

Relevance of Community Governance for Basic Service Delivery in Nepal:

An Empirical Study

Keshav Kumar Acharya
M.Sc. (Asian Institute of Technology, Bangkok)
M.A. (Tribhuvan University, Kathmandu)

A thesis submitted in partial fulfilment of the requirements for the degree of
Doctor of Philosophy

University of New England
School of Behavioural, Cognitive and Social Science
Faculty of Arts and Science
May 2013

Declaration

I certify that the substance of this thesis has not already been submitted for any degree and is not currently being submitted for any other degree or qualification.

I certify that any help received in preparing this thesis, and all sources used, have been acknowledged in this thesis.

Name: Keshav Kumar Acharya

Signature:

Date: ...13/11/2013.....

Acknowledgements

I am immensely grateful to my supervisors A/Professor Habib Zafarullah and Professor John Scott for their invaluable inputs, constant encouragement continued inspiration and regular support in the attainment of my academic pursuit. In addition to guiding me intellectually, they enhanced my governance concept, values and commitment. The level of practical and moral support, which they offered me throughout my research, contributed to my coping with numerous academic and practical challenges, particularly as an overseas student. Their inputs helped me to shape the thesis in this form.

I am also highly indebted to the Research Services of the University of New England for providing me with a scholarship, as well as the School of Behavioural, Cognitive and Social Science, for providing me an opportunity to study.

I wish to express my thanks to those institutions, communities and personnel in my study area who, regardless of their busy schedules, gave me their generous support and sacrificed valuable time for my queries and discussion, particularly those who assisted during my data collection in the field.

I extend my sincere thanks to Dr. Elaine Barclay for her constructive comments for the methodology section, and to Mr. Stephen Phelps and staff-members of the BCSS for their kind cooperation during my study at UNE.

I also acknowledge my gratitude to Mr. Pawan Lohoni, Mr. Rajendra Giri and the entire family of Development Management Institute for their cooperation and inspiration enabling me to complete this higher study. Sincere thanks to my colleagues for their friendly cooperation in every aspect of life at Armidale.

I am indebted to my parents who always inspired me in the pursuit of higher studies and supported me throughout this endeavour. My mother, who never had a chance to enjoy formal education herself, always instilled in me an awareness of the value of the education. Similarly I would like to acknowledge my sincere gratitude to both of my father and mother-in-law for their continued inspiration and support which has been of enormous value in my life. A special thanks to my brother-in-law Dr. Kishor Vaidya, without whose immense support and encouragement, I could not imagine pursuing this PhD. I do not forget M. B. Kshatry for his inspiration and cooperation in every moment of this research. Similarly, thanks goes to my younger sisters and brother Pratima, Suresh and Laxmi who took care of my parents during my study period. To sisters Tripti and Binaya, I am thankful for your families' support during this period.

My heartfelt thanks go to my beloved wife Shreejana. No words can express my gratitude for your continuous support, while I completed this research. My loving daughter Sagun, and son Evan, deserve exceptionally special mention for their continued admiration for their father pursuing a PhD degree, despite his devotion of so much less time to them.

Finally, many thanks go to the unnamed individuals who have been a part of my journey over the last three years.

Table of Contents

S.No	Title	Page
	Declaration.....	ii
	Acknowledgements.....	iii
	Table of Contents.....	v
	List of Tables	ix
	List of Figures	x
	Acronyms.....	xi
	Abstract.....	xiv
CHAPTER – 1		1-14
Overview of the Study		
1.	Introduction.....	1
	1.1 Rationale of the study.....	5
	1.2 Research issues.....	7
	1.3 Limitations of the study.....	12
	1.4 Structure of the thesis	14
CHAPTER - 2		15-45
Concepts and Issues: Review of the Literature		
2.	Introduction.....	15
	2.1 Governance and its relevance to community imperatives.....	16
	2.1.1 Types of governance.....	19
	2.1.2 Community governance: present discourse.....	22
	2.1.3 Driving forces of community governance.....	24
	2.2 Institutions and institutional processes.....	25
	2.2.1 Institutional role.....	26
	2.2.2 Institutional collaborations.....	29
	2.2.3 Institutional capability.....	31
	2.2.4 Institutional actors.....	33
	2.2.5 Community based organisations.....	37
	2.2.6 Factors affecting CBO action.....	39
	2.3 Service delivery system: dynamics, process, and experiences.....	40
	2.3.1 Dynamics of the service delivery system.....	41
	2.3.2 Challenges of the service delivery system.....	43
	2.4 Concluding comments	45
CHAPTER – 3		46-66
Service Delivery at the Grassroots Level: Towards an Analytical Framework		
3.	Introduction.....	46
	3.1 Theoretical insight on effective service delivery.....	47
	3.1.1 System theory.....	47
	3.1.2 Institutional theory.....	48
	3.1.3 Capability theory.....	49
	3.1.4 Neoliberalism.....	50

3.2	Contextualising governance theory for effective basic service delivery....	52
3.2.1	New public management.....	52
3.2.2	Participatory model.....	54
3.2.3	Social capital.....	56
3.2.4	Central-local relationship.....	57
3.3	Ideological foundations of community based organisations.....	58
3.3.1	Transitional thought.....	58
3.3.2	Idealistic thought.....	59
3.3.3	Transformative thought.....	60
3.4	Contextualising community governance for effective service delivery.....	62
3.5	Concluding comments	66

CHAPTER – 4

67-95

Exploring the Social, Political and Economic Context of the Study

4.	Introduction.....	67
4.1	Political shifts and governmental system changes.....	67
4.1.1	Pre panchyat era (Pre-1960)	69
4.1.2	Panchyat era (1960–1990)	70
4.1.3	Democratic revolution and its aftermath (1990-)	71
4.2	Bio physical structure.....	75
4.3	Socio-culture structure.....	76
4.4	Administrative system.....	77
4.5	Economy.....	78
4.6	Social development services.....	79
4.6.1	Population.....	79
4.6.2	Education.....	79
4.6.3	Health.....	80
4.6.4	Gender.....	81
4.7	Transportation and accessibility.....	82
4.8	Development of community based organisations.....	83
4.9	Development constraints in Nepal.....	84
4.9.1	Exclusion.....	85
4.9.2	Poor governance.....	88
4.9.3	Institutional crisis in service delivery at the grassroots.....	89
4.10	Contextualising community governance in Nepal.....	92
4.11	Concluding comments	94

CHAPTER – 5

96-118

Basic Service Delivery Policies in Nepal

5.	Introduction.....	96
5.1	Tracking MDGs in Nepal.....	97
5.1.1	Linking MDG to local development.....	98
5.1.2	Challenges and constraints.....	100
5.2	Sectoral policies of basic service delivery system.....	101
5.2.1	Local development.....	102
5.2.2	Educational services.....	105
5.2.3	Health services.....	109
5.2.4	Drinking water supply and sanitation.....	113
5.3	Concluding comments	117

CHAPTER – 6 **119-139**
Methodology

6.	Introduction.....	119
6.1	Basic theoretical underpinnings of study.....	119
6.2	Field work	120
6.3	Research design.....	121
6.3.1	Unit of Analysis.....	121
6.3.2	Sample size.....	125
6.4	Data collection procedures.....	125
6.4.1	Primary data.....	125
6.4.2	Secondary data.....	129
6.5	Data analysis.....	129
6.5.1	Quantitative analysis.....	130
6.5.2	Qualitative analysis.....	135
6.6	The ethical process.....	138
6.7	Concluding comments	138

CHAPTER - 7 **140-171**
CBO Role in Basic Service Delivery and Community Governance

7.	Introduction.....	140
7.1	Structure and role of CBO in basic service delivery mechanism.....	141
7.1.1	Building community institutions.....	142
7.1.2	Mobilising communities for community driven development.....	146
7.1.3	Building social capital.....	149
7.1.4	Bolstering inclusive participation.....	152
7.1.5	Empowerment of communities.....	156
7.1.6	Applying transparency and accountability.....	159
7.1.7	Creating enabling environment.....	162
7.1.8	Strengthening local democracy.....	164
7.1.9	Ensuring service integrity.....	168
7.2	Concluding comments	170

CHAPTER – 8 **172-199**
CBO Capability in Basic Service Delivery and Community Governance

8.	Introduction.....	172
8.1	Assessment of CBO capability in basic service delivery.....	173
8.2	Functional capability of CBO in BSDS.....	178
8.2.1	Organisational development activities.....	178
8.2.2	Resources mobilisation.....	181
8.2.3	Community mobilisation.....	183
8.2.4	Planning, implementation, and monitoring.....	187
8.2.5	Community governance.....	189
8.2.6	Coordination, linkages and networking	191
8.2.7	Social contribution.....	194
8.3	Initiatives for enhancing CBO capability.....	196
8.4	Concluding comments	198

CHAPTER – 9
Functional Collaboration of CBO in Basic Service Delivery and
Community Governance

200-228

9.	Introduction.....	200
9.1	Identifying actors for basic service delivery at the community level.....	201
9.1.1	Mapping actors at the community level.....	201
9.1.2	Determining interests and influences of actors.....	203
9.2	Collaboration of actors in BSDS.....	206
9.2.1	CBO - central government collaboration.....	207
9.2.2	CBO - local government collaboration.....	212
9.2.3	CBO - market collaboration.....	217
9.2.4	Inter-CBO collaboration.....	220
9.3	Actors' collaboration for effective governance.....	223
9.4	Concluding comments	226

CHAPTER - 10
Factors of Community Governance for Basic Service Delivery

229-258

10.	Introduction.....	229
10.1	Variables of effective community governance.....	230
10.2	Model of analysis for determining the effectiveness of service delivery...	231
10.2.1	Relationships of the variables.....	231
10.2.2	Prediction of the model.....	234
10.3	Inducing factors of community governance in BSDS.....	239
10.3.1	Institutional mechanism.....	239
10.3.2	Socio-economic structure.....	246
10.3.3	Power, politics and interest.....	248
10.3.4	Capacity constraint in community organisations.....	252
10.3.5	Resource constraints in community organisations.....	255
10.4	Concluding comments	257

CHAPTER - 11
Conclusions

259-280

11.	Introduction.....	259
11.1	The findings of the study.....	260
11.2	Contribution of the research.....	269
11.3	The way forward	271
11.3.1	Promulgation of effectual jurisdictions.....	275
11.3.2	Designing community focused policies.....	276
11.3.3	Robust political and bureaucratic commitment.....	277
11.3.4	Extracting community willingness in collective action.....	278
11.4	Areas for future research.....	279
11.4.1	Combining social values of community governance with neoliberalism.....	279
11.4.2	Transforming agendas from the macro to the local level.....	279
11.5	Concluding comments	280
	Bibliography.....	281
	Appendices.....	320

List of Tables

S.No.	Table No.	Description of Tables	Page
1.	Table 4.1	: Political and governmental shifts and service delivery mechanism in Nepal.....	68
2.	Table 6.1	: Sample size for the grassroots level organisational survey.....	125
3.	Table 6.2	: Details of focus group discussion.....	127
4.	Table 6.3	: Code of VDCs, CBOs, and methods.....	130
5.	Table 6.4	: Stakeholder Matrix.....	137
6.	Table 7.1	: Roles of CBOs in institution building activities.....	143
7.	Table 7.2	: Mobilising communities for community driven development.....	147
8.	Table 7.3	: Building social capital at the community level.....	150
9.	Table 7.4	: Inclusive participation of people in BSDS.....	153
10.	Table 7.5	: Empowerment of communities through CBO activities.....	156
11.	Table 7.6	: Transparency and accountability of CBOs in BSDS.....	160
12.	Table 7.7	: Enabling environment for basic service delivery mechanism.....	163
13.	Table 7.8	: Practice of local democracy in the CBO groups.....	165
14.	Table 7.9	: Service integrity of the CBOs delivered services.....	168
15.	Table 8.1	: Functional capability of CBOs in basic community service delivery system.....	173
16.	Table 9.1	: Identifying actors for governance practice.....	202
17.	Table 9.2	: Determining importance and influence of actors in BSDS.....	204
18.	Table 9.3	: Identification of Actors Mapping.....	204
19.	Table 9.4	: Determining importance and influences of actors in BSDS.....	205
20.	Table 9.5	: CBOs - Central government collaboration for BSDS.....	208
21.	Table 9.6	: CBOs–local government collaborations for BSDS.....	213
22.	Table 9.7	: CBO perceptions of private sectors in BSDS.....	218
23.	Table 9.8	: Inter-CBO collaborations in basic service delivery system.....	215
24.	Table 9.9	: Correlation of actors in basic service delivery system at the community level.....	224
25.	Table 10.1	: The matrix of inter-correlations of all predictor variables (Pearson correlation method).....	232
26.	Table 10.2	: Summary of the model.....	235
27.	Table 10.3	: ANOVA of the regression model.....	236
28.	Table 10.4	: Coefficients of independent variables included in the regression model # 1.....	237

List of Figures

S.No.	Figure No.	Description of Figure	Page
1.	Figure 3.1	: Analytical framework of community governance for effective basic service delivery system.....	65
2.	Figure 6.1	: Map of the Study Area.....	121
3.	Figure 8.1	: Functional capability of CBOs through spider chart.....	174
4.	Figure 9.1	: Functional collaboration of CBOs with central government agencies (Figure in percent).....	208
5.	Figure 9.2	: Functional collaboration of CBOs with local government agencies (Figure in percent).....	213
6.	Figure 9.3	: CBO perceptions of private sectors in BSDS (Figure shows in Percent).....	218
7.	Figure 9.4	: Inter CBO collaborations in BSDS (Figure shows in Percent).....	221
8.	Figure 10. 1	: Histogram.....	238
9.	Figure 10.2	: Normal P-P Plot of regression standardized residual.....	238
	Figure 11.1	: Model of community governance for effective BSDS.....	273

Acronyms

ADB	: Asian Development Bank
AD	: Anno Domini
ADDCN	: Association of District Development Committees Nepal
ANM	: Auxiliary Nurse Midwife
APP	: Agricultural Perspective Plan
ARPC	: Administrative Reorganisation Planning Commission
BASE	: Backward Society Education
BC	: Before Christ
BNA	: Basic Needs Approach
BSDS	: Basic Service Delivery System
CA	: Constituent Assembly
CBOs	: Community Based Organisations
CBR	: Crude Birth Rate
CD	: Community Development
CDO	: Chief District Officer
CDR	: Crude Death Rate
CEDAW	: Convention on the Elimination of all forms of Discrimination Against Women
CFP	: Community Forestry Program
CFUGs	: Community Forestry User Groups
CG	: Community Governance
CIB	: Community Institution Building
CIDA	: Canadian International Development Agency
CMC	: Community Management Committee
CPI	: Corruption Perception Index
CPN-M	: Communist Party Of Nepal Maoist
CODGs	: Community Organisations Development Groups
DACAWE	: Decentralized Action for Children and Women
DDC	: District Development Committee
DDF	: District Development Fund
DF	: Degree of Freedom
DH	: District Hospitals
DPMAS	: District Poverty Monitoring System
DTMP	: District Transport Master Plan
DOS	: Division de Organisations Sociales
DWSS	: Drinking Water Supply and Sanitation
EFA	: Education for All
EHCS	: Essential Health Care Service
ESC	: Educational Service Centre
FECOFUN	: Federation of community Forestry Users Nepal
FEDWASUN	: Federation of Drinking Water and Sanitation Users Nepal
FGD	: Focus Group Discussion
FNCCI	: Federation of Nepalese Chambers of Commerce and Industry
GAD	: Gender and Development
GDP	: Gross Domestic Production
GoN	: Government of Nepal
GOs	: Government Organisations
HDI	: Human Development Index
HDR	: Human Development Report

HHs	: Households
HP	: Health Posts
IRD	: Integrated Rural Development
IRDP	: Integrated Rural Development Projects
LBs	: Local Bodies
LG	: Local Government
LGCDP	: Local Government & Community Development Program
LSGA	: Local Self Governance Act
LTHP	: Long Term Health Plan
MDGs	: Millennium Development Goals
MEA	: Millennium Ecosystem Assessment
MEGS	: Market Enhancing Governance Structure
MIP	: Multi-dimensional Index of Poverty
MOHP	: Ministry of Health and Population
MoLD	: Ministry of Local Development
MoU	: Memorandum of Understanding
MPFS	: Master Plan for the Forestry Sector
MPI	: Multi-dimensional Index of Poverty
MPPWT	: Ministry of Physical Planning, Works and Transport
NAVIN	: National Association of VDCs in Nepal
NDF	: Nepal Development Forum
NGOs	: Non-Government Organisations
NHP	: National Health Policy
NLSS	: Nepal Living Standard Survey
NPC	: National Planning Commission
NPM	: New Public Management
NPS	: New Public Service
NRB	: Nepal Rastra Bank
NWRDC	: National Water Resources Development Council
OECD	: Organisation for Economic Co-operation and Development
OM	: Operation and Management
PARHI	: Population and Reproductive Health Integrated
PCB	: Participatory Capability Building
PCT	: Public Choice Theory
PHCA	: Primary Health Care Approach
PHCC	: Primary Health Care Centres
PLDP	: Productive Loan Development Program
PNC	: Pre-Natal Caring
PPP	: Public Private Partnerships
PRF	: Project Request Forms
PRSP	: Poverty Reduction Strategy Paper
RIRD	: Rapti Integrated Rural Development Program
RWSSFDB	: Rural Water Supply and Sanitation Fund Development Board
SAP	: Structural Adjustment Program
SCOs	: Savings and Credit Cooperatives
SEZs	: Special Economic Zones
SFDP	: Small Farmers Development Program
SHP	: Sub Health Post
SLAs	: Sectoral Line Agencies
SPA	: Seven Party Alliance
SS	: Sum of Squares
SWAP	: Sector-Wide Approach to Planning

TB	: Tuberculosis
TICPI	: Transparency International Corruption Perceptions Index
TIRDP	: Tribhuvan Integrated Rural Development Program
TNLSS	: Third Nepal living Standards Survey
TYPAP	: Three-Year Plan Approach Paper
UN	: United Nations
UNAC	: United Nations Convention Against Corruption
UNCDF	: United Nations Capital Development Fund
UNDP	: United Nations Development Program
UNFPA	: United Nations Population Fund
UNIFEM	: United Nations Development Fund for Women
VDC	: Village Development Committee
VDF	: Village Development Fund
VDP	: Village Development Program
VP	: Village Panchyat
WASH	: Water, Sanitation and Hygiene
WB	: World Bank
WDOGs	: Women Development Organisation Groups
WDP	: Women Development Program

Abstract

After World War II, developing societies around the world experienced a range of problems which included: economic and political crises; dysfunctional governments and institutional failures, causing excessive political pressures on public institutions; pathological disorders in bureaucracy; structural complexities in public service delivery; and rampant corruption in public resource management. In the late 1960s, several structural and pluralist approaches emerged to address institutional problems and inefficiencies in public service delivery, but these accentuated state-centrism and supported greater administrative and legislative powers among the established national political economy regimes. This not only crippled public services, but also strengthened the top-down mechanisms in decision making and bolstered upward accountability in the institutional structures. Mainly based on neoliberal ideology, 'governance', as a concept and as an application, gradually emerged and was utilised to address institutional crises, poor governing systems, economic vulnerability and ambiguities of service delivery.

In service delivery systems, the idea of governance reinforces institutional development and creates avenues for communities to embrace its elements, in improving local self-governing systems. This brings about a shift from government to governance, and supports greater sharing of power between the state, market and civil society, via new networks and partnership structures. Community governance, as an offshoot of governance, works to enhance service delivery at the grassroots by augmenting capabilities, employing participatory structures, building social capital and streamlining central-local relations.

In Nepal, the service delivery system is regulatory, top-down and elite-controlled, which adversely impacts upon institutional mechanisms and the governance system. Although governmental endeavours in improving the service delivery system were instigated over the

last few decades through several policy interventions, achievements have been slow in coming and targets have remained unmet. This study has focused on issues that have implications for effective deployment of community governance in enhancing basic community service delivery in Nepal.

Using a mixed approach, 110 community based organisations (CBOs) in Nepal, representing community forestry users groups, community organisation development groups and women development organisation groups, were selected to participate in organisational surveys, focus-group discussions and in-depth interviews. The findings show that CBOs are uniquely positioned and their roles are supportive, in reinforcing community governance in many ways. First, they seek to unite the grassroots population into various groups to perform governance roles, responsibilities, powers and functions. Secondly, CBOs mobilise local knowledge and resources for the development of self-reliance. Thirdly, through rigorous facilitation of activities in communities, CBOs reduce government costs in the provision of development assistance. Fourthly, their active involvement makes possible effective amelioration of poverty, mainly in remote areas and marginal communities. Finally, these organisations ensure the practice of governance at the grassroots.

However, in terms of their nature and activities, the functional capability of these CBOs appears to be weak or, at best, moderate. Public access to basic services, participation in political and democratic activities, mobilisation of local resources, extent of economic activities, exercise of local power and other opportunities seem to be affected by institutional crisis, governance malfunction and unsound policies. The collaboration between state, market and communities appears to be power-based and top-down in orientation.

Further, the existing flawed institutional mechanisms of service providers, caste-based socio-economic structures of communities, lopsided community power structures, parochial political interest, and capacity and resource constraints, play restraining roles in the service

delivery system at the grassroots. This existing process further strengthens patron-client relationships, bureaucratisation and centralisation. To eliminate these issues and increase the efficiency of the service delivery system, community governance can play a catalytic role in ensuring stakeholder participation and strengthening community control mechanisms.