurung, Ghanendra Kafle, Adam Pain, and Janet Seeley. 2006. 'High Value Forests, Hidden Economies and Elite Capture: Evidence from Forest User Groups in Nepal's Terai.' *Ecological Economics* 58(1): 93–107.
- Local Governance and Community Development Programme (LGCDP). 2008. 'Local Governance and Community Development Programme.' Accessed on Sep 15, 2012. www.lgcdp.gov.np/home/about_lgcdp.php.
- Pandolfelli, Lauren, Ruth Suseela Meinzen-Dick, and Stephan Dohrn. 2007. 'Gender and Collective Action: A Conceptual Framework for Analysis.' International Food Policy Research Institute (IFPRI). <http://ideas.repec.org/p/fpr/worpps/64.html>.
- Razavi, Shahra. 2002. *Shifting Burdens: Gender and Agrarian Change Under Neoliberalism*. Bloomfield: Kumarian Press.

- Reddy, CS., and Sandeep Manak. 2005. *Self-Help Groups: A Keystone of Microfinance in India-Women Empowerment & Social Security*. Hyderabad: Andhra Pradesh MahilaAbhivruddhi Society (APMAS). http://www.apsource.in/admin/resources/1273818040_SHGs-keystone-paper.pdf.
- Sanyal, Bishwapriya. 1996. 'The Myth of Development from Below.' Unpublished Paper as Part of Forthcoming Book, Department of Urban Studies and Planning, MIT, Cambridge, Massachusetts.
- Satterthwaite, David, and Gabriela Sauter. 2008. *Understanding and Supporting the Role of Local Organisations in Sustainable Development*. London: International institute for environment and development (IIED). <http://www.environmentportal.in/files/14566IIED.pdf>.
- Stringfellow, Rachel, Jonathan Coulter, Trevor Lucey, Colin McKone, and Ambereene Hussain. 1997. 'Improving the Access of Smallholders to Agricultural Services in sub-Saharan Africa: Farmer Cooperation and the Role of the Donor Community.' *Natural Resource Perspectives* 20.
- Thorp, Rosemary, Frances Stewart, and Amrik Heyer. 2005. 'When and how far is group formation a route out of chronic poverty?' *World Development* 33(6): 907–20.
- United Nations Development Programme (UNDP). 2002. *Nepal Human Development Report 2001*. Kathmandu: UNDP.
- Van Heck, Bernard. 2003. 'Participatory Development: Guidelines on Beneficiary Participation in Agricultural and Rural Development.' Rome: Rural Institutions and Participation Service, Rural Development Division, Food and Agriculture Organization of the United Nations. <ftp://ftp.fao.org/docrep./fao/007/AD817E/AD817E00.pdf>.
- Wijayaratna, Chandrasekera M., ed. 2004. 'Role of Local Communities and Institutions in Integrated Rural Development.' Tokyo: Asian productivity Organization. <http://www.apo-tokyo.org/publications/files/pjrep-icd-se-3-01.pdf>.

Number of groups

Type of group	Number	Source
Community Organization	18516	PAF, Program Implementation Status, 2011
Farmer's group	36718	Directorate of agriculture extension, 2011
Small FMIS	16700	DOI, 2000
Children's clubs	5000	National plan of action for children, 2004
CFUGs	17685	FECOFUN, 2011
Micro entrepreneurs groups	4281	MEDEP 2009

Overall Preliminary Estimate of Micro-level Groups, Sectoral and Other (220\$)

1.	Savings and credit	208,054
2.	Agriculture	76,963
3.	Non-formal education	40,994
4.	Irrigation	26,487
5.	Natural Resource management	15,685
6.	Multi-functional Groups	12,150
7.	Other NGOs	5,625
8.	Infrastructure	5,331
9.	Health	2,814
10.	Drinking water supply	2,363
	Total National Estimate	396,466

Source: Bigg, Gurung and Messerschmidt 2004

List of key individuals interviewed

Name	Organization	Position
Mr. S D Shrestha	LGCDP	Social Mobilization Specialist
Mr. Kanchan Tamang Lama	PAF	R & D officer
Mr. Narendra Rasaily	MEDEP	Marketing and Appropriate technology specialist

Social Mobilizers interviewed were from Khotang (Nunthala VDC, Bijaykharka VDC, Buipa VDC). Their names were Geeta Rai, Parbati Lama and Ashok Chamling. Ranger from Ramechhap was Ms. Ganga Tripathi. Social mobilizers from Okhaldhunga were Lila Roka and Bala Rai (Kuntadevi and Katunje VDC).