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THE PROBLEMS AND STRATEGIES OF RURAL DEVELOPMENT IN HILLS WITH SPECIAL REFERENCE TO NEPAL

Ramesh Chandra Agrawal

Abstract

Hills are important to the economy of Nepal, but have been at a disadvantage with regard to infrastructure, supply of fertilizer, credit, and seed. This has already increased the disparity between the hills and the plains. Smaller size of highly fragmented holdings, lower productivity, lower level of education and extension, cultivation of marginal lands, soil erosion, lack of alternative sources of employment in villages and consequent migration, and limited quantities of marketable surplus are all responsible for the vicious circle of lower levels of farm incomes, limiting the capability of the small hill farmer to reinvest or buy new inputs.

Agriculture alone can not sustain the rural economy in hills where development has to be a continuous and long term process, and the basic approach to which has to be an integrated one. This integration must be sectoral, spatial, and temporal. Rural change in hills has to encompass agriculture, horticulture, livestock, forestry, agro-based industries, necessary infrastructure, social services, and even tourism. These efforts must be supplemented with special programmes designed to help small farmers, rural poor, and women so that the benefits of development are shared by the whole rural populace. The paper points out some areas where agricultural economists can make a very useful contribution.

OPENER'S REMARKS—Geoffrey G. Antrobus

Agrawal gives a very clear view of physiographic and socioeconomic characteristics of rural Nepal. The problems faced by small farmers in the hill areas are similarly clearly spelt out. The consequences and reasons for the proposed strategies of rural development are, however, less clear. To what extent can the inhabitants of the hills expect to receive a larger share of government revenue, credit facilities, and education and extension services, given the very limited total resources of Nepal? If the hill area is treated "more equally," as is suggested, by how much would the present situation improve in the light of the reported overpopulation and low and declining crop yields, and how receptive is the hill farmer to extension advice?

Considering the proposed development strategy for the hills—the improvement of existing enterprises and practices, the introduction of new crops, varieties and inputs after field evaluation, and the preparation of "model farm plans" in isolated pockets—on what basis should hill farmers, as opposed to other farmers in Nepal, be given credit "on a priority basis on special terms"? In the light of the plea made in the paper that hill farmers of Nepal need special treatment, is the message relevant only to the situation in Nepal or is it applicable to other developing countries as well? And can a generalized theory be hypothesized for hill areas in developing countries in terms of a strategy for development?

RAPPORTEUR'S REPORT--Karl T. Wright

The hill farmer is rational within the constraints of his resources, information, social conditions, transportation, and communication. He is receptive to extension advice given in due regard to these constraints. Deforestation has been reckless in the hills. We cannot exclude forestry and forest based industries from a long term strategy of rural development in the hills. Land productivity is higher and labour productivity is lower in the hills than on the plains. Intensified land use exists on some lands with minor changes in cropping practices, but caution is needed for ecology and conservation. Intensified land use is also dependent on the availability of irrigation, inputs, and extension services. The farming is chiefly done by women. Men migrate to off-farm work, coming back to the villages for ploughing and sale of produce. Off-farm cash income is higher than farm cash income for all classes of hill farmers. The strategy of better treatment in receiving credit, when funds are limited, should be secondary to maximizing the net returns of the available funds. Development of agriculture alone is not enough to make small farms viable. It is therefore vital that cottage industries also be developed.

Contributing to the discussion were Donald S. Ferguson, Tirath R. Gupta, Ryohei Kada, Rajan Kasturi Sampath, and Garland P. Wood.