NGOS and the Internet in Nepal

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Abstract

The number of registered NGOs in Nepal has skyrocketed in the last ten years, growing in number from 220 in 1990 to somewhere between 10,000 and 15,000 today. At the same time, the Internet and the use of e-mail has increased rapidly. The Electronic Networking Project, funded by the International Development Research Centre and implemented by the International Center for Integrated Mountain Development, was key in joining these two sectors. This article outlines the growth of both sectors, and analyzes how NGOs view the Internet and how they are using it. There is an overwhelmingly positive attitude towards these technologies among NGOs and a view that they are primarily useful in allowing individuals and organizations to access a great deal of information easily for the first time, and also for maintaining contacts and creating networks internationally. Issues for NGOs regarding the Internet include the cost of telephone calls and integration of the use of the Internet and the development and maintenance of Websites into other office routines. Finally, a common perspective about knowledge sharing in Nepal is explored as it relates to the use of the Internet and the structure of Websites in Nepal.

Overview of Nepal

Nepal is a landlocked, mountainous, constitutional monarchy located between the two most populous countries in the world, India and China. It covers an area of 140,000 square kilometres and is estimated to have a population of 24 million at present. Because of the rugged terrain, road building is a significant part of development activity, but many people still live far from any road. Of the 75 districts in Nepal, ten of them have no roads at all because of their remoteness. Only 15% of the population has access to electricity (NSAC, 1998).

Annual per capita income in Nepal is US $210. The distribution of income is wide and growing, though. The bottom 20% of households receive only 3.7%
of the national income, while the top 10% earns almost 50%. Over 80% of the
population relies on agriculture for their income, and fewer than 5% are
involved in industry or commerce. Most of the remaining working population
are in the service sector. As a percentage of GDP, though, industry and
commerce and the service sector are growing steadily. The 15% of the
population involved in these sectors currently account for 60% of GDP
(NSAC, 1998).

Nepal has been politically independent throughout its history and isolated both
geographically and politically. Even with the geographic situation, Nepal
began to close itself off in 1816 after a war with the British. During what is
known as the Rana period, from 1846 to 1951, it was almost completely
closed to all outsiders. Since 1951 Nepal has opened up significantly to
tourism and foreign aid, but rules about foreigners living and working in
Nepal continue to be quite strict. While Nepal is politically independent, it has
become heavily dependent economically on external economic aid over the
last 50 years. Over 60% of Nepal's development budget is funded by
international donors, which amounts to approximately 30% of its overall
budget (NSAC, 1998).

History of the Internet in Nepal

The Internet was first introduced into Nepal in 1993 in a venture of the Royal
Nepal Academy of Science and Technology (RONAST) and a private
company, Mercantile Office Systems (MOS). The Indian Institute of
Technology in Bombay had a UNDP-funded Internet connection through the
Education and Research Network (ERNET) project, and RONAST set up a
system whereby they could connect on a regular basis to ERNET in Bombay
to transfer e-mail messages. The service was only for the use of RONAST's
scientific community. The phone connection was of low quality and expensive
because of the daily international call charges to Bombay, though, and the
project soon ended.

In 1994, after RONAST ended its ERNET project, MOS acquired the
technology and set up the first commercial e-mail service with a link to
Australia. The MOS server connected several times a day to transfer messages.
Subscribers at this time were mainly international organizations.

In 1995, a second company, World Link, set up a similar service at a lower
price through a cheaper connection to Canada. Their only business was
providing e-mail service, whereas MOS's e-mail service was only one of
many aspects of its business. MOS focused to a greater extent on larger
organizations willing to pay more for higher technical services and support.
They were less geared towards individual clients. World Link filled this niche. In response, MOS added interactive Internet access with a permanent leased line to Australia. They also acquired the rights to administer the .np domain name. World Link eventually followed suit, offering their own Internet access, again at a lower price. A third company, CAS Trading, entered the ISP market as well. Again, it was mainly international organizations that availed themselves of the Internet service.

E-mail and Internet services continued to be expensive tools, little used by other than international organizations until 1997, when His Majesty's Government (HMG) of Nepal passed its first telecommunications act, which took into account advances in information and communication technologies. Until that time, all telecommunication was operated by HMG. The new ISPs had been overlooked previously, regarded as nothing more than users of telephone lines, the same as users of fax machines. The new regulations created a licensing structure for private ownership and operation of all forms of telecommunications. While licensing of land-line systems required a great deal of capital and experience on the part of the licensee, VSAT licenses and technology were within the reach of the ISP companies, who were now required to apply for e-mail and Internet service licenses (Nepal Telecommunications Authority, 1997).

The private VSAT connections reduced the Internet cost drastically, and Nepalis started to subscribe particularly to the e-mail services in growing numbers. A significant group of early adopters were returned overseas students who had experience in using e-mail, and had the incentive to keep in touch with friends still overseas. Furthermore, their overseas education put them in the economic class of those who could afford this service. More companies started to offer e-mail and Internet services as well. There are currently 13 licensed ISPs in the country.

The level of use and profile of users has changed significantly since 1997. There are now more than 25,000 Internet accounts in the country. International organizations account for only 20% of them. Table 1 shows a breakdown of accounts.
Table 1. Profile of Internet users in Nepal.

The type of use has broadened as well. There are numerous Internet cafes in Kathmandu, and many individuals rely on these for access. The cost of access at these cafes is extremely low; less than US$1 per hour. A private account with an ISP with unlimited Internet access can cost less than US $15 per month. The main cost to account holders is not for the accounts, but for the local telephone connection to the ISP. This can cost significantly more than the ISP charge, depending on the level of usage.

Young people, in particular, are being drawn to the use of e-mail and the Internet. Chat groups are particularly popular with young people. Older people use e-mail to keep in touch with colleagues, friends, and relations overseas. In-country, they use e-mail as a more efficient way to transmit documents and official and important communication.

Patterns of Web site access are less clear. There is a general sense among everyone with whom I spoke during field research in early 2001 that the Internet is used by the vast majority of Nepalis for e-mail, chatting and, among younger users, downloading games and music. They said that very few people care about its power to access information. Ironically, though, none of the informants I interviewed said that they themselves fit this stereotype. All used it to access one form of information or another, drawing into question the validity of the stereotype.

**Overview of NGOs in Nepal**

NGOs, broadly defined, have a centuries-old history in Nepal. The earliest forms, which continue today, are generally ethnically-based groups that work for the general welfare and social support of community members. Examples include the Guthis of the Newars, the Rodis of the Thakali, and the Bhejas of...
the Magars amongst others (Bhattachan, 2000). A handful of NGOs organized along the lines of those predominant today started to emerge in the 1950s when democratic structures were instituted at the end of the 104-year Rana regime. As a part of the new governmental structures being created at that time, the Societies Registration Act of 1959 was the first legislation to institutionalize these organizations (Dhakal, 2000).

By the mid-1970s, the number of NGOs had grown, and the international development community was starting to emphasize the role of NGOs in development. This led HMG to update NGO legislation with the creation of the Social Services National Coordination Council (SSNCC) in 1997. Thirty-seven NGOs registered with the SSNCC at that time, and each was assigned to one of six sectoral committees in an effort to coordinate their efforts. By 1990 there were 220 NGOs registered with the SSNCC along with 52 international NGOs (INGOs) (Dhakal, 2000).

Dhakal (2000) attributes this modest increase in the number of NGOs to the amount of work required for registration and to HMG’s practice of vetting all organizations for political correctness. Organizations had to be approved by the central SSNCC office to be considered for registration, and then an application had to be submitted to the Central District Office (CDO) of the district in which the NGO was registering. The CDO would then investigate the organization and its members thoroughly before giving its approval.

In 1990, the 30-year-old partyless Panchayat form of democracy was replaced by a multi-party system, and the new government again revised the NGO legislation. The SSNCC was replaced with the Social Welfare Council (SWC), and the difficulties and restrictions on registration were removed, reducing the registration procedure to simply filling out a form at the CDO. With these restrictions out of the way, the number of registered NGOs skyrocketed, and the number of registered INGOs doubled. At present, estimates range from 10,000 to 15,000 registered NGOs (Dhakal, 2000; Pokharel, 2000). The problem of over-restriction of NGOs was replaced by a total lack of oversight of the operations of NGOs and an ambiguous regulatory environment for INGOs.

Without a stable environment in which to determine how to integrate their operations into HMG’s development efforts, many INGOs resorted to direct implementation of projects. Registered NGOs were allowed to receive foreign funds directly, and it is thought that many of them were set up primarily to provide jobs with good incomes for their officers, and only secondarily to provide needed social services. Some NGOs were accused of being completely fraudulent, with all of the officers being members of the same family, and completely fictional services being described to naïve international funding bodies. This has resulted in a complete breakdown in the
reputation of both NGOs and INGOs in the eyes of the Nepali public. NGOs are thought of as money-making rackets with no interest in the general good. INGOs are thought of as foreign intruders who are either interested in trying out their social theories on Nepal or, like the NGOs, interested mainly in earning good salaries as international consultants and experts. The first case makes them out to be paternalistic meddlers with no respect for the perspectives or abilities of Nepalis. The second makes them out to be selfish opportunists who do not really care whether things improve or not as long as they get paid.

In 1997, HMG passed new legislation to try to remedy the situation (Dhakal, 2000). NGOs were required to renew their registration on an annual basis, and provide activity reports and audited financial reports. INGOs were no longer allowed to implement projects directly. Instead they were required to implement projects through NGOs. This legislation has helped to improve the situation somewhat; however, with a staff of 100, the SWC does not have the human resources necessary to monitor all of the NGOs properly. Some of the INGOs have simply worked with local counterparts to set up NGOs that carry out whatever projects they want, thus maintaining their ability to determine which projects are carried out instead of putting that task in the hands of Nepalis. All sources admit that there are both NGOs and INGOs that are genuinely dedicated to improving the social welfare of their target populations and doing good work. However, wide distrust persists in society with respect to the sincerity of these organizations, along with anyone in a position of responsibility in their employ.

**Initial Use of the Internet by NGOs**

Increasing numbers of NGOs in Nepal are setting up and using e-mail and the Internet in their work. The main initiative that spurred the use of these technologies by NGOs was the Electronic Networking for Sustainable Mountain Development project, or Electronic Networking Project (ENP) for short, which began in April 1997 (ICIMOD, 2000). Fortuitously, this was at the same time that the price for Internet access began to drop significantly in Nepal. ENP was funded and supported by the Pan Asia Programme of the International Development Research Centre, an INGO based in Canada. The initial phase of the project was implemented by the International Center for Integrated Mountain Development (ICIMOD), a Kathmandu-based research organization that works on mountain issues throughout the Hindu Kush and the Himalayas.

The objectives of the project were:
1. To develop a network of "like-minded" researchers, development administrators, practitioners, planners and policy-makers from government agencies, university departments, research institutions, and NGOs.

2. To share their available human, technical and information resources, focused primarily on socioeconomic, agricultural, environmental, and sustainable development sectors, using the Internet as the principal medium for information and resource sharing. (ICIMOD, 2000)

ICIMOD conducted several workshops and eventually developed the NepalNet Website. The Pan Asia Programme provided the Web space on its server in Singapore. NepalNet lists details about organizations affiliated with the project, a calendar of relevant events, articles on a variety of issues of concern to affiliates, training materials for Internet use and Web site development, and general facts and statistics about Nepal.

Also in 1997, a separate group called the Nepal Internet Users' Group (NIUG) formed. This was an informal network of people who met regularly to "share new ideas, difficulties and information regarding the Internet," and to encourage and popularize the Internet in Nepal (NIUG, 2000). There was a certain amount of overlap of people involved in ENP and NIUG, but NIUG was a separate organization. After a year, the group outgrew its informal structure, and the members decided to register as an NGO with the Social Welfare Council. One of the first projects undertaken by NIUG was to set up an intranet project, called INDRENI with funding from ENP. NepalNet members could call in to a server computer at the NIUG office to access a copy of the NepalNet Website. It was planned as an inexpensive way for organizations to access NepalNet before it was obvious how inexpensive Internet connections would turn out to be. INDRENI is still maintained by NIUG, but it is used little if at all.

At the end of the first phase of ENP in 1999, the project was completely handed over to NIUG to maintain. The Pan Asia Programme continues to provide Web space for free, but all other costs are met by NIUG membership fees and by providing support for NIUG members. To support organizations involved with NepalNet, NIUG began to offer organizational memberships in addition to individual memberships. As members of NIUG, organizations could receive training in everything from basic Internet and e-mail use to Javascript programming for a cost significantly below that offered by commercial computer institutes. NIUG also helps member organizations to set up Internet software and connections and to network computers in their offices.

ENP has successfully provided a structure that has attracted a number of NGOs to explore the potential benefits of the Internet. This has also served to
foster an NGO culture in Nepal more broadly that is aware of the potential uses of the Internet.

**Perspectives Towards the Internet among NGOs**

During February and March, 2001, I interviewed representatives of a number of NGOs that were members of NIUG, as well as the members of the staff and board of directors of NIUG itself. I questioned them about their perspectives on the Internet as it affected them personally, as it affected their organizations, and as it affected Nepal in general. In this section I shall outline some of the predominant themes brought out in these interviews.

The NGOs ranged from small, recently established organizations with a staff of three or four to INGOs with a professional staff of several hundred spread out over the whole country. The technical sophistication of the Internet operations varied accordingly. The smallest organizations had only one or two computers, one telephone line for all telecommunication activity, and one single computer set up to access the Internet. Staff would primarily use it for e-mail communication, and the total time spent connected to the Internet might only be a few hours per week for all the staff combined. The most sophisticated organizations had two to four dedicated technical staff, a computer on every desk, several server computers, completely networked offices, and direct radio links to the ISP to avoid the high cost of telephone use.

Regardless of the size of the organization, or the level of individual use, all the respondents thought that e-mail and the Internet were valuable resources, both for accessing information from outside Nepal and for promoting their own organizations to others abroad. One respondent felt that her organization's Web site was "successful," which meant to her that similar organizations in other countries had seen their Website and had contacted them because of it. To her, the importance of the Website was not so much in disseminating their information to the outside world as much as creating contacts with different groups and individuals around the world. None of the respondents felt that there was any cause for concern about the overwhelming percentage of Web sites on the Internet being from the United States and other Western countries, and the potential that might have for the dilution of Nepali culture.

Most did feel that there was a cause for concern within Nepal in terms of the potential for an even sharper rural-urban cultural divide, as the better educated urban culture with easy access to information from all over the world became more connected to the global information system, while unconnected, illiterate rural areas remained isolated from these perspectives and dialogues.
Accordingly, when the topic came up, respondents noted that literacy programs were important to lessen the potential digital divide within the country, in addition to the other traditional reasons literacy programs are seen as important.

One respondent explained that he thought that NGOs were central to bridging this rural-urban digital divide. The private sector would not set up Internet facilities in rural locations because they would not be able to make money in such poor areas. With the Maoist insurgency, and continuing political instability in the country, he believed that HMG would not take the lead in this either, leaving the responsibility to the NGO sector.

Several respondents stated that Internet access would also make it easier to place and keep professional staff in such rural areas. Career advancement is important to professional people in Nepal, and being stuck in an isolated area working on a project effectively removes such individuals from the network of contacts in the urban areas needed to find out about emerging opportunities. If an e-mail and Internet connection exists in or near such areas, it allows these individuals to keep up-to-date on what is happening in their fields. Such access also eases concerns about safety and security when placing staff in remote, potentially volatile areas. One respondent told of a professional staff member who was happy to extend a remote posting because of his organization's provision of e-mail, which allowed him to keep in constant contact with his family in Kathmandu.

**Internet Challenges Faced by NGOs**

One difficulty already mentioned that is faced by NGOs in taking advantage of the Internet, particularly for smaller organizations, is the cost of phone calls. Internet accounts themselves are minimal in price. The cost for the local telephone call to stay connected to the Internet continuously for one full working day would exceed the monthly ISP subscription fee.

Local access points are available in most larger towns and cities in Nepal; however, 88% of the population of Nepal lives in rural areas, and a great number of these areas have no electricity or phone connections. Thus only NGOs with centrally located offices have the potential to access the Internet. Ironically, this means that the most representative NGOs, those that are rural and community-based, are the ones least able to access the Internet. HMG is taking steps to alleviate this situation, and plans have been drawn up to provide all Village Development Councils in the country with at least one telephone connection, either by land line or by VSAT depending on the location.
A more subtle problem is integrating e-mail and Internet activities into the operations of the organizations. There is generally a staff member responsible for managing the NGO's files and reports, and often this person is given the responsibility for managing e-mail as well. This simply results in added duties for a staff member who already has a full set of duties. Since this new duty is not one traditionally taken on by Nepali organizations, it often receives the lowest priority, and the new technology is not used as effectively as it could be, even though all of the staff may be aware of its potential.

A distinction can be drawn between the use of the Internet by NGOs for their own internal purposes as has been discussed so far, and NGO-sponsored ICT projects. Because of the lack of electricity and phones in rural areas, there are only a handful of such projects in Nepal presently. A common type of project found in other countries is setting up Websites to promote and sell locally produced crafts on the international market. Unfortunately, because of restrictions on foreign currency transactions in Nepal, it is currently impossible for organizations in Nepal to engage in this type of e-commerce for rural development. Tourism has always been the largest source of foreign currency in Nepal, followed by carpet exports.Both crafts and carpets produced by rural industries could benefit significantly from e-commerce if an appropriate mechanism could be devised to allow Nepali organizations to engage in foreign currency transactions.

A Nepali Perspective on Knowledge

One of the main reasons that NGOs in Nepal have poor reputations is their lack of transparency. NGO Web sites could play a key role in addressing this problem. In addition to promoting their activities, attracting foreign funding, and increasing networking opportunities, Web sites provide an ideal forum for disclosure of appropriate reporting. A common aspect of Nepali culture commented on by most informants that may stand in the way of this is the way knowledge is viewed in Nepal. Knowledge is seen by many as a valuable commodity that should only be divulged if there is some obvious reason for doing so. No sector has a tradition of providing its detailed information freely about its operations. This aspect of the culture influences the way information is handled and stored by organizations in Nepal. Reports are written and distributed to the people and organizations which require them, and then copies are filed away for reference. However, all documents are filed away as if they are confidential, regardless of their content. This also gives the person in charge of keeping the information for the organization a certain amount of power that he or she can use as need arises. If information is to be provided freely, there will be resistance from those who have control over information because of the resultant loss of power they will experience. In organizations
that make a conscious choice to provide some information freely, fundamental changes must be made to the organizational structure and culture that are not necessarily obvious. Structures need to be put in place for deciding what information can be freely provided to the general public, what information should be provided on a limited basis, and what information is only for internal reference. Then storage systems need to be put in place to facilitate these different categories of information.

The effect this has on NGO Web sites is to make them relatively static, providing only general information. Documents and reports are rarely made available on the server. The staff of NIUG manage Web sites for a number of member organizations, and they regularly request whatever documents, reports, or articles produced by the NGOs that may be of interest to other NepalNet members, or the general public. Such documents are few and far between. This is not necessarily because the organizations do not want to provide such information, but because it is not a part of the organizational culture to voluntarily provide such information for public dissemination. They lack the organizational structures needed to support such activities and to determine what documents to provide. In a poignant example of such difficulties, the main source of statistics on Nepal provided on NepalNet is the US Central Intelligence Agency's Online Nepal Factbook.

**Conclusion**

Nepal has seen a huge growth in the number of NGOs in the last ten years, as well as the emergence of the Internet as a significant means of communication, and for dissemination of and access to information. The Electronic Networking Project has been successful in helping NGOs to take advantage of this new technology. The Nepal Internet Users Group (NIUG) which maintains the NepalNet Website, provides a structure for ongoing support to member NGOs as well as a means for introducing the Internet to NGOs new to the Internet.

NGOs which are members of NIUG are overwhelmingly positive about the value of e-mail and the Internet. The main values they ascribe to these technologies are their power to give people easy access to a wealth of information previously unavailable to NGOs in Nepal, a means of networking with similar organizations in other countries, and a way to identify potential funding sources for projects they would like to carry out.

NGOs face several problems in making optimal use of the Internet, though. The first is the cost of local telephone calls. A second problem is the integration of e-mail and Internet use into office duties. Most often one person
is assigned the task of looking after e-mail and Internet connections in addition to his or her regular tasks. Since such activities are new to the organization, they end up with a lower priority when choices about time management need to be made.

A final consideration in the way the Internet is used by NGOs is the effect of Nepali perspectives on knowledge have on the way information is handled. NGOs in Nepal are currently experiencing deep mistrust by the general public, to a great extent because of accusations of widespread corruption in NGOs. The lack of transparency of these organizations only adds to this perception. Those NGOs that have their own Web sites could be using these as a vehicle to provide such transparency, but this is hindered by a cultural perspective towards information that holds that it should only be divulged when there is a compelling reason to do so. Overcoming this is not simply a matter of providing the information. New organizational structures and decision-making processes need to be developed by the NGOs in order to institute such a change.

Footnotes

1 The contents of this section are based on interviews with informants within the Nepali Internet community and information that is common knowledge in Nepal except where otherwise cited.

2 http://www.panasia.org.sg/nepalnet/index.htm

References


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