

CHAPTER - 1

Overview of the Study

1. Introduction

Developing societies are facing chronic poverty¹ mainly due to the exclusion factor (economic/social/geographic), lack of an enabling environment (policies and jurisdiction), and democratic deficit (voice raising mechanism) (Okosun, Siwar, Hadi, & Nor, 2012; Pinstrup-Andersen, 2002). Somers & Block (2005: 265) suggest that poverty is a “triangular effect of institutional failure, poor governance, and ineffective service delivery”. These have militated against better human livelihood and the provision of ‘basic service’² delivery. Chambers (1995: 173) further notes that poverty is grounded in “powerlessness, vulnerability, isolation, social inferiority, physical weakness, and humiliation”. Recent figures show that more than one in five of the world’s population live in extreme poverty (Dadush & Stancil, 2010: 16).

Several scholars argue that poverty is a socially and economically interconnected issue in society that creates vulnerabilities in every dimension of human life (Lynch, 2005). In the community perspective, poverty remains and can be related to low levels of income, insufficient food consumption, lack of shelter, unsafe drinking water and poor sanitation, and inadequate education and health facilities (Gordon, 2003). Adejumobi (2006) remarks that

¹ This is a deprived condition to meet the basic needs of food, shelter, and clothing. It is categorised into two distinct types, absolute and relative poverty. The first describes the state of severe deficiency of basic human needs such as food, shelter, drinking water and sanitation, education and health. The latter is defined by context such as economic inequality (Chambers, 1995). In Nepal, poverty has been categorised according to food sufficiency in which *ultra-poor* class denotes up to 3 months food sufficiency; *medium poor* class by more than 3 and less than 6 months; *Poor class* by up to 6 months; *Medium class* by more than 6 and less than 12 months; and more than 12 months of food sufficiency are *well-off class*; (Jha, Prasai, Holey, & Bennett, 2009).

² Basic services include basic primary education, primary health care facilities, safe drinking water supply and sanitation, and local infrastructure facilities (Mehrotra, 2006).

poverty obligates communities moving from development agendas such as participatory development, inclusive decision making, distribution of power, authority relations, and democratic governance to focusing on individual needs (subsistence, protection and safety). Some other authors illustrate that poverty is a social problem that affects development vision, brings decay in leadership, and develops crisis in governance (Belle, 1990; Sobhan, 1998).

In South Asia, the average economic growth in the last five years is highly impressive (Devaranjan & Nabi, 2006). However, poverty figures indicate that more than 318 million people live on less than \$1.25 a day (Chandy & Gertz, 2011). This indicates that poverty in South Asia is a huge problem, particularly in the rural areas inhabited by 80 to 90 percent of the population, among whom 90 percent are poor (Ravallion, 2007). Poverty there is caused by several economic, demographic and social factors. However the main factors relate to unsound governance, which adversely affects not only poorer communities, but also governmental practices and effective service delivery (Sobhan, 1998). In Nepal, the Third National Living Standard Survey (TNLSS) indicates that 25.16 percent of Nepali people still live below the poverty line (NPC, 2012), even though this is a much better situation compared to other South Asian countries³ (ADB, 2011; Naseem, 2012). Nepal has been able to reduce poverty to some extent, since the adoption of neoliberal policies in the late-1980s (NPC, 2012).

However, many scholars and institutions do not agree on the current quintile estimates of poverty in Nepal. The Oxford Report 2010 indicates that poverty persists in Nepal at 65 percent, on the basis of basic services such as nutrition, electricity, food, energy, drinking water and sanitation, maternal mortality, school enrolment, livelihood and availability of property (Alkire & Santos, 2010). The Gini index increase from 34 to 41 percent in 2010,

³ Recent poverty statistics of South Asian countries remain 29.8 percent in India 2009/2010 (PC/GoI 2012: 3), 31.5 percent in Bangladesh 2010 (ADB 2011: 2), and 29 percent in Pakistan 2010 (Naseem 2012).

indicates that inequality is mainly higher in rural areas, regions of difficult terrain and among socially deprived and destitute groups (NPC/UNDP, 2011).

To address Nepalese poverty effectively in the late 1980s, the Washington Consensus⁴ influenced the government in enacting the Structural Adjustment Program (SAP⁵) for decentralising power and functions of state into alternative structures under the neoliberal framework (Frankel, 2009). Under this framework, Nepal adopted an ‘open market economy’⁶ and attempted to deliver services through the private sector, NGOs and other non-governmental actors. In 1990, the government focused on a ‘people-centred bottom-up’ development model which focused on decentralising power and functions. Previously the development performance of the country had been extremely poor, the economy being mobilised by a donors’ fund, while the country was continuously ruled by a compartmentalised political and bureaucratic system (Bienen, Kapur, Parks, & Riedinger, 1990). However, all of these restructuring programs and policies brought no substantial change in service delivery system, and appeared inept to generate employment for direct benefit of communities.

Rankin (2001) suggests that a number of factors caused the failure of meeting intended goals. These were: malfunctioning of governance, conditional support of donor agencies, weak central-local relationships, non-legitimised civic engagement, clientelist policies, denial of resources to marginal or voiceless groups, and unstable political and economic performance

⁴ In 1989, John Williamson introduced the term Washington Consensus to describe Washington, D.C. based institutions (also known as Bretton Woods Institutions) such as the World Bank, the International Monetary Fund (IMF), and the US Treasury Department. These institutions developed economic policies and prescriptions to reform and promote crisis-racked developing countries, particularly in Latin America, Africa and South and South-east Asia (Frankel, 2009).

⁵ The Structural Adjustment Program is a neoliberal policy, developed by the International Monetary Fund (IMF) and World Bank, to recover their loans and debt from the developing countries. Some authors believe that it is the politics of Bretton Woods Institutions to enforce market mechanism (privatisation and deregulation), increasing the dependency syndrome by imposing loans on developing countries. However, the concept has highlighted the economic reform of the developing countries through trade and high economic production (Kingston, Christina Kingston, Irikana, & Dienne, 2011).

⁶ Open market economy is a late development of neoliberalism in relation with decentralisation. In this system, economic system moves from control to free market activity (Aareleid & Brenner, 2002).

of the state. In addition, denial of community participation, pathological confusion in public organisations, social exclusion and controlled devolution render service delivery inefficient and ineffective (Shrestha, 2000). Experience indicates that while the government had formulated a number of policies and regulations to (re)distribute power and functions for addressing poverty, these policies and regulations were upwardly accountable, and unable to adequately address the problems of social and economic exclusion at the grassroots. In general, these heteronomous actions of the state caused fragmentation of public services, where state mechanisms were not able to deal with communities (Dahal, 2004).

The paradigm shift shows that no single player was able to reach the full range of services for society (O'Flynn, 2007). Locally constituted CBOs and civil society, which are closer to the communities, can play a complementary role in working with the poor or disadvantaged at the grassroots (Sarker, 2005). Thus in developing countries, the third sector (civil society including CBOs and local NGOs) emerged as a key contributor in governance in making service delivery effective at the grassroots (Asaduzzaman, 2009). Bowles & Gintis (2002) argue that the involvement of community institutions in community governance and the decision making process, has ensured functional collaboration between service actors, a bottom-up approach in action, legitimacy of institutional functioning, and innovation in the organisational system. This makes imperative the process in strengthening governance through a range of issues in CBOs in local affairs (Osmani, 2000). However, considerable support is required to reinforce governmental and non-governmental participation, and/or citizens capacity and the working environment (Streeck & Schmitter, 1985).

It is evident in Nepal that the informally constituted CBOs were closely involved in the development of governance at the grassroots (Bhattachan, 2002). Shields & Rappleye (2008) illustrate that formal governance practice at the community level in Nepal was initiated in the mid-1950s through the managing of primary education. However, genuine effective

community level governance began with the eighth Five Year Plan (Pandit, Wagley, Neupane, & Adhikary, 2007). Since then, formally and informally constituted CBOs have been appreciated as representatives of the people and agents of community level governance networks, partnerships and service delivery mechanisms.

1.1 Rationale of the study

Over the last decades, basic service delivery in developing societies has been improved by employing governance theories and sets of indicators (Mehrotra & Jarrett, 2002). International and national institutions have insisted on the intensive highlighting of governance components as guiding principles of basic service delivery mechanisms (Woods, 2000). These components contribute to improving political accountability, participation, effective rule of law, transparency and information flow between governments and citizens.

Osmani (2001) illustrates that governance is an elastic process, which helps strengthen service delivery and changes traditional management into an innovative and modern system. Examples from Costa Rica, China, Thailand and Botswana demonstrate that governance has played an active role in influencing state mechanisms, economic policies, political behaviour, and service delivery systems (Jain, 2009). Transitional countries in Europe and Central Asia have also proved that governance has become an instrument for effective service delivery (Eckerberg & Joas, 2004). In Bangladesh the governance system has proved its efficiency not only in basic service delivery, but has also reinforced public agencies in “developing a sense of mission, appropriate planning, informed leadership, a professional work ethos, synchronised teamwork, a coherent monitoring system and performance-based motivation” (Zafarullah & Huque, 2001: 1393). In Botswana, the role of good governance has supplemented the state’s efforts in providing basic services to the people. It ensures that government services and public commodities reach grassroots communities, the poor, deprived and socially-disadvantaged, both impartially and equitably (Lekorwe & Mpabanga,

2007). In the Australian context, experience shows that adopting governance principles introduces more formal democratic practices and empowers certain marginal groups (O'Toole & Burdess, 2004).

From the experiences of many countries, it can be concluded that governance is a prerequisite for effective service delivery and efficient performance of institutions (Roy, 2008a). In these countries, governance and networks among the deprived communities, through their representatives and key, political and bureaucratic actors, have been very significant in mobilising poor communities. In Nepal, many services delivered by the traditional system of government were ineffective because of lack coordination and poor transparency and accountability of public institutions. In contrast, CBO and local NGO involvement has enhanced public accessibility in basic services, improving public health services and quality of education, enhancing access and quality of extension services, and increasing service provider accountability. This has increased effectiveness in governance in local government (LGs) and community sectors, because these institutions have strong support among the people and people's representatives (Khanal, 2006b).

In Nepal, modern practice of governance was recommended by the World Bank in the late 1980s through a regime of neoliberal policy, which emphasised the shift of power from state to alternative actors, mainly from the private sector (Lemos & Agrawal, 2006). In contrast, neoliberalism's denial approach towards the rural communities', forced a crisis of poverty and left them behind in utilising governance tools (Rosset, Patel, & Courville, 2006). O'Toole (2006) suggests that community governance is the best measure to shift the government towards governance for greater sharing of powers, functions, resources and management, between state, market and civil society via collaboration and new structures of partnership at the community level. Showing concern for the needs of the people, community governance enables and empowers people to participate directly in decision making, facilitate quick

responses to the people's needs and priorities, and promotes genuine ownership by the people (O'Toole & Burdess, 2004). This ensures transparency in action, efficiency in service delivery, accountability and the building of ownership, in all spheres of activity.

Past experience demonstrates that service institutions in Nepal are either less committed or have been reluctant in practicing governance principles in their system. There has been a lack of effort to remove social, political and economic barriers in service delivery, or any attempt to change existing power structures effectively. However, the contribution of formally and informally-constituted CBOs in community basic service delivery mechanisms, mobilisation of communities and practice of local democracy is absolutely imperative (Bhattachan, 2002). Recent experience of locally constituted CBOs shows their catalytic role at the community level in the absence of effective local government bodies, has existed for more than a decade. The performance of CBOs in service delivery during the civil war was considered by international aid agencies, to have been very effective (UNDP/N, 2009).

Thus, involvement in a community-owned governance system can overcome institutional crises, exclusion, and malfunction at the community level and create an enabling environment for relationships with external stakeholders. This improves service quality and promotes a number of desirable values such as transparency and accountability, rule of law, efficiency of bureaucracy and a participative policy process for local economic growth (Zafarullah & Huque, 2001).

1.2 Research issues

In Nepal, the Forestry Sector Master Plan of 1989 was the foremost initiative of community governance for addressing the community demands, raising community voices, entrenching a bottom-up approach, managing local resources and delivering basic services at the community level (Wagley & Ojha, 2002). Under such good practice, many acts and regulations such as the Community Forestry Act (1989), Local Government Act (1992), Social Welfare Council

Act (1992), Cooperative Act (1992), Local Self Governance Act (1999) and other sectoral acts, were formulated and endorsed, strengthening collective decision-making and enabling local self-governance at the grassroots. Lutz and Linder (2004) refer to positive outcomes of the local self-governance system as reinforcing community power structures and removing social, political and economic obstacles, that prevent the communities from sharing in conditions and affairs that affect their lives.

The National Living Standard Survey of 2010 indicates that Nepal has reduced absolute poverty by 7 percent over the last 10 years, and demonstrates an improvement in human development indicators. However, the Gini index shows that the income inequality increased in Nepal from 0.34 in 1996 to 0.41 in 2004, with a further increase to 0.46 in 2008/09 (NPC/UNDP, 2010a). This indicates that the inequality and poverty gap has been growing between urban and rural geographical regions, and gender and caste/ethnicity groups, (NEW-ERA, 2010). Recent statistics indicates that 80 percent of Nepal's population live in rural areas and have little or no access to basic services such as primary education, basic health care facilities, safe drinking water and improved sanitation services. Half of all children are malnourished and underweight, and half of the human resource capacity is unemployed (NPC, 2010).

In addition, Transparency International's Corruption Perception Index (TICPI) of 2010 illustrates Nepal's vulnerability, being ranked 146th among 178 nations, a ranking which declined in 2011 to 154th among 182 nations⁷. A Washington-based institution, Fund for Peace, has analysed the index of 'failed states' from among 177 countries, in which Nepal ranked 25th in 2009 and 26th in 2010 (Graner, 2001). The Human Development Report

⁷ The report of Transparency International 2007, 2010 and 2011 (Source:http://www.transparency.org/policy_research/surveys_indices/cpi)

(HDI) of 2011 shows Nepal in 157th position on the human development index (HDI⁸). Past rankings on this index were 144th in 2009, 142nd in 2007/08, 136th in 2005, and 129th in 2001. This indicates that the process of development and practice of governance in Nepal has been lax compared to other developing countries, and has also affected service mechanism in particular, and poverty in general, in Nepal.

Chhetry (2001) points out that disparities between urban and rural areas, ineffectiveness of policy implementation, an attitudinal crisis of central government and its bureaucrats, and the multifaceted social structure are the fundamental reasons for pervasive poverty and ineffective governance in Nepal. Some other authors show that an inefficient and corrupt administration, a top-down political system, a sluggish economic growth rate, political exclusion, and unequal resource allocation are contributing factors (Adhikari, 2012; Paudel & Keeling, 2006).

Many interventions have been made to reform the economy, such as allowing greater private sector involvement in economic and financial activities and minimising the role of government by privatising major public enterprises, employing decentralisation of power and resources from national to local level, extending the role of local institutions (Kingston *et al.*, 2011). However, all of these restructuring initiatives were largely impracticable and failed due to lack of attention towards social and economic transformation of marginalised segments and absence of appropriate social safety nets at the grassroots. The crucial fact is that poor communities were economically deprived and lacked education, communication and information, such that they were less capable of competing with external forces such as local elites and the private sector. Thus, the benefits of the reform process moved towards the rural elites, who had access to education, communication and information and could build their own capacity to handle policy implementation at the ground level.

⁸ In 1990, the UNDP introduced the concept of a "Human Development Index" for assessing the development effort through a number of development indicators. This measures the relative development position of each country through longevity, knowledge and standard of living (Thapa, 1995).

Many independent studies have indicated that both the political and bureaucratic systems in Nepal are corrupt from top to bottom and officials consider 'state-power' their paternal property, leading to the downgrading of governance and impairing service delivery (Hachhethu, 2000; Sharma, 2006). Additionally, Chhetri (2005) believes that the present neoliberal based socio-economic structure is a means to the oppression and exploitation of communities and has excluded the marginal people from service mechanisms, rendering them unable to identify the exact target groups, and lack of consolidation between the service agencies and communities. At the same time, numerous differences were apparent in locally-constituted CBOs in terms of roles, collaborative efforts, capability development, creating of an enabling environment for service delivery and maintenance of the basic norms of community governance. Analysing these facets in addressing the poverty issue through effective service delivery, the central research question of this study is - **How is community governance effectively deployed in enhancing basic service delivery system (BSDS) at the grassroots level in Nepal?**

More specifically, the following subsidiary questions/issues were examined:

- Do existing government policies for basic service delivery support effective community governance?
- What major roles are played and tasks performed by the CBOs in basic service delivery system for effective community governance?
- Are CBOs capable enough for basic service delivery system and effective community governance?
- Do CBOs and other actors in basic service delivery system collaborate for effective community governance? and;
- What specific factors induce basic service delivery system for effective community governance?

In support of the above research questions, it may be argued that policies, strategies and implementation modalities of the government in Nepal to combat poverty, have been designed in a technocratic and bureaucratic fashion (Sunam & Paudel, 2012). This emphasised the supply side of governance and strengthened central institutions. The country is geographically, social and economically heterogeneous. Nevertheless, similar methods and procedures for basic service delivery system (BSDS) from central to grassroots level have deterred the effectiveness of governance. The lack of institutionalism at the grassroots level, hierarchic power structure in leadership, the information gap between the central and local level, double standards of political leaders and bureaucratic managers, and poor institutional capacity of the local institutions have adversely influenced basic service delivery at the grassroots level (Adhikari 2006).

This study will attempt to recommend critical policy options for community governance in order to ensure accountability, transparency and equity of the service delivery system, as well as promote sound power relationships within communities. The communities in the rural and fringe areas of Nepal are not only homogeneous in their character, but additionally their problems, demands, and priorities are similar. In this regard, the study highlights the current decentralisation approach that will make the delivery system more representative, inclusive and community-owned, as well as redesigning strategies and improving problems in CBOs formulation that occurred through lack of consideration of geographical, social, economic, and local variances. To this end, the study highlights the need to enhance the capacity of CBOs either through adoption of an integrated approach, or by providing greater autonomy to utilise and manage local resources such as water, stones, boulders and sand, as well as other local revenue generating activity.

The study will endeavour to highlight community-led agendas, which have been left from the neoliberal perspective. Experience shows that community institutions have empowered local

peoples to develop economic and social capital, participation, equity and sustainability of the services, and establish democratic culture at the grassroots level. It will thus valid to examine whether these organisations have succeeded in contributing toward the reduction poverty, by working jointly with communities within the community governance framework and exploring how BSDS can support people's preferences. While government organisations (GOs) and non-government organisations (NGOs), as well as the private sector are apparently committed to building partnerships with communities and their institutions to provide basic services efficiently, the pre-conditions and reservations of these partners appears to lead towards centralisation.

Since this study intends to evaluate the actions and activities of inclusive people's participation, central-local relationships and partnerships in development, to bolster bottom-up service delivery, it will contribute to an understanding of the broad scope of governance by practitioners, researchers, NGOs, and development partners in improving BSDS, in particular, and to help achieve the targeted goals of poverty alleviation as envisaged in the Millennium Development Goals (MDGs). Further an analysis of the influence of actors and factors of service delivery would be valuable for donors and international and national NGOs, in their quest for partners and institutional mechanisms, and for devising the most appropriate implementation approach for BSDS.

1.3 Limitations of the study

Local NGOs and CBOs are grassroots level institutions, which are engaged not only in transforming the social and economic condition of the people, but also helping implement development programs, facilitating capacity building and advocating suitable transparency and accountability mechanisms to ensure sound community governance (Krishna, 2003). However, some authors believe that because local NGOs are more professional, more vertically accountable and managed by technocrats, they pay less attention to community

needs and learn more toward the expectation of the funding agencies (Bendaña, 2006; Eberlei, 2007). In the case of CBOs, they are locally constituted and people are self-motivated to engage in their activities in good faith. Thus, only community-based organisations are covered in this study.

Service delivery embraces a set of functions based on specified principles, policies and commitments of the service providers and service recipients. It concerns all services delivered to the people by GOs, NGOs, the private sector and development aid agencies, within the legal framework. This study however covers only basic services including education, health and sanitation, drinking water supply, and basic infrastructure development at the grassroots level.

The terminologies of governance have been developed according to their sectoral applications. However the purpose, applications and issues of governance in those sectors are similar. These include participation, legitimisation, transparency, accountability, responsiveness and democracy. These indicators are applied as far as they relate to community governance for effective service delivery at the grassroots level.

The study is based on empirical research undertaken at the grassroots level and community strengths and weaknesses, experiences and best practices, and efforts and influences in basic service mechanism have been probed. Given the inadequate resources and limited time-frame (3 months), only 110 groups of three different CBOs (*See Chapter VI*) were chosen to make the research statistically significant.

The study focuses on the period after the establishment of popular democracy in 1990 when neoliberalism and a people-centred bottom-up approach were introduced into development practice and combined to provide an ‘appropriate’ framework for basic service delivery in Nepal. However, service delivery mechanism has been addressed from the very beginning to develop the conceptual framework.

1.4 Structure of the thesis

The study is organised into eleven chapters. The first chapter provides an overview of the study including an introduction, rationale of the study, research questions including policy implications and limitations. The following chapter presents a review of the literature which has attempted to explain interdependent concepts and issues such as governance, institutional mechanism, and delivery of services particularly at the grassroots level. Chapter three presents the analytical framework of service delivery at the grassroots that underpins governance, institutions and basic service delivery.

Chapter four places the problem in the context of Nepal - the dynamics of the nation's service delivery and occasional structural functional reforms. This chapter also discusses the major arguments relating to poor service delivery in the country at the grassroots level. Chapter five critically reviews the community basic service delivery mechanisms and policies adopted and implemented historically in Nepal. Chapter six explains in detail the research methodology applied for this study. The nature, purpose and justification of the research, including data collection procedures and ethical considerations, are discussed in this chapter along with the strengths and limitations of the methodology. Chapters seven, eight, nine, and ten provide empirical evidence by analysing quantitative and qualitative data. Extracts from field information such as focus group discussions, survey data, in-depth interviews and related documents were interpolated to answer all research questions.

Chapter seven examines the structure and role of CBOs in service delivery at the grassroots level, while the methodological assessment of the capacity of CBOs for the service delivery has been presented in chapter eight. In chapter nine, collaborations between communities with different state and non-state actors are analysed and chapter ten attempts to identify the determining factors and their influence in community governance. The final chapter summarises the findings, makes observations on these and provides policy recommendations.

CHAPTER - 2

Concepts and Issues: Review of the Literature

2. Introduction

Scholars argue that the larger societies of the world have suffered from economic and political crises since World War II, leading to institutional dilemmas and malfunctioning of governance such as weak rule of law, rampant corruption, excessive bureaucratic pathology and service inefficiencies (Escobar, 1988). During the post-World War II era, many structural and pluralist theories emerged highlighting the state-centric approaches that clothed governments with more administrative and legislative powers in controlling the national economy (Pankaj, 2007). However, many limitations have led to the failure of state-centric approaches in Africa, Latin America, and some of the parts of Asia in late 1970s. Kohli (2004) points out that the neo-patrimonial ties in Africa, clientelistic patterns in Latin America, and the colonial setup in Asia, were principal causes. The immediate reasons for the failure of state-led development in many societies were largely economic and political factors (Fritz & Menocal, 2006).

In the 1970s, neo-liberalisation was adopted in many countries, to address state failure and recover national economic growth. Thereafter neo-liberalisation became an unchallenged agenda to redeem the hollowing state by framing and implementing liberalised economic policies. These encompassed open markets and free trade, deregulation of the economy, privatisation of state-owned enterprises, decentralisation of the governmental structure, and circumventing the idea of the public good or community⁹ (Kotz, 2002). By the mid-1990s, the

⁹ Community is an abstract concept, which is fundamentally connected with locality governed by social activities, social structures, and a communities' sentiment such as norms, values, actions, relationships and structures..... A community is homogenous, coherent and self-conscious and value common interests and the consolidation of its power position (Clark, 2011)

cycle was reversed, creating a serious threat to neoliberalism and its reservations regarding social justice, social cohesion and local democracy. Large sections of society were not only handicapped structurally, in regard to working and sustaining themselves in the competitive labour market, but public services were also constrained making many communities dysfunctional and endangered by rising unemployment and social exclusion (Campbell, 2001).

Murray (2012) argues that the failure of neoliberalism in addressing issues relating to structural changes, operationalisation and delivery of public services, social exclusion, and in creating social safety nets for marginalised sections of the communities, whereas ideas of governance focused on community well-being. Some authors believe that governance is an ‘art of steering’ to connect multiple agencies such as state, market, civil society and people into a structured system and build relationships to operationalise power and performance (Cowell & Murdoch, 1999). Given this background, this chapter highlights the nexus between governance, institutions and service delivery for establishing an effective basic service delivery system (BSDS) for communities. The first section focuses on governance and its dimensions; the second examines institutions and institutional processes; and the third discusses service delivery and its essential elements. The fourth section gives concluding remarks.

2.1 Governance and its relevance to community service imperatives

The word ‘governance’ is derived from the Greek term *kubernáo* meaning ‘to operate according to needs’ (Abbas & Baloch, 2010). Plato pioneered the use of this term in a metaphorical sense, and it was passed on to Latin and many other languages (Argüden, 2011). Governance is the act of governing that relates to power and performance (Hamilton, Miller, & Paytas, 2004). In development, governance has been associated with functions and results of interactions between government, non-governmental organisations (NGO), and civil

society within a decentralised structure (Halachmi, 2005). Some authors regard governance as denoting the ruling system, functioning of rules, and responses of ruling in relation to community discourse (Weiss, 2000). Lockwood *et al.*, (2010) refer to governance as power, authority and responsibilities, the decision making system (inclusion/exclusion), and the responses of citizens and other stakeholders about each other's roles and functions. Thus, governance deals with power structures, relationships, accountability and patterns of influence.

Many neoliberals believe that governance is a balanced approach towards power and democracy that stimulates people to participate in the democratic process, such as in the election of representatives, the establishment of new horizontal network structures, shaping policies and contributing to their enforcement (Bingham, Nabatchi, & O'Leary, 2005). Governance enhances public welfare by making state agencies responsive to the people and promoting an enabling environment (Zafarullah & Rahman, 2008). Furthermore, governance ensures the confidence of economic agents, provides political and economic actors with an understanding of the rules and their enforcement, creates conditions for institutional change, and endows the governmental machinery with sound management applications (Ahrens, 2002). Thus, governance is a self-organizing, self-motivating and self-regulating process of state and non-state organisations that enables society and the state to manage public services efficiently and make service delivery, effective delivery. Governance is about an independent judicial system and rational legal framework, accountable administration of public money, a pluralistic institutional structure, and a responsible independent press (Rhodes, 1996). Nonetheless, governance remains a controversial concept.

The World Bank illustrates that governance provides three proficient conditions to manage nation's social and economic resources. These are "institutionalising the inclusive democratic political system; economic and social resources; and the capacity of government and its

stakeholders to design, formulate, and implement policies and deliver their functions” (Santiso, 2001: 5). Similarly UNDP describes “governance as an exercise of economic, political and administrative authority to manage a country’s affairs at all levels. It comprises mechanisms, process and institutions, through which citizens and groups articulate their interest, exercise their legal rights, meet their obligations and mediate their differences” (UNDP, Cited in 1997; Weiss, 2000: 797). The OECD’s definition of governance is “the use of political authority and exercise of control in a society in relation to the management of the role of public authorities” (Mfaume, 2011: 26; OECD, 1995). The ADB regards “governance as a means of empowering citizens through voice and exit mechanism, to participate in public decision-making, and hold political leaders and/or service providers accountable for democratic processes and policy outcomes” (Deolalikar, Brillantes, Gaiha, Pernia, & Racelis, 2002). According to the Commission on Global Governance, “it is the sum of many ways in which individuals and institutions, public and private, manage their common affairs” (CGG, 1995 Cited in CGG, 1995; Webber, Croft, Howorth, Terriff, & Krahmman, 2004: 5).

These conclude that governance is a complex system of interactions among structures, traditions, functions (responsibilities), and processes (practices). In the recent years, these organisations have focused on the concept of ‘good governance’ for high level organisational effectiveness, and efficient political and administrative system to cope with the emerging challenges in society. Good governance as the act of governing is associated with inclusive democratic political system; access of all to economic, political and administrative authority; rational distribution of economic and social resources; enhancing capacity of governance actors; and making service providers more accountable. This thesis used these elements to define governance in community service delivery imperatives.

2.1.1 Types of governance

Based on this background, governance can be classified according to its practice, nature and stakeholder responses and associations.

Participatory governance

The European Union (EU) considers existing governance models as more conventional and mechanical; they are not sound enough to match the interests of different stakeholders in a single domain (Wetzel, 2011). Citizen participation is traditionally structured in the governance process in such a way that it is unable to facilitate greater public access to services and lacks the guarantee that ‘all voices’ will be heard through a fair system of rules, regulations and legislation (Aulich, 2009). In order to address such complexities, the EU has promoted a ‘third way’ to foster democracy in developing countries, through participatory governance (Wetzel, 2011).

Scholars believe that the promotion of participatory governance through policy sectors advances stakeholder participation, accountability and effectiveness and improves program sustainability and organisational performance of the service mechanisms (Commins, 2007; Wellens & Jegers, 2011). Fung and Olin-Wright (2001: 8) hold the view that participatory governance is the most prominent part of a governing system, as it focuses on democratic “norms, values, engagement, and practices”. The theories and practices of participatory democracy broaden the sphere of public engagement through the deliberative process (Fung, 2007).

Participatory governance has been given many different names, such as democratic governance and decentralised governance. Participatory governance is about empowerment and encourages non-governmental stakeholders, mainly the local people, in the governance

mechanism (Dahal, Uprety, & Subba, 2001). In this sense, participatory governance bestows power and confidence on those who normally, in the past, lacked these.

Local governance

Local governance is a part of the “multi-agency working culture and self-organising networks that extend across organisational boundaries and establish working relationships both within and without the local community” (O'Toole & Burdess, 2004: 435). UNDP elaborates that “local governance comprises a set of institutions, mechanisms and processes, through which citizens and their groups can articulate their interests and needs, mediate their differences and exercise their rights and obligations at the local level” (UNDP 2004, Cited in Asamoah, 2012: 92). At the same time, it strengthens locally accepted democratic culture and empowers the people, communities, mainly marginal sections, and people’s institutions to participate in the local governance process (Gaventa, 2004). Some authors argue that effective local governance can create functional networks between communities and service organisations, identifying public needs and demands, refining the conventional management system for result oriented political, economic and social development process (Kauzya, 2003; O'Toole, 2006). Local bodies practise governance at the local level, in which all spheres of local-level state and non-state stakeholders have a role and an interest in administrative, developmental and resource mobilisation activities (Khanal, 2006b).

Network/Community governance

Network governance is a new form of governing system that is concerned with participatory forms of citizenship. It promotes inclusion, mainly pro-poor people, and others excluded and marginalised groups and encourages their involvement in new forms of governance (Gaventa, 2004). Bovaird (2005) illustrates that network governance is an interaction between government, society and various other actors for sharing of tasks and responsibilities in a balanced manner. Network-based governance implies that no single player has the required

knowledge and resource capacity to manage societal issues in a coherent basis (Kitthananan, 2006). From “this perspective, co-steering, co-regulation, and co-guidance are imperatives that replace the traditional top-down and central-steering of the government by the network governance” (Lee, 2003: 18).

Rhodes (1996) argues that the government is no longer supreme in service delivery. He defines a socio-cybernetic approach which creates opportunities for a multiplicity of actors to engage in policy reformulation and sharing of goals. Bevir & Richards (2009: 6) define the “networks from three different perspectives; they are instrumental, interactive, and institutional. The first refers to steering by a focal actor that is – the government. The second focuses on the way in which actors mutually adjust their strategies in order to enable collective action and common outcomes. The third concentrates on analysing the network as a whole rather than the actor and the interactions”.

Some authors believe that networking governance focuses on non-hierarchical, self-responsive, interdependent and relatively balanced relationships among the actors (Harvey, 1976; Robinson & Keating, 2005). Others argue that it facilitates the removal of old hierarchical controls, fashions and attitudes and create participatory consensus in decision making and resource sharing (Van Bueren & Heuvelhof, 2005). It is a flexible approach that shifts from government to governance and extends beyond government, “to a greater sharing of power between the state, the market and civil society via new networks and partnership structures” (Rhodes, 2007: 1251). Experience from Bangladesh shows that the “service delivery system improves by employing NGOs, which have a sense of mission, appropriate planning, informed leadership, a professional work ethos, synchronised teamwork, and performance-based motivation” (Zafarullah & Huque, 2001: 1393).

2.1.2 Community governance: present discourse

In recent years community governance, under the configuration of networking, has emerged to deal with social issues at the grassroots level. This modern form of community governance system was initiated in the UK in 1997 to encourage local people to become involved in the development of community plan formulation, consultation, and resource management toward addressing their service-related problems. The purpose of this new discourse was to join the community with government, to modernise and to address social inclusion (Ross & Osborne, 1999). Many authors believe that there is a new pattern of governance at grassroots level. This is a “communitarian movement” that emphasises the pluralism of power distribution within grassroots communities (McCluskey, Stein, Boyle, & McLeod, 2009). Newman (2001) argues that “community governance equalises a number of normative values, such as a network-based collaboration and coordination in complex society; self-government; public involvement; and democratic innovation” (Lee, 2003: 22).

Gates (1999) expresses the view that community governance is seen as the preferred model whereby public and private sectors, local people and community groups, and numbers of community actors work together and share functional responsibility, power, and authorities to reach collective and consensus-based decisions (Armstrong, Francis, & Totikidis, 2005). The purpose of the emergence of a new pattern of governance at the community level is largely because of fragmentation of local government (O'Toole & Burdess, 2005). There are six factors that have created an enabling environment for community governance. These are: low attention of local governments to the overall welfare of the area; empowerment and access of communities in local government activities; an appreciation of the contribution of public, private and voluntary organisations; the best use of resources and addressing of local needs; and neutrality of the local authority (Escobar, 1988).

In recent times, community governance has become a powerful instrument at the grassroots level that has created opportunities for the involvement of broad-based community partners in the policy mechanism through a number of devices such as citizen panels, citizen report cards and citizen charters.

The new discourse on community governance strengthens the partnership of local government and community-based organisations (CBOs) in supporting active communities in their participation in the democratic process and 'bottom-up' policy formulation (Carley, 2006). Thus, partnership models to strengthen community governance have been developed. The first model was developed by Leach and Wilson (1998). In their thesis, they proposed three different stages of partnership, the first being the traditional mode of partnership which assumes CBOs are the result of traditions and precedence, where the service delivery role is minimal in the public service system. The second is instrumental partnership where CBOs are primary agents in providing services to the local communities, and the third is the participative model, where CBOs have received a social value for their capacity and can encourage communities to participate in the community service delivery system. Similarly, Ross & Osborne (1999: 55) have introduced the concept of partnerships between local government and CBOs in the framework of “state (hierarchies), market (competition) and communities (clans)”. In this model, ‘hierarchy’ refers to the pyramidal planning structures governing the relationship. Market refers to the competition and the price mechanisms governing the relationship. The ‘clan’ refers to the mutual interdependence and trust governing the relationship.

Pillora and McKinlay (2011) mention that community governance gives priority to the poor, women, ethnic minorities and socially-excluded communities in promoting easier access to basic public service mechanism and opportunities to improve their livelihoods. Stone (1980) argues that it contributes to the political, economic, administrative, and social systems of the

community. In addition community governance contributes to building interdependencies among community actors such as the state, market, and civil society (Everingham, Cheshire, & Lawrence, 2006). Thus current discourse views community governance as the best source of learning about and achieving of outcomes, mutually by people, government organisations (GOs) and NGOs.

2.1.3 Driving forces of community governance

In the late 1990s, when the debate of community governance emerged in policy discourse, governance activists were confused about its proper design and effective operation (Chaudhary, Mallik, Khan, & Rasool, 2009). Several factors, such as central and local government commitment, engagement of the private sector, and community cooperation came into operation that assured the effectiveness of community governance (Cheshire, 2000). Banner (2002) describes how the unfortunate mentality of divergence among many stakeholders at the grassroots level, makes community governance more susceptible and upwardly accountable. He further explains that in such a condition, community governance cannot ensure the ‘safety net below the safety net’ approach, as the resource crisis at the grassroots level, forces them to rely on external stakeholders, who are by nature more bureaucratic and develop a hierarchical structure that threatens the community governance system.

Wieber, Driessen *et al.* (2011) explain that the major influence on community governance is a result of five modes: institutional mechanism; socio-economic structure; power, politics and interest; capacity and resource constraints in community organisations; and poor institutional performance. These contribute to bringing the actors closer to networks and constellations.

Some authors contemplate that globalisation (beyond the territory), marketisation (competition), and modernisation (information and technological development) have often moved priorities and agendas from the community to plural society (Pillora & McKinlay,

2011). In this context, community governance can rarely compete with the public sector and market forces. However, Ståhlberg (1997) says that community governance has always faced problems including legitimisation and an inability for institutional shift from single to multiple, and system transformation from top to bottom. These types of shifts have created a hierarchical structure and empowered engaged leadership, but citizens are just about always excluded from the mainstream.

Apart from these, other factors affecting the quality of community governance in developing societies include: institutional autonomy issues, patrimonial power structure, patronage and fragmented political culture, disillusionment of the bureaucracy, the lack of adequate information, dismal economic performance, political and bureaucratic capture of power and resources, centralised delivery systems, lack of openness and transparency, directionless development, and cultural factors such as community cohesion, structural social exclusion, organisational resources and knowledge, and physical and human capacities (Bardhan & Mookherjee, 2005; Putnam, 1993a; Ross & Osborne, 1999).

2.2 Institutions and institutional processes

Institutions are formal structures and mechanisms, which govern society according to certain behaviour patterns, formal and informal rules, customs and unique strategies within which individuals and organisations operate to meet societal needs (Hasan, Mitra, & Ulubasoglu, 2007). North (1993) defines institutions as “as the rules of the game in a society, or more formally, they are the set of human interactions, and the agents of institutional change, or to be exact, the political and economic entrepreneurs of organisations” (Ingram, 1998: 258). North differentiates between institutions and organisations stating that, while the former ‘are the rules of the game’, organisations are the players. Organisations consist of “groups of individuals bound by common purpose to achieve objectives. These include political, economic and social bodies” (Boliari & Topyan, 2011: 3).

In the governance perspective, however, institutions are not only a structure and a set of rules of the game. Their roles and established values such as collective identity, social belongingness and social justice, mutual trust and solidarity are also significant (deSouza, 2003).

Institutionalisation is the process of self-engagement, and a self-reinforcing system of the institutions that has been heightened by the legitimizing process of the state (Colyvas & Powell, 2006). Broadly, this is the process by which organisations and procedures acquire value and stability (Leeson, 2010). Thus, institutionalisation is the process of institutionalism that encompasses many dimensions such as institutional roles, capabilities and collaborations.

2.2.1 Institutional role

The multi-functional roles of institutions pretend imperiously to ascertain governance and service delivery. Beck & Laeven (2006) explain that institution building is a basic role of institutions involved in service delivery mechanisms. Institution building is a process of political, social, and economic transformation that endows an organisation with an efficient culture and mission, creates an enabling environment, and develops catalytic leadership and guiding principles for social accountability. Berkes (2004) adds that the institutional building process at the community level incorporates many institutional rules and creeds, which ensures a process of self-organising and self-mobilising. Board (2000) elaborates that institution building in the past was limited only to the expansion of the institution's coverage and developing technical skills. Since the paradigm shift, much concern has been paid to result-based institutional activities to promote the integrity, accountability and good governance (Kezar, 2001). To achieve results, Zafarullah (1980) presents a number of variables such as organisational doctrine, resources for mobilisation, a program of activities to be undertaken, and an internal structure for organisational responsibility and accountability.

Institutions empower society, individuals and groups by maintaining a strong sense of social feeling and ideology (Fainstein, 1999; Helling, Serrano, & Warren, 2005). The lessons of the Aga Khan project in Pakistan, shows that this process brought the people together for the purpose of determining societal issues and getting solutions through participatory dialogue, negotiation and consciousness (Khamis & Sammons, 2007). Evidence from Bangladesh demonstrates that CBO engagement in community mobilisation and co-management, has facilitated a more flexible, participatory, cost-effective and innovative service mechanism that ensures public access and sustainability (Talukder, 2004). In Nepal, the formal community mobilisation efforts have been ongoing since the 1970s, but have accelerated in the last few decades, in changing the socio-economic status of the people (Jha *et al.*, 2009). Experiences in Bolivia, Honduras, Indonesia, Pakistan, and Uganda indicate that governance enables the communities to engage, connect and strengthen social issues, enhancing efficiency of community driven development, building social capital, strengthening governance and making development more inclusive (Dongier, Van Domelen, *et al.*, 2003).

Social capital is a significant role for institutions to play and bring positive results at the societal level (Bowles & Gintis, 2002; Foa, 2008). It increases social harmony, cohesiveness and mutuality through associations, trust and reciprocity between individuals within communities. It improves institutional confidence, heightens participation, enhances well-being, reduces malpractices, and creates economic prosperity (Pharr, Putnam, & Dalton, 2000). According to Putnam (1995), local institutions ensured effective participatory development in Italy after the adoption of societal norms, values, trust and social relationships. Mondal (2000) indicates social capital's enabling ability in improving efficiency and effectiveness of local institutions in Bangladesh by helping the state, NGOs, and civil society to combine their efforts and work together (*See Chapter 3.2.3*).

The role of social institutions has been growing across society since the paradigm shift of the late-1970s, when it was realised that the state alone cannot deliver the services without the co-operation of citizens and the market (Ostrom & Ostrom, 1999).

People's social, economic and political capacity has been empowered in India because of social institutions (Fung, Wright, & Abers, 2003). Experience of local community empowerment, through cooperative movements in Colombia, Brazil, Mexico, India, the Philippines, Indonesia and Bangladesh, shows the intrinsic value of community based institutions in empowerment activities (Hur, 2006; Stewart, 2005). A more community-concerned institutional role in empowerment has been described by Uphoff (2005: 219): "The immediate outcomes of the institutional roles in empowerment are access to information and resources, a range of choices beyond yes or no, exercise of "voice" and "exit", feeling an individual or group sense of efficacy, and mobilising like-minded others for common goals".

Institutional roles have created an enabling environment in many developing countries encompassing policies, legal provisions, coordination and linkages, forums and networking, societal norms and values, and power relations, which have brought many societal changes (Helling *et al.*, 2005). Evidence from India, Bangladesh, and South Africa suggests that an enabling environment develops functional collaboration and networking between CBOs and central government institutions and promotes easy access to quality education, sound health care, and appropriate infrastructure and financial services at the community level (Dongier, Van Domelen, *et al.*, 2003). Alkire *et al.* (2001) explain that many community based institutions in Brazil, Bangladesh, Bolivia, Peru, Guatemala, and Indonesia have technically and financially benefited the people by reforming their legal systems and conventional institutional mechanisms.

These processes not only create safety nets, but also encourage the practice of local self-governance and strengthen local democracy (Bucek & Smith, 2000). Pillora & McKinlay

(2011) believe that the effectiveness of local democracy depends on a strong foundation of trust between the community and those who govern local institutions. Hungary, Bulgaria, Slovakia, Russia and Albania also provide evidence of local institutions promoting local referenda on major issues (Bucek & Smith, 2000). Burns (2000) emphasises that these processes promote local diversity, help eliminate partisanship and vested influences and ensure service integrity¹⁰.

2.2.2 Institutional collaborations

An inclusive approach in decision making, partnerships between stakeholders, downward accountability, functional legitimacy, and innovation in the organisation system contribute to bring all actors together in community governance (Botes & Van Rensburg, 2000). However, deep-rooted bureaucratic red-tapism and paternalistic public service organisations thwart productive cooperation in developing countries (Dahal, 2010b). To amend this, public sector reforms have been adopted. These can be achieved by employing a collaborative approach that creates an enabling environment for effective resource allocation and efficient service delivery (Marinetto, 2003). Morgan *et al.* (1999) argue that such collaborative approach of governance in effective horizontal networks empowers local actors in building effective governance. The experience of Botswana points to the robust coordination and strong collaboration and partnership among the local governance institutions in achieving land reform (Manatsha & Maharjan, 2011). In this regard, Rhoades (1996: 657) emphasises that:

No single actor, public or private, has all knowledge and information required to solve complex, dynamic and diversified problems; no actor has sufficient overview to make the application of needed instrument effective; no single actor has sufficient action potential to dominate unilaterally in a particular governing model.

¹⁰ Integrity is a concept of consistency of actions, values, methods, principles, and outcomes (Hosmer, 1995). In the governance framework, integrity comes from honesty, truthfulness, and ethics, which determine the accuracy, diversity, competency, sensitivity, and responsiveness of the CBOs in service mechanisms (Adhikari, 2007).

Thus, through partnership and social co-ordination established on the basis of mutual value, trust and sense of belonging, the objectives of community governance and improved service delivery can be attained (Lowndes & Skelcher, 1998).

Experiences demonstrate that a sound local-central relationship is the foundation of good community governance and efficient service delivery. The central government is equipped by executive, legislative and judicial powers to deliver basic services, but partnerships between the local people, civil organisations, elected local authorities, and market forces provide various alternatives for service delivery. These may provide opportunities to the people, generally excluded from participation in core activities of governance, to partake in developmental activities and contribute to the success of community governance.

However, some experiences illustrate that central–local relations impinge on local autonomy¹¹ and control the devolved service mechanism. Similarly, they extend bureaucratic influences that exacerbate corruption, nepotism and clientelism that promote fragmentation of the state, and make local functions inefficient and ineffective. A numbers of factors, such as weak countervailing institutions in Nigeria (Smith, 2010), ‘elite capture’ in local power structures in Afghanistan (Beath, Christia, & Enikolopov, 2011), and controlled inter-dependency in sub-Saharan Africa (Crook, 2003) undercut the effective flow of basic services at the grassroots level.

CBO - local government collaboration

Local governments (LGs) in each country are structured by specific legislation or directive systems. In primitive societies, the lowest level of local government was the village headman or tribal chief who controlled the communities according to their own societal norms and

¹¹ Autonomy is the degree of organisational independence for service delivery, in which an independency of service organisation in their scheduled work and decision making. Higher levels of autonomy of services have been achieved higher levels of satisfaction and motivation. In conventional organisations, higher level staffs gain autonomy. In the present context, governance encourages flatter organisations and increased autonomy at lower levels.

rules (Bhattachan, 2002). In modern societies roles, responsibilities and involvement of LGs are more formal and far more focused and prescriptive (Baral, 1993). At the local level, community-local government collaboration creates an enabling environment to involve communities and the people in local issues such as politics, civil society and service provision. This sort of relationship encourages the participation of women, minorities, small businessmen, marginal farmers and the urban poor, in community matters.

CBO-market collaboration

The private sector, as a major agent of the market, has been involved in governance since the late-1970s when partnerships between the public and private sector started became more common (O'Toole, 2003). Since then, a variety of mechanisms such as contracts and concessions (CaC), public-private partnerships (PPP), build operate and transfer (BOT) arrangements, and voluntary cooperation between GOs and NGOs, have been used for public service delivery (Rondinelli, 2003). With the wider application of a market economy and its direct inventions in the competitive market system, the role of the private sector has been marked in the service delivery sector. In recent years, governments of many countries have encouraged the private sector to get involved in rural development activities and in the delivery of infrastructure services (Kirkpatrick, Parker, & Zhang, 2006).

2.2.3 Institutional capability

Capability refers to the freedom of enjoying various functionings (beings and doings) that people or agencies intend to achieve (Sen, 1993). This is a continual process that increases the ability or proficiency of individuals and organisations for best performance (Purdue, 2001). In the institutional perspective, capability is related to both the tangible (resources, skills, and organisation structure) and intangible (vision, mission, goal and strategy) aspects. This improves the governance system, enhances leadership capacity, streamlines the administrative mechanism, and expands partnerships and collaborations (Kaplan, 2000; Ostrom, 2007).

Capability is an outcome of performance that is structured by knowledge, resources and environment of families, groups or organisations (McPhee & Bare, 2001).

Some authors believe that the concept of institutional capability largely exists with empowerment of skills, competencies and abilities of the social groups (Lanzi, 2007; Lobo & D'Souza, 1999). These can be achieved by the organisational activities, resource mobilisation mechanism, community mobilisation approaches, planning, implementation, and monitoring systems, coordination and linkages activities, and community based social contributions (Kaplan, 2000; Wijayaratna, 2004). Helfat (2003) illustrates that such capacity dynamics enhance organisational potentiality, direction and management thereby facilitating community sharing, decision making and crisis management. The Thai experience shows high CBO capability at the community level ensuring efficient utilisation and sharing of resources (technical and financial resources), amplifying community consciousness (community trust and participation), and creating an enabling environment (appropriate policies) (Laverack & Thangphet, 2009).

In recent years, institutional capability has been closely linked with the term 'capacity building', which focuses on the ability of the people, governments, international organisations and NGOs to achieve developmental goals and sustainable results (Lusthaus, Adrien, & Perstinger, 1999). Community capability often refers to strengthening knowledge and skills, competencies and abilities, and access and consumption, so that people can overcome the causes of their exclusion from the public service system (Sanyal, 2006).

Based on the Indian experience in addressing systemic capability assessment, Potter and Brough (2004) developed four interdependent components. These are: systems, roles and structures; human resources and technical facilities; knowledge and skills; and technical and knowledge tools. The authors emphasise that these components assess institutional shortcomings and provide a more effective framework for program design and

implementation. Uphoff (1993) believes that strongly capable CBOs can empower the social, cultural and economic wellbeing of communities and involve the people in determining their needs and priorities. This concept reflects a broader notion of governance and creates democratic legitimacy.

The European Commission (2007) lists six components to assess institutional capability. These are: considering organisations as open systems; focusing on services; exploring the context and inputs; digging deeper to get a solid diagnosis; developing capability through domestic processes; and examining the roles of donors. McCall (2003: 102) provides eight different indicators based on his experience in Canada and Australia, to measure institutional capability. These are: “inclusive citizen participation; the leadership base; strengthened individual skills; widely shared understanding and vision; strategic community agenda; consistent, tangible progress towards goals; effective community organisations and institutions; and maximum resource utilisation by the community”.

In Nepal, most organisations believe that capability enhancement only relates to training and skills development that has limited institutional access to multi-layer organisations (Acharya, 2010a). Thus, capability development is a multi-dimensional process that can be addressed by a variety of components such as organisational values (beliefs, cultures, attitudes, incentives and motivations of the people in the system); structure (legislation, governance, policy and power relationships); institutional framework (roles and relationships and the formal and informal rules, the interaction); skills (cognitive, affective and behavioural); resources; operations (leadership, decision-making, management, and accountabilities); and performance.

2.2.4 Institutional actors

The identification of institutional actors in development discourse is contentious. However, an understanding of the role of these actors can be gained from their identities, interests and

spheres of influence. Many scholars have divided institutions into three broad categories (Streeck & Schmitter, 1985). The first comprise the public or state sector or government organisations. This sector forms a physical, social and emotional bond with the people. The second is the market/private or corporate sector comprising profit-oriented organisations motivated by the competition system. The third is civil society including voluntary/CBOs or non-profit organisations that encompass member-based and service-oriented organisations (Corry, 2010).

The State

The State is not a creator, but a facilitator, and catalyst of development (Haque, 2002). In the Marxist perspective, it is like an executive committee of the ruling class, empowered by legitimacy to rule another (Harvey, 1976). Some authors describe the state as an autonomous and legitimised body that deserves the authority to collect taxes, have command over citizens, resolve conflicts, and dispense justice and peace (Dahal, 2010b). In this regard, the basic organisation of the state includes a formal institutional structure and location, legal authority, resources, market, an information and service flow system, regulations and laws (Zafarullah & Rahman, 2008).

Some authors hold the opinion of the rapid growth of information and technology has contributed to transforming the role of the state from isolation to association and plurality of social, economic and political life (Kakabadse, Kakabadse, & Kouzmin, 2003). Kochanek (1993) asserts that “the state is a people’s representative agency for extraction and control through political competition in which the winners can serve their ambitions and suppress their opponents” (Zafarullah, 2003: 288). Dahal (2007) has listed a number of areas for which the state is responsible. These are: public order and security; legislative exercise, steering and direction of the system; organisation of the society; and distribution and welfare functions. In this regard, he explains that the historical role of the state was to organise and steer society,

mediate conflicts, build trust, and preserve social networks, as well as ensure territorial security.

Osborne and Gaebler (1992) have developed ten typologies of actions for state effectiveness. These are “catalysis, ownership, competition, mission/vision, results/outcomes, customers, enterprise, anticipation, decentralisation, and market. Such actions foster the transformation of society from tradition to innovation” (Zafarullah & Huque, 1998: 1474). However, some authors argue that the state is not a homogenous entity, but a fragmented collective of particular elements and institutions that are struggling due to political instability, poor governance, fragmentation, corruption, nepotism, and clientelism at both the political and administrative level (Putnam, 2010; Zafarullah & Rahman, 2008).

The Market

The market comprising the second sector (Tandon, 1991), helps to drive the national economy and plays a central role in producing goods and delivering services as a major partner of the public sector (Rondinelli, 2003). It is an inter-disciplinary social unit of systems, institutions, procedures, and infrastructures whereby different parties engage and exchange their needs and demands (Dorward, Kydd, Morrison, & Poulton, 2005). The market creates not only jobs and wealth, but also invests its huge resources in innovation, technology, and other basic services that reinforce economic growth (Campbell, 2001). In recent years, interest among the governments of both developed and underdeveloped countries, as well as donors, to build partnerships with the private sector to maximise the development impact of declining aid, has been growing (Goldin, Rogers, & Stern, 2002).

The major reasons for the growing attraction of the markets are their ability, competition, business environment, technological skills and innovations, the supply and demand system, private and free enterprises, profit orientation, less bureaucracy, organised structure, self-regulating and self-adjusting mechanisms, operation of a supply and demand system and

decision making made by buyers and sellers (Nelson, 1998). This shows markets are often superior to other governance structures, because their competition system strengthens the decentralisation process, breaks the hierarchical system and non-ethical outcomes of corruption, and initiates the system of punishing the inept and rewarding high performers (Bowles & Gintis, 2002).

Civil society

Civil society forms the third sector of organisations, after the state and the market. It has a number of qualities such as voluntary engagement, non-profit motive, value-based motivation, and relative insulation from power structures (Roy, 2008a). Civil society organisations are mostly informal, unstructured and inclusive, and are run ethically. They include community associations, NGOs, social movements and networks, trade unions, and religious organisations whose main concern and contribution is the effective and accountable facilitation of society (Kaldor, 2003).

In developing societies, civil society plays a useful role in policy dialogue and advocacy, service delivery, building community support and in the development of social capital (Nelson, 2007). Apart from these activities, civil society highlights the pros and cons of contemporary political, social, economic agendas; advocates the people's right to access the services, rights and authorities; mediates between partners involved in internal and external conflicts; advocates human rights mainly for people from marginalised sections; and enhances governance, democracy, and mass mobilisation of social movements (Ibrahim & Hulme, 2010; Zafarullah & Rahman, 2002).

Some authors illustrate that the roles of civil society organisations have been found to be very effective in empowering people and facilitating the democratic process in Asia, Africa and Latin America (Alexander, 2007; Hachhethu, 2006; Shi, 2004). The major responsibility of civil society in these developing societies is to maintain social accountability and raise public

voices against inefficiency and ineffectiveness (Sarker & Hassan, 2010). The experience of developed countries also suggests that the public sector has become more accountable after the civil society became more closely engaged with public issues (Nsubuga & Olum, 2009). In both societies (developing and developed), the majority of civil society organisations focus their activities on public services at the local and regional level. In this regard, the monitoring and watch-dog activities of civil society are imperative (Aderonmu, 2011).

2.2.5 Community based organisations

Community based organisations (CBOs) are being increasingly recognised as part of civil society. They are locally constituted, voluntary, non-profit making membership- and faith-based organisations. Their positive action and catalytic role mainly concerns common interests relating to service delivery (Chaskin, 2001; Maharjan & Joshi, 2011; Mansuri & Rao, 2004). CBOs' role, their impact on service delivery and the satisfaction (or otherwise), generates civil awareness and reduces gaps between citizens and policymakers in many ways. Firstly, CBOs play an important role in addressing inequality, isolation and poverty; secondly, they foster awareness creation, democratic exercise, governance practice, community building, advocacy, and coordination, linkage and network development (Adhikari & Risal, 2007); thirdly, they facilitate the mobilisation of local resources (Chapagain & Banjade, 2009); fourthly, they focus on 'voice to the voiceless' and give clout to powerlessness (Dale, 2000); and finally, they strengthen the structure of accountability and promote decentralisation (Acharya, 2010a).

Due to their flexible structure and less bureaucratic approach, Opare (2007: 252) adds that CBOs focus on "generating a more inclusive decision-making process, providing members with adequate bargaining power, strong commitment on downward accountability, ensuring democratic practice, resource management, economic security, promoting community empowerment and serving as channels for organised community development". In this regard,

the emergence of CBOs has contributed to a significant transformation of development policies and practices in the 1960s and 1970s (Mehrotra & Jarrett, 2002).

O'Toole & Burdess (2004) argue that CBOs are people's institutions. They are not necessarily government organised institutions, but serve the people as governance-oriented organisations. In the governance framework, they perform, facilitate, and collaborate both within and outside the local community. Thus, their functions and interests contribute to changes in organisations, communities, as well as in greater society. CBO roles promote community governance, including people's participation, organisational autonomy, maintain transparency and accountability, develop coordination and linkages, and foster greater democracy in community actions (Kim & Moon, 2003; Olowu, 2003). In this sense, CBOs have a deep attachment with community based values, norms, mutuality, belonging and reciprocity and a constant learning process (Bratton, 1990).

Examples show that communities are more satisfied through partnering with CBOs in healthcare, education and water supply systems in Pakistan. In Nigeria, quality services including education, health and sanitation are efficiently delivered by CBOs (Batley, 2006). In South Africa, the involvement of CBOs in community infrastructure projects reduced costs by half, compared to similar government projects (Dongier, Domelen, *et al.*, 2003). In Bangladesh, CBO leaders hold key positions in LG bodies and are thereby able to serve more effectively in the political and governance system (Baroi & Rabbani, 2011).

In Nepal, only about 46 percent of constructed schemes under central and local government are functional and only 41 percent of projects are effective in the rural areas, whereas the CBO role in these areas is said to be highly effective, awareness raising and playing a complementary role in basic service delivery (Berry, Forder, Sultan, & Moreno-Torres, 2004; Prasain, 2008).

2.2.6 Factors affecting CBO action

Many researchers, policy makers and planners argue about the reason why institutional activities vary from one CBO to another. Depending on their concern, several explanations of the institutional activities of CBOs have been offered. However, such explanations show many CBOs focus on only a few factors, and in very general terms. They considered only institutional factors, such as enabling environment (legal provisions, decentralised policies and strategies, and good governance), bureaucratic commitment (devolution, partnership development, and working in coordinative actions), confronting interests of partners, and bias (Chambers, 1999; Ostrom, Schroeder, & Wynne, 1993; Zafarullah & Huque, 2001).

By contrast, social factors are concerned with structural causes (exclusion, feudal legacy, exploitation, and social discrimination), an environment of trust, modernisation (technology and globalisation), westernisation (neoliberal agendas), and marketisation (competition) (Illing & Gibson, 2007; Roodt, 1996; Stiefel & Wolfe, 1994). Some authors have added political factors, such as power structure (political and social elitism, patron-client relationships, political system, and neo-colonial policies (Lewis & Kanji, 2009; Malla, 2001; Vidal & Keating, 2004) as also influencing institutional activities.

Other explanations include economic factors such as poverty and deprivation including vulnerability, seasonality, powerlessness and humiliation (Chambers, 1995; Hulme & Shepherd, 2003), lack of skills and knowledge for optimum utilisation of local resources (Oliver, 1997), inequality of resource distribution (Marwell & Ames, 1979), lack of fair benefit distribution (Mahanty, Guernier, & Yasmi, 2009), and financial resource crises (Coombs, 2007). More recently, institutional activities have been influenced by technological innovation, information and communication. Dewett and Jones (2001) express the view that such factors have increased the efficiency of organisational activities.

2.3 Service delivery system: dynamics, process and experiences

Services are the consumption mode of the functions, delivered by the set of organisational processes involved in the production, distribution, control, and consumption of various types of resources (Grönroos, 1998). For effective service delivery, several systems have been introduced. Layug (2009:5) describes a triangulation system with three-dimensional strategies. These are “normativity and entitlements, development constraints and opportunities, and institutional and democratic governance”. The OECD (2008) has described three different service delivery models. These are the ‘choosing delivery’ model, ‘selecting aid instruments’ model and, prioritising and ‘bundling the service package’ model.

Many scholars have also drawn attention to the service delivery process that ensures inclusive community participation in decision making and fair distribution (Helling *et al.*, 2005). Others have prescribed three basic models for service delivery. These are: the decentralisation model, alternative service model, and privatised service model (Péteri, 1997; Selin & Chevez, 1995). Such models are directly linked with governance theories and enable the poor to increase their access to state and non-state service mechanisms.

However, various contextual factors determine the design of the best approach to service delivery. Evidence suggests that social structure, economic differentiation, geographical diversity, system exclusion, policy, and politics determine the efficiency and effectiveness of service delivery (Bennett, 2005). Commins (2007: 6) adds: institutional (dynamics of the national political system), cultural (traditional or religious authority), system (power and control), legal and constitutional, and collaboration (inter-agency relationships) factors that regulate the effectiveness of service delivery. Some authors contemplate that globalisation (beyond the territory), marketisation (competition), and modernisation (information and technological development) have often changed the priorities of the services in the plural society (Marcussen & Kaspersen, 2007; Svensson, 2002).

2.3.1 Dynamics of the service delivery system

Over the past decades, the legacy of red-tapism in the public service bureaucracy in developing countries has given way to a more open system. This enhances participation of community institutions, among other factors, in service delivery. At the same time, market failure has forced development actors to forge partnerships among themselves within a decentralised structure and by adhering, as closely as possible, to the norms of good governance. Following the dynamics and experiences of the basic social service delivery systems in different countries, two broad processes of service delivery have featured in policy discourse.

Top-down processes

The top-down process is a more conventional way of generating and delivering services, either by closed institutions or through outreach programs. It refers to the formulation, prioritisation and delivery of services from the top to lower levels. In this system, the government is at the apex, and bureaucrats and politicians are answerable for their performance in delivering services (Sabatier, 1986). This approach has also been described as Weber's 'bureaucratic model' (Miller, 2005), the 'orthodoxy model' (Bruke, 1987) or the 'Washington model' (Mccourt, 2012). In these models, the clear lines of service accountability remain with government departments, front-line bureaucrats, and political bodies which maintain their distance from the public.

While some commentators highlight the 'efficacy' of this top-down approach, others points to its defects. Adherents of this approach believe that public bureaucracy has not only had a long and outstanding history in serving people and protecting them as care givers, but has also been a vital entity in shaping the political, social and economic life of the people (Downs, 1967). In this regard, they stress the importance of strengthening bureaucracy by enhancing the capacity of front-line staff, designing motivational packages, and redesigning policies and

legislation. Detractors however believe that the top-down model favours the elites¹² and is based on unilateral hierarchical controls (Mccourt, 2012).

Bottom-up processes

In order to get rid of the paradoxes of the conventional top-down system, Arthur Lewis conceptualised the 'development from below' model, which has been appreciated in development discourse. Lewis (1954) elaborates that development requires industrialisation, urbanisation and modernisation that can be achieved by three sets of relationships. These are sectoral relationships, spatial relationships, and social relationships that keep the 'bottom' in the centre (Sanyal, 1996).

Robert Chambers (1983) developed an idea of 'putting the last first' that contributed to the development of the bottom-up or demand side approach to address the latest paradigms of development that include participation, governance, and democracy. His contribution was favourably received, particularly in developing countries, because of its focus on inclusiveness. Rhodes (1996) believes that bottom-up practice ensures downward accountability and equips public managers with better vision to act as entrepreneurs. It also involves maintaining democratic norms and values among "power-holders or duty-bearers, and citizens or right-holders, based on the fundamental democratic principle" (Votmer, 2010: 138).

Wong and Guggenheim (2005) see decentralisation as a bottom-up model, providing opportunities to the marginalised and increasing their physical access to public commodities and services. Recently, almost all countries of the world have implemented the decentralisation approach to improve service delivery at the grassroots level.

¹² Sociological theory defines elites as a loosely defined group of the richest and most powerful people who control a disproportionate amount of wealth and power, such as key political leaders, business owners, high-ranking military and civil servants. Local political persons, feudal groups, local educated persons are considered local elites (Mesthrie, 2001).

However, a number of critics demonstrate that the bottom-up system has numerous constraints for both developed and developing societies (Bashaasha, Mangheni, & Nkonya, 2011; Becchetti, 2002). For example, Grimm (1999) argues that this concept was intentionally introduced by the corporate sector to strengthen the privatisation process. Evidence shows that the bottom-up approach has been upgraded by donors and technocrats, who always emphasise structural reforms (Uvin & Miller, 1996).

2.3.2 Challenges of the service delivery system

Insufficient resources, elite control, absence of service standards, scope for inter-organisational linkages for service delivery, and the deficiency of integration and regulation among the non-state providers, government, and the private sector are the key issues in service delivery in developing countries (Graddy & Chen, 2006). Although decentralised governance has helped combine national and local resources mobilisation and utilisation to a certain degree (Shrestha, 1996), there are some common phenomena that cause the poor performance of central and local actors. These are policy biases, political control, weak bureaucratic performance, and weak planning and monitoring systems (Bardhan & Mookherjee, 2005). Experiences from Asia, Africa and Latin America demonstrate that failure of governance is a consequence of poor service delivery (Moore, 2011).

An outmoded administrative system was unable to deliver commodities and services efficiently and effectively in the past (Dix, 2011). The major reasons were “inefficiency of the bureaucracy, corruption and cronyism, falsification, political interference in public management, and violation of the rule of law” (Rhodes, 1996: 655). Thapa (2010) points out that development management has suffered from lack of direction, unaccountability, lack of responsibility and denial attitude for effective implementation, and conflict between discrete agencies in coordination mechanism. Thompson (1980) points out that the bureaucracy in the recent years, has failed to appreciate the tremendous changes of the technological revolution,

global economic competition, downturn in markets, and severe fiscal constraints. One of the causes of this failure is that bureaucratic institutions are relatively stable and exhaustive, more centralised, technocratic and hierarchical, and exhibit disharmony between the authority, rights, and responsibilities of bureaucrats (Olsen, 2008).

Consequently public-private partnerships have been esteemed as an alternative mode of delivery for social services. Nevertheless, the performance and approach of the private sector in recent years has demonstrated major limitations in partnership arrangements between the public and private sector (O'Toole, 2003). The main concern is the profit motive of the private sector that disempowers local communities in service delivery (McEwan, 2003a). Many examples show that the private sector is highly influenced by political ideology and not guided by specific goals, strategic directions and integrity (O'Toole, 2006).

Civil society has a major responsibility to maintain social accountability and raise the public voice against such inefficiencies and ineffectiveness (Stoker (1998). The experiences of Asia, Africa, Eastern Europe and Latin America emphasise collaboration between government and civil society, as the symbol of good governance. Alliances and coalitions among the communities (mainly marginal sectors), their representatives and policy-makers are very important for mobilising poor communities (Nsubuga & Olum, 2009). However, civil society in many developing societies is still crystallising and unable to take on the role it is presumed to play. Unstable political situations and frequent corruption, within civil society groups, has led to distrust of their role and agenda in society (Roy, 2008a).

In Cambodia, Thailand, Indonesia and the Philippines where corruption has been widespread, civil societies' activities are not geared towards governance. They perform only a watchdog role and do not really involve themselves in service delivery; neither do they advocate for economic and political rights for the people (Rocamora, 2008). In Africa, civil societies are less capable, unaccountable and highly corrupted; they have no agendas to raise public

demands (McEwan, 2003b). The Indian experience shows a big challenge for civil society to establish the governance at the grassroots level, but a majority of the organisations within its fold, are excluded because of the power struggle in local politics, their poor capacity and almost no operational control over funds meant for local development (Roy, 2008a).

2.4 Concluding comments

Governance is a cross-cutting paradigm which, if applied correctly, attempts to raise the quality of institutional performance and support efficiency of service delivery. In the service delivery process, governance has two aspects. The first is the representational aspect embedded within institutions. This promotes transparency and accountability, participation and responsibility, rule of law and democracy. Second is the performance aspect that goes with public sector management, legal procedures, competences, and delivery of services. These indicate that governance shapes modes of service delivery, regulates institutions, and directs policies for economic outgrowth and social advancement.

However, suspicions have been raised regarding the effectiveness of governance in basic service delivery. State-centric government policies and unfavourable socio-economic circumstances hinder the achievement of high quality performance by institutions and an efficient mode of service delivery. Thus appropriately designed community governance can address problems by employing a range of collaborative initiatives, participatory measures, deliberative efforts, and new forms of community accountability at the operational level.

Following the above conceptual discussion, the next chapter attempts to design a suitable analytical framework to explore the effectiveness of service delivery at the grassroots level.

CHAPTER - 3

Service Delivery at the Grassroots Level: Towards an Analytical Framework

3. Introduction

Institutional crisis is a basic reason for market failure, poor governance, economic vulnerability and dysfunctional mechanisms for providing basic services at the grassroots efficiently (Bowles & Gintis, 2002). The service system in developing societies is exclusionary and unaccountable from the social, economic, and political points of view (Tamang & Malena, 2011). Both endogenic and exogenic factors are simultaneously responsible for the onset of poor service system in these societies (Pyakuryal & Suvedi, 2000). To improve this, many developing nations have focused on equitable access of basic services and the workable partnerships of communities, government, market, international agencies and NGOs/CBOs (Mehrotra, 2006).

This chapter outlines the analytical framework of the study based on the conceptual foundation presented in the preceding chapter. The first section focuses on the theoretical debate on effective service delivery at the community level. Section two provides some insights into governance models' contextualising of the basic service delivery system (BSDS), while section three explores the debate on CBO capability for effective basic service delivery. Section four presents the contextualisation of community governance for effective basic service delivery. The final section concludes the theoretical debates and recommends an appropriate theory for effective basic service delivery at the community level.

3.1 Theoretical insight on effective service delivery

In policy discourse, many theories have been used to analyse effective services at the grassroots. These provide us with an understanding of the structure, relationships and the capability of actors in service delivery.

3.1.1 System theory

System theory describes organisational structures and functions, and their interactions with the external environment (Kerno, 2008). It concentrates mainly on the analysis and design of whole components, or parts thereof, which are multi-dimensional and further emphasises the linkages between groups of elements (Ramo & Clair, 1969). Phillips (1969) explains that the basic norms of system theory are interrelationships of different organisations, which intensify the interactions and associations.

In the community context, the components (the communities) integrate through many interactions (by way of members) into a single system (CBOs), which is empowered for service delivery. Hence, the empowerment of the components is seen as dynamic and flexible, and as interconnected patterns that develop over time along certain dimensions (Lusthaus *et al.*, 1999). However, the community service delivery system is a very complex phenomenon in which numbers of activities, clients and actors are directly and indirectly involved in keeping with their own interests (Therkildsen, 2001). Although system theory tries to integrate all components into a single system, it is a highly mechanical, quantitative and objective theory that relates only to technology and input-output relationships, whereas the social aspects and social organisations are more flexible (Ramo & Clair, 1969).

Organisations in the community are a part of the whole system. In this system, the influence of higher levels is greater than that of the lower levels. Similarly, the organisations are normally bounded by the environment, in which they practice their roles, relationships,

capacity, norms, values, traditions, and goals that differentiate one organisation from another (Longres, 1995). However, focusing only on input and output system, numbers of technicalities, and representing only quantitative approaches, the application of system theory in the organisational context, has developed in a more bureaucratic fashion (Rugh, 1981).

3.1.2 Institutional theory

Institutional theory focuses on institutions which interact and the way they affect society (Chandler, 2011). According to North (1994), it builds the organisational capability to rule and govern society by observing organisations, their formation, internal settings, influences, social values, and political and economic actions (Lusthaus *et al.*, 1999).

In the community service delivery perspective, institutional theory includes four different levels of CBO engagement. These are: embeddedness that defines conventions, traditions, ethics, norms and values of organisations; the institutional process, such as execution, legislation, judiciary, and organisational rules and regulations; governing system, such as management structures; and resources management (Reydon, 2006; Török, 2005). Such levels are closely connected with institutions, their practices and rules, actors, power and functional arrangements, and control and mobilisation of resources (March & Olsen, 1996; Soderbaum, 1992).

In this perspective, institutionalism recognises the existence of organisations, their networks, interactions, negotiations, and the associations that may vary for their value systems or validity (Jenkins & Smith, 2001). However, the weak capability of organisations to design sound policies, institutional imperfection in the service mechanism, scepticism, less priority on structural issues, poor network and association, increasing elite intervention in the organisational structure, less priority to the client service, and highly compartmentalised (top-down) doctrine may contribute to the failure of the institutional approach to community service mechanisms (King, 2008).

Often, the high degree of influence of the political system, fixation with organisational structure, lack of enforcement mechanisms, and less attention to measuring the impact of delivered services, may result in the institutional approach becoming more bureaucratised (Mead, 1979).

3.1.3 Capability theory

Capability theory explains two basic normative approaches. These are the freedom to achieve well-being in terms of a basic moral position and people's capabilities (Iversen, 2003; Sen, 1990a). Amartya Sen introduced the capability approach, based on the Aristotelian theory of political distribution and human flourishing (Clark, 2005; Saito, 2003). Sen pays more attention to capabilities and commodities through the distinction of 'means and ends', 'functionings and capabilities', and 'freedom of public choice' (Iversen, 2003; Sen, 2004: 78). The means are the inputs of capability, whereas the ends are interpersonal capabilities of various 'doings' and 'beings' (Migheli, 2011; Sen, 1990b). Functionings deal with the ability of individuals or organisations to achieve the ends that are enabled by means or different types of inputs, such as non-market, market, and public welfare inputs (Saito, 2003).

In the community basic service mechanism, system, institutional and the capability theory interconnect by 'converting factors' empowering people and providing them with the freedom of choice (Frediani, 2010). The major implication of these theories is creating an enabling environment to increase people's access to health services, clean drinking water, basic education, and awareness promotion (Robeyns, 2005). Sen (1999) argues that people in developing countries are deprived from access to basic entitlements, such as high-quality education, genuine political participation and community activities (Walker, 2005). In order to address such deprivations, financial resources and economic production are considered the main inputs (Robeyns, 2005).

Similarly, political exercise, institutional mechanisms, such as freedom of thought, collective voices and actions, effective participation in the democratic process, socio-cultural practices, social power structures, social institutions, public services, social attitude, beliefs norms, practices, and values, are the key components required to bolster these capabilities (Calderón & Szmukler, 2004; Sen, 1990a). Thus the capability approach integrates basic services for social and economic well-being.

However, current trends show that communities without roles and responsibilities, adequate resource capacities, and an enabling environment, are unable to make choices relating to basic services, such as primary education, healthcare facilities, clean drinking water and improved sanitation, mobility and many other livelihood activities (Clark, 2005; Mehrotra, 2008). Although the capability approach is about empowering powerless people and encouraging them to become a part of the community, with a collective voice and the means to collective action, this is so deeply dominated by politics, which makes it difficult to pay sufficient attention to the means of freedom (Iversen, 2003; Kuonqui, 2006). It is argued that the capability approach has focused only on the supply side and upward accountability, and too little on society and community (Clark, 2005).

3.1.4 Neoliberalism

Past experience shows the system institutional and capability theories were more top-down oriented and thus failed to ensure the effective delivery of basic services or involve multi-actors in the service mechanism. Many authors believe that neoliberal policy has widened the gap for shifting the function from the state to alternative actors (Bowles & Gintis, 2002; Lemos & Agrawal, 2006; Zafarullah, 1998).

According to Harvey (2005) neoliberalism gives priority to the self-regulating market, including individual freedom and well-being, efficient resource allocation, and optimum utilisation of commodities and services. Thorsen and Lie (2000) identify four basic elements

of neoliberalism. First, it reconceptualised the role of government. This describes the state as a safeguard which has created safety nets to encourage domestic stakeholders' involvement in service delivery functions in a more competitive system, mainly in primary education, basic health care and other public facilities. Second is the emphasis on decentralisation and a 'flexible' private sector with greater degrees of freedom and choice. Thirdly, neoliberalism counters domestic economic obstacles and strongly advocates foreign investment. Lastly, neoliberalism is well-matched with 'Keynesian Economics'¹³ to increase economic growth, by cutting taxes and subsidies and lowering the interest rates in the financial sector. In the community perspective, neoliberalism has brought together two reverse discourses, such as individualism and community, by highlighting the governing community (Cheshire & Lawrence, 2005).

In developing societies, the neoliberal agenda was enacted in the 1980s through the Structural Adjustment Program (SAP) under enforcement of the Washington Consensus, which focuses on liberal markets, allocative efficiency, and client-oriented service delivery (Paloni & Zanardi, 2005). This has guided the major policies, and strategies (poverty reduction and good governance) of the state role and responsibilities for the service system.

Experience shows that the emphasis of neoliberalism lay in a set of economic policies, which paid no attention to recognising that the 'social', or 'community' had created barrier to community people in participating in the basic service delivery system (BSDS). This forced research scholars, development practitioners, and policy makers to re-theorise public policies in order to meet the public demands in the changing context of the society (Clayton, Oakley, & Taylor, 2000).

¹³ 'Keynesian Economics' is an economic theory, which is related to total spending in the economy and its effects on output and inflation. This theory was developed by the British economist, John Maynard Keynes during the period of 1930s in an attempt to understand the 'Great Depression'. In his thesis, Keynes advocated increased government expenditures and lower taxes to stimulate demand and pull the global economy out of the Depression. Subsequently, "Keynesian economics" was used to refer to the concept that optimal economic performance could be achieved and economic slumps prevented by influencing aggregate demand through stabilisation and economic intervention policies by the government (Blinder 1988).

3.2 Contextualising governance theory for effective basic service delivery

According to Huntington (1991: 6), the “third wave democracy brought the new challenges to the existing system of most developing countries in the sources of authority, their purposes to serve the people, and procedures for constituting government”. This has not only persuaded the people to participate in the local service mechanism, but has also encouraged research scholars, development practitioners, and policy makers to re-theorise public policies in order to meet public needs in the changing context of the society (Clayton et al., 2000).

As mentioned in the previous chapter, the governance paradigm has created new avenues in promoting peoples’ awareness of their position in society in terms of participation and empowerment. Community governance, thus, has been gaining acceptance of the people, communities and broader society (Wilshusen, 2010). Many believe that it creates a path for communities, citizens and their institutions to make decisions, take actions and share benefits while governing, guiding, steering, controlling or managing basic services (Armstrong *et al.*, 2005). Many components of the public governance paradigm are relevant for community governance. In analysing the state of community governance in general, and basic service delivery at the grassroots in particular, these components are important.

3.2.1 New public management

In the past, “the governmental system in both advanced western democracies and the developing world was characterised by the highly centralised decision-making structures, abundance of weakly enforced formalities and regulations, lack of transparency and accountability non-performing public sector, bureaucratic politics, politicisation of service delivery systems; lack of access to state resources, and so on” (Sarker, 2005: 250).

This system is being gradually replaced by New Public Management (NPM), which has championed a vision to recover the fragmented and “hollowing state” (Roy, 2008a: 677). It

has two dimensions: “managerialism and New Institutional Economics”¹⁴. Together they focus on “professionalism, skills based management, explicit standards of service delivery, performance assessment, and quality based results, greater competition, and consumer choices” (Rhodes, 1996: 655). NPM is also about “delivering services to the citizens, increasing autonomy of the public managers, rewarding organisations and individuals on the basis of demanding and performing targets, and availability of human and technological resources” (Borins, 1995: 122). Similarly, NPM targets cost effectiveness, greater transparency, decentralisation of the traditional bureaucratic mechanism, management efficiency in public sectors, common efforts in stakeholder approaches, and an increasing emphasis on service quality, standard setting and public responsiveness (Yamamoto, 2003).

Despite the introduction of NPM, the realities do not reflect the ethos it purports to advance (Mongkol, 2011). Public administrators are influenced by complex constellations of institutions, statutory and constitutional law and most NPM efforts are donor accountable and technically designed (Denhardt & Denhardt, 2000; Fatile & Adejuwon, 2010). To overcome such problems, Denhardt and Denhardt (2000: 549) have proposed a “New Public Service (NPS)” as an extension of NPM in improving the governmental system. This process encourages public servants to play an active and responsible role and to work collectively in designing specific action strategies.

NPM, along with NPS, has created new opportunities for all community actors to contribute their knowledge, skills, expertise and technical know-how to community governance. These serve to increase community access to an improved service structure and remove the barriers to upward accountability and lessen centralism (Miranda, 2005). The major achievements of NPM initiatives have been: redefinition of the role of the state as caregiver, implementation of

¹⁴ Managerialism refers to private sector management in the public sectors. It focuses on professional management, explicit standards of service delivery through performance measurement, more attention to the results, and closeness to the customers, whereas New Institutional Economics concerns the professionalism of the existing bureaucracy, greater competition, and consumer choices in the service mechanism (Rhodes 1996).

the public private partnership concept, devolution of fiscal and administrative power and authority, use of citizen charters, and structural changes (McCourt, 2001). These have been significantly implemented through local government (LG) channels and other sectoral line agencies (SLAs).

3.2.2 Participatory model

Previous development practices had the colonial tag attached to them, being significantly top-down and designed with little stakeholder involvement in development (Bernhard, Reenock, & Nordstrom, 2004; Lassman, 2004). Conway and Chambers (1992) and Korten (1996) advanced the participatory concept and it has come to be viewed as a powerful tool for analysing basic service delivery systems (BSDS) (Perez., 1999). This tool focuses on participation, ownership, power sharing, control, service quality, social justice and interdependence between stakeholders (McEwan, 2003a; Stone, 1989). By applying these processes, community involvement, influence and control over policy process, resources and service mechanisms have been improved (Scott & Fannin, 2006).

At the community level, the participatory concept encourages grassroots communities to voluntarily involve themselves in decision-making, planning and implementing activities and social development programs. Through this process, community influence and control over policy making, implementing process, resource management, and access to public commodities and basic services has been growing (Hare, Letcher, & Jakeman, 2003; Laverack & Wallerstein, 2001; Taylor, Braveman, & Hammel, 2004).

Chambers (1994: 93) presents a number of methods, such as participatory observation (PO); rapid rural appraisal (RRA); participatory rural appraisal (PRA); and participatory action research (PAR) to increase community participation in the service mechanism. Kilby (2006) explains that these methods through CBO involvement have ensured downward accountability, established network connections, stimulated democratic practice, improved

service efficiency, and helped express a civic ‘voice’ in governance through consultations and collaborations.

Chambers (1983) argues that “putting the last first” is the only way to enlarge the participatory process. This enhances people’s engagement in the decision making process more inclusive, more acceptable, and increases the efficiency and cost-effectiveness of services (Mohan, 2001). Indeed the participation model inspires stakeholders to cooperate more closely in developing community-based priorities and policy agendas and in resource mobilisation and accessing basic public services (Ahmad & Talib, 2011).

Since mid-1990s, more innovative methods of participation have been developed to address the specific issues confronting communities. Some of these are: citizens jury and panel, focus group discussions, visioning exercises, issue forums and participatory negotiation cards (King & Cruickshank, 2012 :19; Marjolein & Rijkens-Klomp, 2002: 172). Such methods allow citizens and governments to act together in setting and implementing policies, establishing networking and linkages, and designing roles and responsibilities at the community level (Hardina, 2006; Zafarullah & Khan, 1989). These play an active role in empowering the people, by giving them civic ‘voice’, stimulating democracy, and improving the efficiency of the governance process (Somerville, 2005).

Nsubuga and Olum (2009) state that people’s participation in the community service delivery mechanism faces a serious challenge from the lack of political commitment and unsoundness of policies and the implementation of these. Extreme forms of elite domination lead to low levels of public willingness to participate. Chong-Min (2006) confirms that through elitism community power is monopolised by powerful people and their commitment towards social and economic development is to maintain the status quo. In contrast, pluralism emphasises decentralisation of power, participatory forums, and inclusive democratic practice, which is either being misused or manipulated (Kavada, 2010).

3.2.3 Social capital

The concept of social capital emerged from Durkheim's and Weber's social theories, which describe associations and inter-dependencies of people and communities (Jochum, 2003). This notion has been widely used by Putnam in participatory development to assess societal norms, values, trust and social relationships (Mansuri & Rao, 2004). Putnam believes that "social capital consists of the relation of horizontal features of social organisations, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefits" (Putnam, 1993b: 36).

In contrast, Coleman's (1988) definition of social capital focuses on "vertical associations that are characterised by hierarchy and an unequal distribution of power among groups and members" (Colletta & Cullen, 2000: 3). Fukuyama (1995) also views social capital as public trust, which comes from the social norms, reciprocity and successful cooperation of citizens and accountable organisations.

Community-concerned social capital, as defined by Uphoff (2000: 216), can be divided into two components, 'structural' and 'cognitive'. The structural component relates to both vertical and horizontal relationships, associations and networks of members and institutional structures. Horizontal relationships are more downwardly accountable, whereas vertical relationships are more hierarchical and power-based, or concerned with resourcing. The cognitive component is the driving force which comes from values, norms, civic responsibility, reciprocity, and trust. In his work, Putnam explains that social capital can improve the efficiency and effectiveness of a community by helping the state and the non-state organisations, internal and external actors of the civil society to combine their efforts to achieve a common purpose (Mondal, 2000).

For some, social capital is an outcome governance achieved through the participation, association, integration, and the collective contribution of community people that leads to

initiating social changes, establishing social norms, and developing social cohesions (Falk & Kilpatrick, 2000). Associations and integration of people and community groups explains their concern about community service delivery issues (Narayan, 2002). Some argue that this is not just the sum of the activities of the institutions, but is also the glue of social harmony, that leads to better livelihoods (Chau & Yu, 2009; Miraftab, 2004).

3.2.4 Central-local relationship

Central-local relationship mainly concerns the organisation and delivery of public services at the local level. This creates a space for the local people and their institutions to manage the delivery of public services in their own areas (Wilson, 2003). A worldwide trend developed in the late 1970s, to decentralise the powers and responsibilities from central units to lower units (Jong-Ho, 2002). The purpose of such action was to empower the lower units in decision making, planning, implementation, resource mobilisation and service distribution. Rhodes' (1997a) explains central-local relationship as the process of institutional differentiation and pluralisation. In this association, the new network of central-local relationship not only steers them, but also holds them accountable.

The concept of central-local relationship was developed to establish a new working relationship, promote economic, environmental and social well-being replacing suspicion, and promote service standards (Allmendinger, Morphet, & Tewdwr-Jones, 2005; Katorobo, 2004). It supports the devolvement of powers, increases organisational effectiveness in the process of implementation and the efficiency of the public policy at the centre, and grants self-governance to the local level (Wollmann, 2004). It promote people's participation, building social capital, new forms of competition, new forms of organisational management, and searches for a new governing code between central and local government, and local community (Lowndes, 1999).

All of the above-mentioned concepts have strong relevance for strengthening community governance and for addressing distributional issues, encouraging demand side service systems, and disconnecting institutional control from the top (Sanyal, 1996). More importantly, these concepts can be integrated to analyse basic service delivery system and assess its impact on communities.

3.3 Ideological foundations of community-based organisations

Some authors argue that the CBO capability exists largely in the technical skills, competencies and abilities of the social groups. These can be achieved by the organisational activities, resource mobilisation mechanisms, community mobilisation, planning, implementation, and monitoring, community level governance, coordination and linkages, and social contribution (Kaplan, 2000; Zamin Abbas, Amin, Mahmood, & Rashid, 2011).

However, the role and functions of CBOs have been critically observed from three distinct ideological categories--transitional, idealistic, and transformative (Veltmeyer, 2005).

3.3.1 Transitional thought

Transitional thought, very close to the conservative and radical approach, argues that CBOs are not efficient in delivering basic community services. They are non-professional, unskilled, elite captured and donor driven. Their prime attention is on the funding agencies, the economic dimensions, and supply-driven-service delivery system (De Wit & Berner, 2009; Jenkins, 2001). They normally act in parallel with government and create another layer of bureaucracy (Shaktin, 2009).

Some authors argue that transitional thought in the context of CBOs' weak capacity is a consequence of ineffective government policies, lack of commitment in the implementation of programs, and power attitude of the political and bureaucratic front liners (Kamat, 2003; Shaktin, 2009; Veltmeyer, 2005). The outcome of CBO inefficiency is not only their

inability to promote local participation, identify local needs, mobilise local resources, operate tailored projects within strict budgets, and reach the poor, marginal and remote sectors of the communities (Habib & Taylor, 1999; Veltmeyer, 2005), but it also downgrades and manipulates the institutionalised indigenous local democracy and the governance system (Lusthaus *et al.*, 1999).

Some authors point out that the negative influence of social elites, community power structures, feudal legacy in the representative system, client-patronage systems of donors, and apathetic roles of the state have led to an abeyance of CBO functions (Diamond, 2002; Veltmeyer, 2005). Soderbaum (1992) illustrates that the transitional arguments are weak regarding the strategic intervention of CBOs and their service delivery capacity.

3.3.2 Idealistic thought

Idealistic thought is more inclined towards liberal thinking in the context of CBO operations. Neoliberals believe that civil societies are capable institutions with the potential to harness social and economic opportunities and deliver efficient basic services (Traynor, 1995). Many authors consider that CBOs can contribute to the sustainable utilisation and management of local resources, mobilisation of local communities, promotion of community participation in the decision-making process, identification of local needs, and completion of community projects within budgetary constraints (Blaikie, 2006; Krishna, 2003). They consider CBOs more proactive, having the trust of and relationship with the community that attracts a variety of stakeholders to contribute to basic service delivery.

Narayan, Patel *et al* (2000) show that 60,000 poor people in 60 countries have influenced their own organisations in negotiating with their governments, markets, and non-government agencies. Through their own organisations they received direct assistance to shape their own destinies. These voices of the poor demonstrate that local communities have a deep sense of

involvement/connection with CBOs. These people believe that only CBOs can help them move from scarcity to sufficiency (Dongier, Van Domelen, *et al.*, 2003).

However, some scholars believe that the neoliberal framework promotes the top-down approach indirectly, focusing only on market forces that tend to centralise decision making and the implementation process (Allen, Smit, & Wallach, 2005: 150; Wallach, Allen, & Smit, 2008: 568). Under this approach, an overriding assumption is that all community actors share an equal partnership with each other, based on the interests of each. However, CBOs' inability due to the existing power structure at the community level, and the attitude of powerbrokers at the central level, has meant that community trust in CBOs has declined and their trust has instead been placed in community-based organisations. The number of theoretical and empirical explanations also ascertain that such compartmentalised policies, actions and process have not only enforced the CBOs to become upwardly accountable, but have also limited their collective or social interests and in their control of the exercise of democracy and governance (Bessant, 2005).

3.3.3 Transformative thought

Transformative thought was developed to bring about fundamental change in the attitude and behaviour of the two previous ideologies and provides an alternative in 'learning by doing' (Stetsenko, 2008). The idea assumes that CBOs are the best vehicle to deliver basic community services and dismisses the previous arguments as insufficient, in describing the CBO structure, actions, relationships and their capacities. More importantly, this approach transforms the attitude of GOs, NGOs and donors to help establish more CBOs (Martínez, 2008). In this sense, the transformative thought approach recommends the promotion of sustainability for communities and CBOs.

The European Commission (EC) (2007) argues that strengthening CBO capacity is a dynamic process, which is necessarily embedded within the transformative approach. Experiences

demonstrate that enhancement of CBO capacity in local-level planning brings changes in the socio-economic status of the poor, institutional empowerment, gives people a deeper insight into their community and gradually changes the structure of rural power (Talukder, 2004).

The *Chipko* movement (Agarwal, 1992) and *Jan Swasthya Abhiyan* in India (Campbell, Cornish, Gibbs, & Scott, 2010), the Community Forestry movement in Nepal (Khatri-Chhetri, Joshi, & Maharjan, 2007), the Rural Credit movement and *Swonirvar* movement in Bangladesh (Huque, 1985), and the *Sarvodaya* movement in Sri Lanka (Candland, 2000) are examples of the transformative movements of CBOs, that have led to the inclusion of people from marginalised sectors of the community.

Many arguments indicate that transformative thought under the governance framework, has strengthened the local communities through the legislative process, removing centralised hierarchical systems, and establishing community power relationships at the grassroots level (Carney & Bista, 2009). In addition, local communities are encouraged to mobilise their people, resources, and exchange their skills and knowledge through informal CBOs. Although experiences indicate that the numbers and sizes of CBOs are growing rapidly, the large numbers of groups forming without consideration of local realities, tend to present numerous variations in their functions, roles, capabilities, resources, and functional links.

Community governance as a transformative approach has empowered communities in addressing institutional crises, poor governing systems, and economic vulnerabilities. Through this process, the capability of CBOs has grown and contributed to contemporary public debates, agenda articulations, advocacy and lobbying, human rights, participatory democracy, peace and conflict resolution that empowered the different sectors of communities, such as the poor, women and marginal communities.

3.4 Contextualising community governance for effective service delivery

After the failure of the market mechanism in the late 1970s, the neoliberal policy became prominent in the development discourse that has encouraged pluralism, such as personal responsibility, competition, efficiency and reduced assistance. Such initiatives have contributed by influencing the decision-making system, and have changed the attitudes and notions of ‘community’, ‘self-reliance’ and ‘self-help’ (Cheshire, 2000).

However, the capacity of most community actors in developing countries is significantly low in terms of technical and financial resources, which forces them to be vertically accountable (Ingram, 1998). Under these constraints, community governance encourages local actors, mainly communities and their organisations, to perform their roles effectively, enhances internal and external capacity, develops collaboration to improve service quality, and addresses the inducing factors for BSDS. Foley and Martin (2000) explain that the relationship between governance and service delivery is based on a number of factors such as enabling policies, legislations, and community concerns. Commins (2007) holds the view that such relationships encourage greater community involvement, build trust and relationships, and create accountability, which improves responsiveness and the cost-effectiveness of community service delivery.

More recently a number of models have highlighted the relationship between service delivery and governance (McIntyre & Halsall, 2011). Chadwick and May (2003: 272) describe three distinct models on the basis of interactions between community actors. These are: “managerial, consultative, and participatory” models. The first describes communities that are passive actors in receiving and delivering information. The consultative model elaborates on the demand driven service system, and the participatory model refers to self-initiative and a demand-driven approach.

In addition to these, Newman (2007) highlights network relationships. These are more reciprocal, and the collaboration and networking between service providers and receivers evolves into a friendly environment of program implementation. Self-governance is a normative relationship, where service providers uphold strong values and norms to facilitate receivers to govern themselves (Engerman & Sokoloff, 2008).

Based on the above discussion, an analytical framework for the study is portrayed in Figure 3.1. This framework links different elements relevant to institutions and capabilities and places them within the context of neoliberal interventions under the umbrella of governance, emphasising new ways of managing public services, mutually supportive central-local relations, and enlarging social capital through participatory structures.

The framework depicts the way different factors - ideological, macro and micro - impinge from different directions with divergent purposes, to influence the effectiveness of basic service delivery at the grassroots. Institutional failure and the legacy of bureaucratic centralisation are known to hinder downward accountability. This can be corrected by focusing on community governance standards, which are created by the roles CBOs play, their capabilities and functional collaboration with other entities, and positive application of governance determinants. The Nepalese case is analysed using this framework.

In Nepal, governance was implied in each governing system since the historic period. This was expected to improve the performance of public institutions. However, dictatorial and centralised approach, service delivery was not equitable and accessible by all. After World War II, a new democratic system was introduced and many theoretical approaches such as systemic, institutional, capability and neoliberal were explored and deployed to standardise the delivery of services. Nevertheless, the effectiveness of these theoretical approaches has been minimal. Experience reveals that the numbers of micro (economic and political crisis, institutional dilemma, malfunctioning governance) and macro factors (neo-patrimonial ties,

clientelistic pattern, colonial setup) strengthened top-down and centralised mechanism in governance, which was the basic reason of institutional failure in Nepal. In a similar vein, ideological foundations of CBOs and their activities were developed in the early 1950s that aimed at improving rural livelihoods. However, preceding practices such as idealistic and transitional thoughts could not bring any tangible changes in service delivery.

To address the situation, many CBOs adopted transformative ideas in the early 1970s in their activities that enabled them to ensure downward accountability and managing community livelihood system for community development. At the same time, governance theory has been adopted to improve institutional efficiency, client-oriented service delivery, and macro-economic performance, including poverty reduction and good governance. This has promoted institutional development, on the one hand. On the other, it has stimulated community based institutions for their clearly identified roles, capabilities, functional collaborations and inducing factors for effective community service delivery. Thus general governance theory and the community governance paradigm have reinforced service delivery system at the grassroots level.

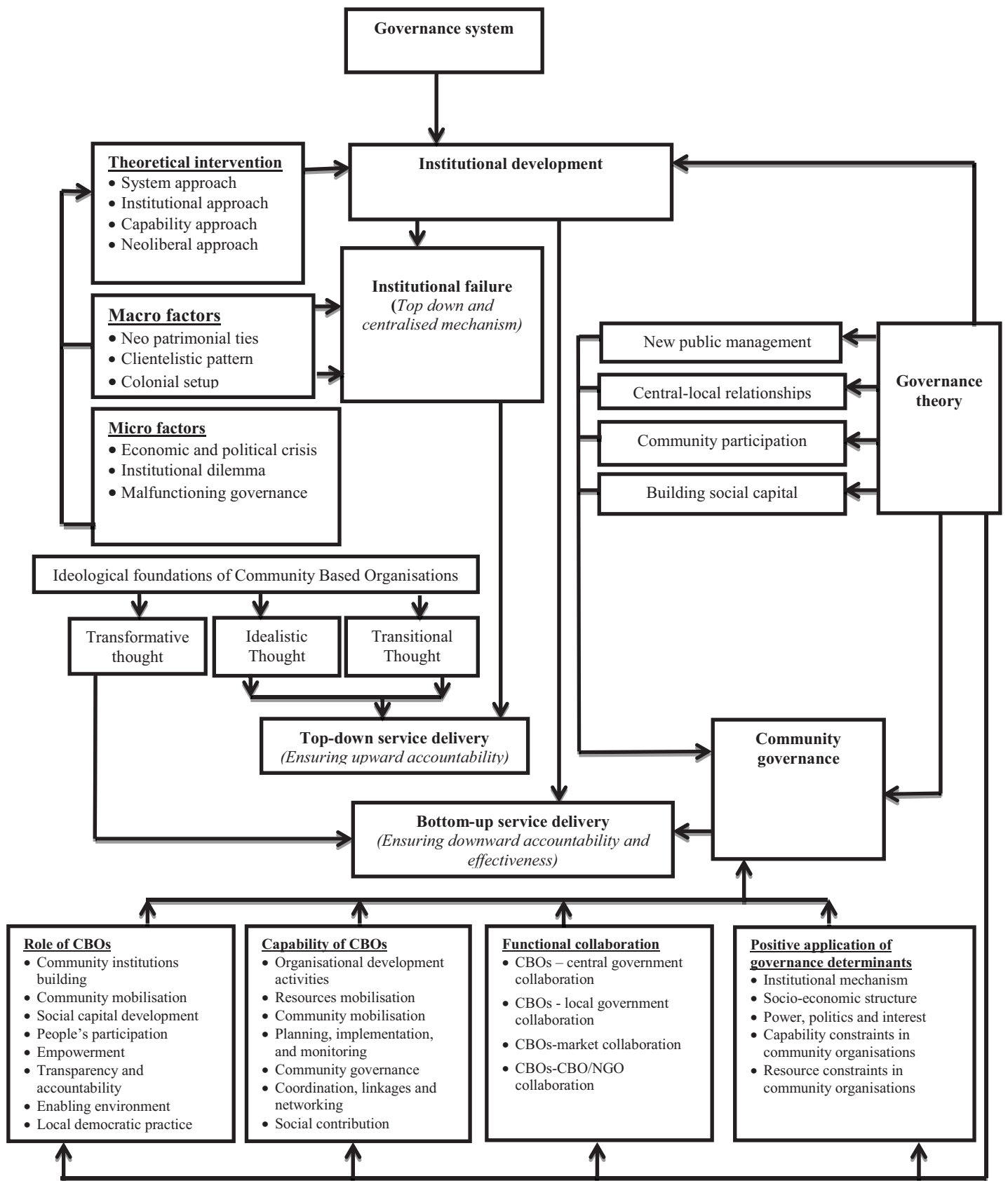


Figure 3.1: Analytical framework of community governance for effective basic service delivery system

3.5 Concluding comments

Basic service delivery system is one of the essential ingredients of decentralisation and good governance. This can be achieved by the broader participation of communities in decision-making at the grassroots level. The impact of community governance through participation and enlarging social capital in the basic service delivery system can be of three types: intensity of participation (active vs. passive); scope of associations (many vs. few); and purpose of participation and association (non-political vs. political). Thus, the community governance paradigm is significantly linked with the basic service delivery system, which bestows the power of capability and accountability, and improves technical efficiency of all actors involved in grassroots level basic service delivery mechanism.

For the community discourse, Uphoff (1993) elaborates that the power of participation and association can drive people's knowledge, assess the local situation, and create an environment for the effective service delivery. More importantly, it highlights the agendas on inclusion of poor and marginal groups, and on developing social capital to provide them a bigger voice and choice, both in the community and partners' entities. In addition to these, the theory of governance is interconnected in almost every discipline of the social sciences, and has been used to describe institutional dynamism, governance, organisational efficiency and service delivery.

Following the above theoretical insights and a working analytical framework, the next chapter explores the social, political and economic setting of the study.

CHAPTER - 4

Exploring the Social, Political and Economic Context of the Study

4. Introduction

Having provided the theoretical insights and a working analytical framework for this study, it would be pertinent to discuss within the thesis, the problematic social, political and economic contexts of Nepal, a small mountainous land-locked country between two economic giants - China on the edge of the Himalayan mountain range in the north and India on the Indo-Gangetic plain in the south. It is part of South Asia and is characterised by multi-biodiversity, multi-climatic conditions, and multi-ethnic composition of its population (Agarwal & Upadhyay, 2006).

This chapter provides a brief description of Nepal, its key features, service delivery system and other relevant issues. The first section is about Nepal's political history. Section two presents bio-physical features. The third highlights the socio-cultural structure, while the administrative system has been explored in the fourth. The fifth section reviews the economy, while social policy issues cover section six. The seventh section looks at infrastructure problems, and the development of community based organisations is presented in section eight. Section nine elaborates on some important issues concerned with development, while the state of community governance is highlighted in section ten. The last section provides the concluding comments of the chapter.

4.1 Political shifts and governmental system changes

Since ancient times, basic service delivery in Nepal has always been a major concern for both the government and the people. In the present context, experience indicates that many

successive governments developed different kinds of administrative structures to deliver various services for the public. However, political and bureaucratic systems that are complex at the central level, mean that power in reality, is not adequately devolved to the local levels. In addition, compartmentalised policy formulation at the national level as well as legal constraints and lack of capacity at the grassroots severely constrained service delivery. The following table shows the historical political and governmental shifts and in the structure and mechanisms of service delivery in Nepal.

Table 4.1: Political and governmental shifts and service delivery mechanism in Nepal

Governance shift	Period	Structure of Service system
<i>Gopals</i> or <i>Abhiras</i>	Beginning to 900 B.C.	The concept of state was introduced
Kirata ¹⁵ regime	900 – 300 B.C.	Kirat administrative system was divided into central and Thum (local). <i>Chumlung</i> was a decision taking body for service provision. The king was in the centre of governance.
Licchavi ¹⁶ regime	800 A.D.	Licchhavi administration was divided into Central, Vishaya (district) and Grama or Dronga (local). Royal charters, Royal laws and rules were developed, while some parts of the Kingdom were given autonomy. In the latter part of the regime, the kings became more dictatorial.
Malla ¹⁷ regime	18 th century	Kings exercised their full sovereign authority, as head of the state and the government, exercising all executive, legislative, judicial and military powers.
Unification period	1769-1846	King was in the centre of decision making.
Ranas ¹⁸	1846-1950	Authoritarianism became more prominent and the prime minister was in charge of the decision making process.
Democratic transition	1950-1959	Fragile political situation and there was no identified service structure. However, the government took responsibility for delivering services.
Panchyat system	1960 – 1990	King was very powerful and ruled from the centre. Administrative system was structured into five layers. These were central, regional, zonal, district and

¹⁵ The Kirata were indigenous ethnic groups who migrated to Nepal via Assam, Burma, Tibet and Yunnan around 700 B.C. and ruled over it. Altogether 29 kings of this dynasty ruled the country for about 1225 years. Yalamber was the first king of the Kirata (Schlemmer, 2004).

¹⁶ It is believed that in between 400 and 750 AD, the Licchavi ruled the Nepal. The Licchavis migrated to Nepal from northern India in about 250 AD, probably in fear of Muslim empires (Shaha, 1997).

¹⁷ The Mallas ruled Nepal from the 12th to the 18th century. The first Malla king was Abhaya Malla. During this dynasty the foundations for the great city of Kantipur, which later became Kathmandu, were laid (Shaha, 1997).

¹⁸ The Rana dynasty ruled Nepal from 1846 until 1953. Rana regime was highly dictatorial and centralised. Janga Bahadur was the first Rana Prime minister of Nepal (Kanel & Acharya, 2008).

		grassroots (municipality/VP). However, services were delivered through centre, district and grassroots level bodies on a highly top-down basis.
Parliamentary democracy	1990-2006	Governance structure was reshaped into three layers (central, district and grassroots). The state system was based on monarchical democracy, with the king as head of the state and an elected government was given sole responsibility for service delivery.
Democratic republican system	2006- till to date	A democratic republic system has been established, in which the president is head of state and people's elected government exercising sole responsibility for services.

4.1.1 Pre-panchayat era (Pre-1960)

Facts and figures about Nepal's pre-historic period are hard to establish. However, societal myths and public knowledge show that most likely the earliest inhabitants of Nepal were of Tibeto-Burman ethnic origin. They came from China in small groups and settled in the Kathmandu Valley. Dharmakar was the first King of *Manjupattan*, the first state founded on small settlements. Later this came to be known as Nepal (Shrestha & Singh, 1972).

In the period of *Kirata*, the royal palace was the power centre in the kingdom. The King was head of both the state and government, exercising all executive and judicial powers. He also controlled the entire socio-cultural and religious affairs of society. To ensure effective service delivery, the *Kirata* formed a *chumlung* (council) containing representatives of different communities to determine the best way of providing services to the people.

The *Licchavis* were the next to rule. Initially, they were highly committed to providing government services and initiated decentralisation of authority to the local level through royal charters, laws and rules. Some parts of the kingdom were even given autonomy to conduct independent development activities. In the latter part of their rule, the *Licchavis* became more dictatorial, resulting in the centralisation of the service process. They were followed by the *Mallas*, some of whose kings exercised full sovereign authority over executive, legislative, judicial and military matters.

After the unification of Nepal and until the *Rana* conquest, successive governments made efforts to facilitate the people's access community services. During the *Rana* regime, the prime minister was the supreme authority and all decisions relating to the distribution of development activities were made by him.

The historical lack of sincerity and responsibility for community services by Nepal's rulers is currently reflected in poor service delivery, and people were forced to rely either on their own local community system or on neighbouring India to obtain minimum basic services such as in education, health care, agricultural extension, and transport and communication.

4.1.2 Panchyat era (1960–1990)

In 1950, a democratic system was established in Nepal and some initiatives were commenced to overcome the country's serious poverty problems. In 1956, the administrative reorganisation planning commission (ARPC) was formed to consolidate the public service delivery at the grassroots level through administrative system restructuring. In addition, there was a restructuring of the administrative system through the establishment of ministries, formation of different departmental committees and establishment of a monitoring committee to facilitate local development through decentralisation (Poudyal, 1989). Arrangements were made to establish Village Panchyats (VPs) under the Act of 1949, of which 791 were established. Realising the significance of *Panchyats* as local government units, a new Act was promulgated in 1956, which divided the country into 16 Zones and 60 new Panchyats. In 1959, the country was further restructured to form 7 provinces, 32 districts, 76 sub districts, 165 blocks and 6,500 village *Panchyats*. Simultaneously, moves were initiated to delegate power to smaller units, to strengthen the new democratic system.

In 1956, the Tribhuvan Integrated Rural Development Program (TIRD) was implemented to build the community infrastructure, providing agricultural extension, drinking water, health, sanitation and education services. At the sub-national level, mainly in the districts, District

Development Boards were constituted, with representation from the local people, concerned sectoral line agencies (SLAs) and relevant specialists. The main objective was to involve the local people, by increasing local ownership in planning and implementation activities. Unfortunately these innovative efforts were undermined by the covert conflicts between the King and political parties (Khanal, 2006b).

In 1960, the '*Panchayat*' system was introduced as the principal political strategy. Two years later, a new constitution was promulgated. It created a new local government structure with three tiers: zonal *panchayats* in the upper tier; district *panchayats* at the intermediate level; and municipal and village *panchayats* at the bottom. Separate legislation was formulated to define local bodies' roles and powers, authorities and functions, representative system and organisational structures, and horizontal and vertical linkages. The objective of the *Panchayat*-based local government system was to create local institutions to strengthen the political system at the grassroots level; develop local leadership; involve local people in decision-making processes; mobilise resources; and strengthen the local level planning process and service delivery mechanisms. In order to strengthen the system, many laws and regulations were formulated.

However, the complex bureaucratic mechanism and centralised top-down approach negatively impacted on efficient service delivery. Khanal (2006a) noted that the *Panchayat* system, not only paralysed the socio-political and economic life of the people, but also limited the functions of government. In addition, the increasing role of elites in decision making and resource mobilisation led to a decay in community ownership and people's participation in the service delivery process (UNDP/N, 2001).

4.1.3 Democratic revolution and its aftermath (1990-)

In 1990, a revolution sought to reinstate democracy, public rights and people-centric development. In 1991, a new democratic constitution was promulgated that ensured the

sovereignty of the people, good governance, civil society participation, human rights and freedom of expression. There was a focus on equal distribution of resources and opportunities, for all sections of the population, and removal of socio-economic inequalities across the country and among social groups (GoN, 1990).

In 1992, the democratically elected government formulated three separate Acts to empower the local governments. These are: the VDC Act, Municipal Act, and DDC Act. These Acts defined the organisational structure, representation and election system, and functional responsibilities of local bodies for community service delivery. An election was conducted in 1993 at the local level, in which the people enthusiastically participated.

However, the new provisions could not counteract the problems of the basic service delivery system (BSDS). Issues of local governments (LGs) and SLAs coordination and accountability widened (UNDP/N, 2001). Without the existence of a proper policy framework and with little attention to financial issues, linkages, coordination, capacity building and accountability, dissatisfaction with the performance of local governance and the Act of 1992 grew. Inexperienced political representatives at the local level were overlooked by the central, compartmentalised bureaucracy, which is highly conservative and reluctant to provide real autonomy to the LGs.

In response to recurrent issues and demands for improving the community service mechanism, the Local Self-Governance Act of 1999 (LSGA 1999) was formulated to provide for more effective community action. LSGA defined the District Development Committees (DDCs), Municipalities and the Village Development Committees (VDCs) as LG bodies and legally endorsed local self-governance and devolution of authority (NLC, 1999). The Act has ensured that local bodies have legislative power and responsibility to carry out planning, improve financial and resource management, and implement the governance system to promote accountability, transparency, people's and civil societies' participation, as well as to

encourage local leadership and private sector participation to contribute to local self-governance (UNDP/N, 2001). In this structure, donor resources and services were to be distributed through a single channel.

In 2001, a joint coordination forum for decentralisation was formed involving ministries, LGs, associations of LGs, civil society, donor organisations and the private sector, to discuss the improvement of service delivery at the community level. Five major thematic areas were identified for improvement: sectoral devolution; identification of LGs organisation and structure; fiscal decentralisation; institutional development; capacity building; and monitoring and policy feedback. In its annual program and budget speech in 2001, the government highlighted the sectoral devolution agenda for agriculture, livestock, education, health and postal services. The government also prepared bills to amend ten sectoral acts that conflicted with the LSGA (UNDP/N, 2001). However, the pace of reform slowed after 2002, due to the end of tenure of the elected leadership of local bodies. After this, the LG institutions lacked political legitimacy. Recently, the local bodies have been operating under the leadership of central government officials.

In 2005, a ‘royal coup’ recentralised power, authority and the service system. All positions in DDCs and municipalities, intended for elected representatives, were filled by nomination. In 2006, the municipal elections failed due to objections raised by all political parties and civil society. After the establishment of a democratic republic in 2007, a transitional arrangement was put in place, to provide for a local government service system. Executive authority was granted to civil servants by the central government. A ‘political mechanism’, consisting of representatives of all parties that participated directly in the Constituent Assembly elections, was also formed within every local body.

From both the principle and practical perspectives, community governance seems closer to suiting the needs of the people through BSDS, in supporting every aspect of the daily lives of

citizens ranging from education, health, water supply and sanitation to infrastructural service delivery mechanisms (See *Appendix 5.1 and 5.2*). After the enactment of the Local Self Governance Act (LSGA 1999), a number of positive developments took place at the grassroots level. The grassroots communities began building local infrastructures on a massive scale and providing social and sectoral services, including basic health care facilities, primary education, agriculture and extension services, by allowing district level local bodies to formulate plans and implement and institutionalise them at the grassroots level (Sharma & Muwonge, 2010). Moreover, the Act has enabled LG to develop annual and periodic plans, establish financial and resource management systems and collect revenue, taxes, and service fees; establish a District Development Fund (DDF¹⁹) to promote decentralised financing mechanisms, and establish a revenue sharing mechanism. External stakeholders such as SLAs, civil society groups, NGOs and private sectors play their respective roles and promote their causes under the local government umbrella (UNDP/N, 2001).

However, no significant step was taken to resolve existing conflicts between LSGA and sectoral laws that restrained local government bodies in coordination and linkage development. Among the 23 contradictory clauses, the central government paid attention to only 10 of them, leading to a rather negative perception of LG institutional activities and mechanisms. The lack of clarity on local bodies' roles and responsibilities has rendered the planning system problematic. As for resource mobilisation, the revenue base has not been fully widened or utilised (Bhatta, 2011).

In Nepal, resources and capacity building programs are mainly concentrated at the district, rather than at the community, level. District level agencies exercise a great deal of power over communities in budgeting and services provision. Consequently the latter are not able to

¹⁹ The District Development Fund (DDF) is a consolidated and non-operating account of local government, devolved sectors and non-state partners, managed in each DDC. The aim of the DDF is to strengthen decentralisation and empower the local governance process at the grassroots level. Recently, DDF has been strengthened as an integrated development initiative for local development.

emerge as efficient entities of the basic service delivery system at the local level. Additionally, the commitment of central level GOs towards decentralisation is not proactive in taking ownership and accountability. The absence of political representation in LG is acutely felt. Past conflicts inhibit participation in local development affairs. There is a deficiency of horizontal coordination in sector planning and budgeting. The approach to devolution is fragmented. The institutional capacity of LBs to absorb decentralised responsibilities and resources is weak. The mechanisms to mobilise NGOs, CBOs, civil society groups and the private sector in service delivery are fragile, which contributes to ineffective service delivery (UNDP/N, 2001). This has two main causes. Firstly, the decentralised democracy in Nepal (post 1990) is either more compartmentalised than before or is excessively power structured. Secondly, democracy in Nepal is clearly divided into two layers. In the first are political and bureaucratic benefit groups, the capitalist and business class and social elites. They contend that democracy does not need state rule and regulations. In the second are the marginalised groups who are denied any opportunity to influence policies intended for them; democracy only becomes significant on Election Day.

4.2 Biophysical structure

Topographically, 83 percent of the country is characterised by fragility, inaccessibility, marginality and diversity (Jodha, 1992). In the south, the plains of the Terai region, covering approximately 17 percent land, are mainly agricultural and densely populated and continuously threatened by floods and sedimentation (Poudel, 2006).

Many scholars agree that the biophysical structure in different ecological regions and localities is one of the causes of service inaccessibility (Bhatta & Doppler, 2010; Rasul, Chettri, & Sharma, 2011). The rugged mountain terrain is the major cause for poorly developed road networks, market limitations, agricultural growth constraints and limited service delivery in remote communities.

4.3 Socio-culture structure

Socio-cultural structure is an informal institution in any society that promotes interrelationships among social entities (Mishra, 2008). Nepal has been home to more than 100 diverse ethnic and caste groups during the last 1,500 years. These maintain separate cultural traditions collectively known as 'Nepali culture'. There are many viewpoints regarding this culture, its society and social relations. Dahal (2007) illustrates that social relationships in Nepal create unity between Hinduism, Buddhism and other religions. This is the process of *Sanskritisation* and *Nepalisation*. However, other studies show that such multi-lingual, multi-religious, and multi-ethnic diversity creates many hierarchies and disorder among ethnic groups (Karan, 1987). Cultural diversities such as ethnicity/caste, language, racial/physical differences, religion, gender, indigenous, and negative historical memories are the causes of cleavages in Nepalese society (Erckel, 2008). Dahal (2007) also views that minorities and socially deprived caste and ethnic group share about 18 percent of the total population of Nepal.

The caste concept is a dominant social factor. It was formally commenced during the Licchavi era (Bista, 1994). In the 14th century, King Jayasthiti Malla divided the existing social system of the Kathmandu valley into different caste groups on the basis of occupations (Panday, 2006). After unification of Nepal, King Prithvi Narayan Shah further considered Nepal as a collective garden of *Char Jaat Chhattis Varna* (four castes and 36 ethnic groups) (Pyakuryal & Suvedi, 2000). The effect of social stratification on the economic structure was the guarantee of greater privileges through power, resources, opportunities and services, for the higher caste groups. Their dominance over the under-privileged groups has led to the latter's exclusion, poverty and lack of access to services (Shields & Rappleye, 2008).

4.4 Administrative system

After the unification of the country, Nepal was converted into a unitary based system, ruled by a monarch. During the Rana period (1846-1950), the administrative system was highly centralised and executive, judicial, and legislative powers were concentrated in the prime minister. All government employees were directly accountable to the prime minister. In this system, the prime minister, who was responsible for national affairs, delegated power and authority to chief executives for sub-national level administrative and judicial functions, and for running the basic service system (Joshi & Rose, 1966).

After the overthrow of the *Rana* aristocracy in 1950, the democratic government attempted to reorganise the administrative system, which included the establishment of ministries, redesign of many designations and posts, formation of different departmental committees, formulation of anti-corruption rules, initiation of organisation monitoring practices, and facilitation of decentralisation policy in local development (Poudyal, 1989).

Nonetheless, the administration of Nepal was dominated for a long time by dictatorial politics. The government priority was maintenance of law and order, and suppression of anti-*Panchyat* political activities. In order to maintain administrative discipline at the local level, the position of Chief District Officer (CDO) was created at the district level, and at the central level the royal palace secretariat was strengthened to monitor the public administration process. In 1975, an investigation centre²⁰ was established for effective monitoring of the service system. However, despite a number of efforts to reform the system, corruption and inefficiency were wildly prevalent in administration. Experience shows that the bureaucracy was influenced by elite sectors that made the service delivery weak (Pradhan, 1969).

The democratic movement of 1990 brought about massive changes in the Nepalese administrative system. The priority of the government shifted from state-led intervention to

²⁰ *Janch Bunjh Kendra*

people's participation in producing and delivering commodities and services. The formation of the high level decentralisation committee was a major step for decentralising the service sector. Recently, under the governance reform project, a roadmap to make services more efficient, effective, inclusive and responsive was announced. However, effective implementation of this reform is yet to happen. Major anomalies of the Nepalese service delivery system are due to inefficient bureaucrats and dishonest politicians, who contribute to unnecessary delays in decision making and working procedures and are reluctant to delegate power to the lower levels (Shakya, 2010).

4.5 Economy

The Nepalese economy is largely dependent on rural and agrarian activities that support three-quarters of the population and account for one-third of GDP. The GDP for 2009 shows that agriculture (including forestry) accounted for 35 percent; industry 16 percent; and service sectors 49 percent (GF, 2010). However, two-thirds of agriculture is rain-fed and largely subsistence in nature. Industrial production mainly involves agricultural processing. The service sectors, such as tourism and hospitality, education and the film industry, are rapidly expanding (Shrestha *et al.*, 2007). After 1990, the GDP increased by 5.3 percent and per capita income by more than 2.5 percent annually, owing to some macroeconomic stability, social and economic transformation of rural feudal relations, liberalisation, rapidly declining population growth rates, rapid growth of international trade and establishment of domestic industries (Pradhan, 2009).

Despite the gradual transformation of feudalism into urban elitism and other policy breakthroughs, the Nepalese economy manifests self-reliance, while nearly half of the population remains under the poverty equilibrium. The unemployment rate has been increasing by 14 percent, while the underemployment rate is more than 48 percent (Dahal, 2007).

Political instability and increasing global recession led to a sharp reduction in economic growth and the inequality gap has been widening, due to lack of access to minimum basic services in the poor, marginal and geographically isolated areas (GoN/UNDP, 2005). The *Nepal Human Development Report, 2001* clearly mentions that the economy largely depends on subsistence and feudal structures. The slower economic growth is the reason for the high variation in household income and the frequent changes in economic structure and policy have been due to unstable political conditions. A number of studies show that current political turmoil is one of the principal reasons for the decline of GDP (GF, 2010), and that the per capita income of Nepal remains the lowest in South Asia. In 2010, this was estimated at \$ 490 compared with \$ 640 for Bangladesh.

4.6 Social development services

4.6.1 Population

According to the national report of the 2011 census, the Nepalese population is now 26,620,809, with females comprising 51.44 and males 48.56 percent. Similarly, the annual growth rate of the population between 2001 and 2011 has been 1.4 percent, a reduction from 2.25 percent in 2001. Furthermore, the household size in Nepal has decreased from 5.44 in 2001 to 4.7 in 2011. Demographic indicators such as crude birth rate (CBR) decreased from 35.4 per 1,000 in 1996, to 33.5 in 2001 and 28.4 in 2006. Previously the CDR had decreased from 11.5 in 1996 to 9.96 in 2001 (MoHP/GoN, 2011).

4.6.2 Education

Nepal's literacy rate is recorded as one of the lowest in the world (Gurung, 2004). According to the 2011 census, the overall literacy rate has increased from 54.1 percent in 2001 to 65.9 percent in 2011. However, the number of literate people varies according to geographic region, gender, and caste grouping. Indicators show that educated people are more prevalent

in urban areas than in rural communities, in privileged groups than in marginal communities, and that males outrank females in educational level. In recent years, enormous attention has been paid by government and non-government partners to improving this situation (CBS, 2009). Thus, the literacy rate among women and in the marginal communities has increased satisfactorily, due to high state intervention, with support from aid agencies to improve school enrolment, reduce dropouts and introduce informal education in remote areas, specially focusing on marginal and women groups.

However, in terms of the number of women, marginal communities and remote areas, the quality of such groups and regions is not significantly high. Figures show that many rural people are still handicapped by lack of reading and writing skills. This restricts them from carrying out basic daily activities, such as understanding medicinal instructions, reading signposts and machinery directives, adapting to commercial regulations and preventing being cheated by local elites. In Nepal, high drop-outs, low enrolment and low completion rates among children in schools, social prejudices against female education, restriction on mobility due to topographical difficulties and exclusion, unequal power and domination of vested interests, and a top-down policy formulation process are factors affecting the poor, marginalised and women from being properly educated.

4.6.3 Health

The Interim Constitution of Nepal of 2007 stated that; “every citizen shall have the right to basic health services free of cost from the state as provided for in the law”. This ensures ‘health for all’ - a basic human right and in accordance the government initiated a policy aimed at delivering free basic health care services. Since 2009 under the ‘New Nepal, Healthy Nepal’ initiative, citizens are provided with free healthcare through district hospitals, primary health care centres, health posts, and sub-health posts. The outcome has been a substantial increase in service utilisation (HSSP/DoH, 2009).

Thus, there have been significant improvements in national health indicators in recent years. The infant mortality rate has declined from 64 per thousand live births in 2001 to 41 in 2009. Similarly, the child mortality rate has reduced from 91 in 2001 to 50 in 2009, and maternal mortality from 281 in 2006 to 229 in 2010. Life expectancy at birth has increased from 60 years for males and 61 years for females in 2003, to 64.94 and 67.44 years respectively in 2009 (NPC/UNDP, 2010a). One of the ways to improve the basic health indicators is by reducing distance for access to services: for example, less than 40 percent for the population in the mountainous regions and nearly 50 percent of the poor communities live at a distance of 30 minutes' walking distance from health centres (HSSP/DoH, 2009).

For the past decade or so, there has been a growing rich-poor and rural-urban disparity in access to services. Rural Nepalese have very little understanding of health and sanitation requirements. Infants and children suffer from polio, tuberculosis, diarrhoea, dysentery, typhoid and encephalitis, and many die due to the lack of maternal care. Other problems in the health sector are insufficiency of hospitals, health posts and health centres; medical treatment and facilities are not able to cater to public demands; doctors and health workers are reluctant to visit remote areas, where people still rely on indigenous healing practitioners (*Dhami-Jhankri*). Private hospitals in urban areas are too expensive for the common people and government hospitals neither well-equipped, nor service-oriented. Although government policy tends to focus on free and equitable healthcare services, many people are out of the reach of a healthcare facility because of remoteness, cost of transportation, poor quality of treatment and lack of knowledge.

4.6.4 Gender

Nepali society is largely male dominated and rarely permits women to pursue independent activities. Generally, women are denied an individual identity and are suppressed, oppressed, depressed, exploited and have no voice or choice. This condition is not only brought about by

family structures and community social attitudes, but further by the discriminatory laws and regulations of the state (Acharya, 2010b). Many women in Nepal, mainly in rural and remote areas, are deprived and severely underprivileged.

In 1980 the government, in order to address the pitiful condition of Nepalese women, put into effect the National Action Plan for Women's Development. This plan has ensured women's involvement in different sectors such as agriculture, forestry co-operatives, education, health, security and law. In this spirit, the government in its five year plans formulated special policies and strategies, which focussed on improving women's access to social, economic, policy formulation, and decision making. In 1990, Nepal ratified the UN convention on the elimination of all forms of discrimination against women (CEDAW). In the eighth plan, gender mainstreaming was incorporated to increase women's representation in decision-making, which was continued in successive plans. Similarly, significant change was made in the government's policy relating to the participation of women in 'user committees' for local development. This was extended to other sectors such as agriculture, community forestry, drinking water and irrigation. Similarly, micro-credit programs, savings and credit cooperatives (SCOs), and development banks were expanded to further support Nepalese commitment to women's empowerment.

The government, through the 2007 Constitution, sought to eliminate all forms of discrimination against women. However, the majority of women still have very limited access to information, employment, education, health, credit and complementary services that enable them to overcome gender constraints and harness promising opportunities.

4.7 Transportation and accessibility

Prior to 1951, only a few all-weather road networks which connected the capital with major town centres had been developed. The first motor road in Nepal, from Amlekhganj to Bhimphedi to connect the Kathmandu with Terai and India, was constructed in 1929 (DoR,

2003). Large areas, mainly in mountainous regions, are still deprived of easy connectivity (NPC/GoN, 2010). The presence of high mountains, the scattered types of settlements, the north-south flow of rivers, and fragile landscape have led to excessive costs for transportation and mobility (Jha, 2001).

A liberalisation policy was adopted in 1985 to accelerate structural changes and modernise the economy, by creating an enabling environment for the participation of the private sector in infrastructure development, primarily road and air transportation, and bridge and culvert construction. However, political and economic turbulence since mid-1990s and consequent political instability, resulted in insufficient infrastructural development (Mandal, 2007). This has restricted access to services mainly in the remote areas.

4.8 Development of community based organisations

In Nepal, the majority of social and economic activities were undertaken by culturally established CBOs such as Guthis of the Newars, Rodhis of the Thakalis, and Bhejas of the Magars, amongst others (Bhattachan, 2002). Apart from these, Bhajans and Kirtan groups also participated in the community by the singing religious songs, to raise awareness among the people in their demand for social rights (Shrestha, 2004). Kamdhenu²¹ was the pioneering CBO and initiated these political and economic awareness activities (NDF, 2004).

Organised CBO activity in Nepal was instituted early in the 1950s through the Tribhuvan Integrated Rural Development Program (TIRDIP) which aimed at improving rural livelihoods (Shrestha, 2004). The Societies' Registration Act of 1959 was a major legislative instrument to institutionalise the community-based organisations (Khatri-Chhetri *et al.*, 2007). By the early 1970s, the number of CBOs had grown and the international development community began emphasising their role in development. The Small Farmers' Development Program

²¹ *Kamdhenu Nepal Gandhi Smarak Charkha Pracharak Guthi* was established by Tulsi Mehar in 1926. It was the first modern Nepalese CBO, established for social transformation and citizens' self-reliance. Later, it played a significant role in the overthrow of the *Rana* oligarchy and in raising the people's awareness in favour of a people's democracy (NDF, 2004).

(SFDP), Productive Loan Development Program (PLDP) and other programs were implemented with external support.

In the 1980s, the mission of ‘Self-reliance for Rural Development’ arose with the purpose of giving priority to rural community, independence in designing and managing their livelihood system. In this context, CBOs were motivated by public interest that focused on economic, educational and cultural development. Later in the decade, a new generation of community-based savings and credit groups emerged promoted by NGOs, and donor funded programs as a part of their community development activities.

Similarly, the concept of ‘social mobilisation’²² also appeared in the early 1990s to bring the actors more closely together to determine their needs and demands locally. This concept has long been associated with development from traditional to modern ways of life.

Various CBOs have received greater autonomy through the Social Welfare Act of 1992, and the Forestry Master Plan of 1989, which encouraged their involvement in community service activities. Similarly in 1999, LSGA²³ bestowed a large degree of power on the local level for planning, implementing, monitoring, and coordinating development programs. During the emergence and evolution of CBOs, more than 396,466 formally or informally constituted CBOs, engaged nationally in community development activities (Biggs *et al.*, 2004).

4.9 Development constraints in Nepal

Development policies and programs over the past decades in Nepal have emphasised poverty alleviation and economic growth, however improvements are yet to become apparent. The

²² ‘Social mobilisation assists the people to organise into groups, to accomplish specific aims and objectives, according to locally identified needs and desires, and programme objectives. It attempts to harness and enhance the human capability. Often one of the main goals is to mobilise the poor, socially-excluded, marginalised and deprived people to realise their power and to achieve a voice and agency through collective action. ‘Good’ community mobilisation empowers group members through the democratic processes of participatory planning and action, as well as through capability-building and benefit-sharing’ (Biggs, Gurung, & Messerschmidt, 2004: 29).

²³ The Local Self-governance Act (LSGA) was promulgated in 1999, under the principle of the Constitution of Nepal 1991.

country's relatively poor endowment in resources, its mountainous terrain, great distance from the sea, rapidly growing social imbalances, and the conventional resource mobilisation system severely hampered development practices at the community level (Shah, 1988).

Kernot (2006) argues that despite the expenditure of billions of dollars, Nepal's journey towards development has been minimal and the country remains one of the poorest in the world. In reality, the main cause of development failure in Nepal is its social roots. Metz (1995) proposes a number of factors. The first of these is the unequal power structure, in which power in every sphere of society was captured by feudal elites. Through their control, they diverted resources for their own benefit, which further helped them consolidate power. The second included inappropriate development models with an emphasis on allocating more resources for infrastructural development, ignoring local agendas and the social context. Third was the imposed development intervention by expatriate development workers that ignored indigenous knowledge. Development partners were able to override state development processes because of their direct access to the political leaders and high ranking bureaucrats. Further this has also appears to be an explanation for the under-utilisation or misappropriation of development funds, although donors appear vociferous against corruption and instability in political and administration system and malfunctioning of governance (Baral, 2000).

Despite enormous efforts by both state and non-state organisations, Nepal has not been able to improve its macro-economic performance in an environment of political instability, mal-governance and social fragmentation. Indeed, there are three key factors that affect access to services by people from socially and physically marginalised groups and areas. These factors are: exclusion, poor governance, and institutional crisis, which are elaborated on below.

4.9.1 Exclusion

The concept of social exclusion figured prominently in policy discourse in France in the mid-1970s. Later the European Union adopted this as a key concept in social policy, and it became

an alternative approach for addressing poverty. In Nepal it has also been regarded as a central idea in policy discourse since the PRSP initiative in 2003 (Rawal, 2008). A most coherent explanation of the concept of social exclusion is made by Amartya Sen (2000: 1): “Those who experienced livelihood insecurity, subjected to chronic unemployment, inadequate consumption levels and nutriment, poor housing and education are excluded”.

Oommen (2010) argues that exclusion is action against underprivileged people, groups or society, from the privileged sector and covers the distribution of capital and assets, opportunities and participation. In essence, social exclusion can be understood as the state of people’s incapability to participate in social, political, and economic activities of society (Hooker, 2005).

The Nepalese society is characterised by an ethnically diversified feudal system and complex power structure. There are 125 ethnic/caste groups and nearly 100 distinct languages and cultures (Dahal, 2003). Nepalese ethnic activists, mainly from the Tibeto-Burman Mongoloid group, argue that Hinduism is the reason for the impoverishment and marginalisation of indigenous peoples that began with the formation of greater Nepal in 1769 (Tiwari, 1996). The conquered late King Prithivi Narayan Shah declared that Nepal was the common garden of four *Varnas*²⁴ and thirty six castes.

In practice, Nepal never became a common garden of all communities (Gurung, 2010). Others have added that structural inequality and cultural diversity dominates the socio-economic landscape of contemporary society (Bhattachan & Pyakuryal, 2008; Langford & Bhattarai, 2011). Such structural constraints, political oppression and the bureaucratic dishonesty have fertilised social exclusion, stimulated poverty, caused political and social oppression, created regional disparities, and engendered widespread corruption (Geiser, 2005).

²⁴ The *Varna* model is based on the ancient codes of the *Manusmriti*, which is known by the Hindu code of conduct, *Dharmaśāstra*. It has demarcated the social system into *Brahmin*, *Khatriya*, *Vaishya*, and *Shudra* (Touchable and Untouchable).

In the *panchayat* period (1961-1990), a common agenda for national unity and national integration was enacted, using distinctive national identities such as the Nepali language, culture and costume, Hinduism as the national religion and the king as the symbol of unity. This placed the people on the periphery and political system at the centre. This process principally suppressed and excluded people, who were disadvantaged socially, economically and geographically. However, in an effort to abolish the feelings of suppression and exclusion, the government formulated a legal document ‘*Muluki Ain*’ in 1963 (ADB, 2002). However, poor implementation of the legal process, government dishonesty and *Panchyati* elite domination of the political system, saw no worthwhile improvement.

Since the 1990s the multi-party democracy and constitutional process appeared to give ample opportunities for expressing the grievances of indigenous peoples, women, *madhesis*, *dalits* and other marginalised communities (Tiwari, 1996). Many ethnic and women’s groups and organisations promoting geographic identities were established in the form of NGOs. These raised awareness, advocating and lobbying about inequality, discrimination, and lack of opportunity.

The 2007 Constitution also granted equal rights for all people and restricted any form of discrimination based on caste, sex, religion, group, race and ethnicity. However, despite Nepal's efforts over six decades in planned development, government intervention failed to break traditional patron-client relations (Langford & Bhattarai, 2011). Similarly, the traditional power structure of society and international vested interests have also contributed to increasing the gap between the wealthy and poor, and accessible and less accessible areas (Geiser, 2005).

4.9.2 Poor governance

The Corruption Perceptions Index (CPI) 2010 shows Nepal in 146th position among 178 nations. This ranking changed in 2011 to 154th among 182 nations²⁵. The CPI defines corruption as the misuse of public resources and powers for private benefits, and is measured by public dissatisfaction and frustration, level and structure of corruption, freedom and economic instability. A Washington based institution, 'Fund for Peace', analysed the index of Failed States of 177 countries, in which Nepal was ranked 25th in 2009 and 26th in 2010 (Graner, 2001). Similarly the Multi-dimensional Index of Poverty (MIP), introduced by Oxford University research groups, demonstrates that nearly 65 percent of the Nepalese population live below the absolute poverty line (UNDP, 2011a: 7). In contrast the Nepal HDR of 2009, shows the HDI in 2007/08 was 0.534, 0.509 in 2006, and 0.471 in 2001 (UNDP/N, 2009). This indicates that governance in Nepal is vulnerable, with weak institutions and procedures, lack of ownership in development programs, mismanagement of resources, and failure to deliver effective public service. Historically the Nepali system has been characterised by the presence of aristocrats, bureaucrats, technocrats, consultants and state-sponsored politicians at the centre, driving the country's development (Dahal, 2007).

The democratic movement of 1990 opened an avenue for the local people to realise their hopes and aspirations. However, the new power-seekers, ruling under the guise of democracy, have done very little for the people. Politicians assume that the present state mechanism is a pocket fund that can be used or misused by their own powers (Baral, 2012). Power-seeking behaviour and political instability portray Nepal as a state in which political parties, through massive unlawful and non-transparent activities, are able to shape the rules to their advantage.

Several studies (Hachhethu, 2000; Sharma, 2006) argue that the majority of Nepal's political leaders are corrupt and consider 'state-power' as their paternal property. Many of these types

²⁵ The report of Transparency International 2007, 2010 and 2011 (Source:http://www.transparency.org/policy_research/surveys_indices/cpi)

of leaders are representatives in the Constituent Assembly, cabinet and the central committees of the major political parties. Democracy, since 1990, has been facing difficulty consolidating itself due to instability. Since then the government has been replaced 18 times, but no government has been able to stabilise economic development, create political consciousness, provide public satisfaction and efficiently deliver public services (Pradhan, 2009).

In order to overcome this situation, the government passed a policy of 'Zero Tolerance' towards corruption. Other attempts such as transparency mechanisms, direct public access to the government services, the concept of 'information, communication and education', and policy implementation strategies have been made to tackle corruption problems (Parajuli, 2010). Further, Nepal is a signatory to the United Nations Convention Against Corruption (UNCAC) and introduced the Anti-money Laundering Act, Procurement Act, Right to Information Act and Good Governance Act to achieve the judicial prerequisites set by UNCAC.

However, corruption persists in Nepalese society and many independent studies show that the fundamental crisis in development over the last decades has not been the scarcity of funding resources, but the lack of positive attitude, poor governance and an institutional crisis that continually create barriers to the performance of basic state functions (Karki, 2004).

4.9.3 Institutional crisis in service delivery at the grassroots

In Nepal, countless efforts have been made to improve and reform the service delivery system since the early 1960s, under the framework of NPM model (Tatsumi & Joshi, 2010). However, the fragmentation of organisations, and falsifying of information have not allowed significant changes in the service delivery system (Acharya, 2010a). Bryld (2003) illustrates that hegemonic political culture; bureaucratic path dependency and lack of professionalism are apparent reasons to the failure of the Nepalese public service delivery system. Experiences show the formal realisation of service decentralisation in Nepal was made in the decade of

1960s (Tatsumi & Joshi, 2010). In this period, the government granted some degree of power and authority and devolved functions to local institutions, for managing primary education. However, less capable communities, complex bureaucratisation, lack of sufficient resources and inadequate technical know-how affected the process at the beginning of 1970s (Shields & Rappleye, 2008).

In the mid-1970s the government implemented the Integrated Rural Development Projects (IRDPs) to encourage the local communities in forming CBOs for collective action, bringing social transformation, economic advancement, as well as for establishing democratic norms and values. However, IRDP underwent changes over time, due to widening inequalities between groups in society and traditional administrative structures (Pradhan, 1985). These resulted in CBOs becoming more fragmented and highly vulnerable.

In the 1980s, the government adopted a neoliberal approach that decentralised central authority and powers to the sub-national level (Frankel, 2009). The Forestry Sector Master Plan was one of the leading initiatives in this process and it created an enabling environment at the community level for building institutions, strengthening community values and norms, engaging local stakeholders in decision making and managing resources, and contributing to the local economy (Ganesh & Joshi, 1985). These processes further contributed to increasing public involvement in resolving local disputes, formulating and implementing strategic action, ensuring public participation, and maintaining transparency and accountability (Dhakal, 2005). However, reality shows that the decentralisation process is controlled by central government officials, and barely reached the threshold level of local government. This indicates institutional roles for service delivery are more instructive and community power structures are hierarchic, which strengthened the supply side governance but weakened social accountability.

In 1992, the government formulated the Cooperative and Social Welfare Council Acts to benefit the people from an economic standpoint and extend programs to target groups. In addition, LSGA 1999 and other sectoral acts and regulations have been promulgated to strengthen the roles, capability and collaboration of actors, mainly from community based institutions. Despite many attempts to construct practical policies and dynamic institutional mechanisms for effective service delivery, the deeply rooted controlling mentality of the Nepalese political leaders and bureaucracy steered the process. Some authors believe that this is the consequence of a historical legacy (Dahal *et al.*, 2001; Khanal, 2006b). Kanel & Kandel (2004) argue that since the implementation of the community forestry program in Nepal, forest degradation has declined. Conversely, social anomalies such as lack of norms, absence of rules, and distorted mutual cohesion, ethnic heterogeneity, and social exclusion have emerged, which have created inequities and unfairness in forest resource distribution and long-term forest sustainability.

In 2003, the government formulated the Poverty Reduction Strategy Paper (PRSP) to meet targets set by the Millennium Development Goals (MDG). The government highlighted devolution, deregulation, and privatisation to achieve the ‘four pillars’²⁶ of PRSP (NPC, 2003b). At the same time, attention has been given to improving the collaboration between the state, market and community to achieve good governance and a rights-based approach at the community level. However, reality shows that local bodies are directed by the central government instructions and they are upwardly accountable. Their planning, implementation, and resource allocation mechanisms are controlled by central level decision making. Further, the market is still immature and the services it provides are extremely expensive and urban oriented. Joshi and Maharjan (2012) illustrate that many efforts have been made to strengthen institutional capacity by formulating policies and legal procedures. However, none of the

²⁶ The four pillars of PRSP design are: broad-based economic growth; social sector development, including human development; social inclusion and targeted programs; and good governance for the effective, equitable and efficient delivery of public commodities and services.

efforts have helped local institutional development, and service delivery at the community level appears to be fragmented.

4.10 Contextualising community governance in Nepal

In Nepal, the practice of community governance, within the vast diversity of cultures, is not a new phenomenon. The concept has historical origins and is associated with the notion of *dharma* (religion) that determines institutional duties, power practices and the governing system (Dahal, 2004). The traditional roles of the indigenous governance system included coordinating community members to identify and prioritise community needs and activities, and managing community contributions such as trail repairing, construction of irrigation canals, determining the cultural calendar and maintaining rituals and practices, resolving community disputes, informal judiciary practices, and building social cohesiveness (Bellamy, 2009). Some authors claim that the practice of the traditional governance system has contributed to preserving social harmony, by shaping social dynamics, social power, and a self-governance system at the grassroots level (Wong & Shik, 2011).

At the grassroots level in Nepal, there are more than a hundred ethnic groups, different traditions, beliefs, and institutions have existed, and this has contributed to maintaining indigenous democracy and governance. These are known by different forms, terms, and systems, such as *pancha valadmi*, and *arma parma* system in all community groups; *mathawa*, *barghar*, *khyala* and *begari* in the Tharu communities; *posang* in Syangtang communities; *mirchang* in Thakali communities; *bheja* in Magar communities; *kipat* land management in all communities; *dhikur*, *rodhi* and *ttho* in Gurung communities; *guthi* in Newar communities; *choho* in Tamang communities; *aama samuha* in ex-Gurkha families, *koits chuplu* in Sunuwar communities; and *dhukuti* system in most other the ethnic groups (Bhattachan, 2002). Thus, community governance practices are the source of community

transformation and instruments of social movements, which are the source of enlightenment in the communities.

In the past, the prospects of realising indigenous governance was not very encouraging in Nepal (Bhattachan, 2002). The reluctance of public, inter-government, non-government and donor sectors to incorporate norms of community governance in policies, acts, regulations and guidelines weakened people-led governance (Dahal, 2004). However, some improvements appeared after the 1990s in systematising community governance and its forms, categories, and practices. In this regard, participatory efforts have become valuable instruments capable of transforming indigenous governance into a modern form (Holland, Ruedin, Scott-Villiers, & Sheppard, 2012).

Several community-based programs have been seen as potentially powerful agents of governance, able to improve accountability of governance and change power relations at the local level (Dahal, 2004). The sector-based user committees or groups, including local development groups, drinking water consumer committees, cooperatives, and health committees and sub-committees have ensured the formal establishment of community governance. Apart from these, many multilateral and bilateral organisations, and NGOs have also contributed to the strengthening of CG through empowering communities and citizens by inclusive engagement in local self-governance processes and developing social harmony.

In this regard, the major outcome of community governance in Nepal has been the growth and empowerment of critical masses from excluded communities, such as women, *Dalits*, and ethnic, religious and regional minorities. However, inadequately theorised community governance, to date has been unable to influence decisions at the policy-making level.

4.11 Concluding comments

Past development practices, central local relations, and delivery of services in the country point out these were neither accountable to the public, nor modified according to changing context over time. Multi-biodiversity and multi-ethnic composition, the rugged mountain terrain, and the rudimentary and centralised state mechanisms created obstacles in departing from traditional practices to the governance system, and this was the major cause of poor service delivery. Several telling factors such as an autocratic political regime, feudal and patriarchal society, lack of commitment for effective implementation of neoliberal economic policies, and long isolation pushed the country backwards.

In Nepal, democracy was established in 1950 but its development was badly managed. The main challenge in Nepalese society was exclusion, which came from social structure, such as caste system, and political culture. The *Panchayat*, *Rana* and other antecedent regimes were highly centralised and created exclusion and path dependency, in all spheres of society. Experiences point out that past governments attempted initiatives to improve the service delivery system through administrative reform encompassing reorganisation, anti-corruption measures, decentralisation and local development management. Regardless, the administration of Nepal was guided by dictatorial politics which failed to maintain law and order, enforce administrative discipline and deliver public services at the local level. The democratic movement of 1990 brought about massive changes in the Nepalese service system, as the priority of the government shifted from state-led intervention to people's participation in producing and delivering commodities and services. However, effective implementation of this reform also became hard to realise. Major anomalies of the service delivery system were due to inefficient bureaucrats and dishonest politicians, who contributed to unnecessary delays in decision making and working procedures and were reluctant to delegate power to the lower levels.

There is no denying the fact that community governance can help increase democratic rights and responsibilities, create a sound political process, and demonstrate how individuals, their organisations, and multi-sectoral stakeholders can contribute positively in effective service delivery.

The next chapter reviews the policies relating to basic service delivery in Nepal and their implications for community governance.

CHAPTER - 5

Basic Service Delivery Policies in Nepal

5. Introduction

Basic service delivery system (BSDS) is a development function, delivered by individuals, groups, people's institutions, state or non-state organs, to serve people and better their livelihoods (UNESCO, 1956). Identifying what constitute basic services is a contentious issue, because currently there is no widely accepted definition. Wincott (2006) links basic services with the welfare system. Under such a system, the government promises to protect and upgrade the economic and social well-being of citizens through the principles of equitable distribution, equal opportunity, and public responsibility (Baldock, Manning, & Vickerstaff, 2007). In the present context, basic services include safety, medical care, education, shelter, food, and water (Bradshaw, 2007).

In Nepal, there is little available evidence about the provision of basic services before the period of *Rana* regime (Thapa, 2010). Since 1960, successive governments have formulated policies and launched programs for the delivery of basic services to the local level. These were the Co-operative Policy (1960s), Integrated Rural Development Program (1970s), Basic Needs Approach (1980s), and Neo-Liberal Policy (1980s) (Bista, 2010; Pradhan, 1985). However, these programs and policies were criticised for their failure to improve the economic and social well-being of communities (Guimaraes, 2009). After 1990, the government adopted a 'participatory people-centric' concept to meet basic needs such as 'food, shelter and clothing'²⁷ (Mushonga & Chimbidzikai, 2009). However, numerous weaknesses in the practical application of the concept appeared over the years.

²⁷ The basic needs were typically defined by the *Gaans* (food), the *Baas* (Shelter) and the *Kapas* (Clothing).

This chapter examines various government policies and initiatives in basic service delivery, within the gamut of community governance. In the first section, it provides the status of Millennium Development Goals (MDG) at the local level and explores challenges and constraints in application. The second section reviews the range of efforts made through national agendas and policies. The final section provides concluding comments regarding Nepal's service delivery system, suggesting improvements that could be made and discusses the implications of service delivery for a range of stakeholders.

5.1 Tracking MDGs in Nepal

MDG is a collective political commitment and set of common agendas approved by 189 nations, in September 2000 in New York. The aim of the 147 heads of the states and/or governments present was to meet crucial challenges posed by specific issues facing the developing world, by the year 2015, which can be achieved if all players agree to work together and fulfil their obligations. Poorer countries have promised to improve governance and invest in programs in education, healthcare, environment protection and partnerships. Richer countries have given assurances to support developing countries by providing financial aid, debt relief and fairer trading practices. Responding to the world's main development constraints, the MDG constitutes 8 goals, 18 targets, and 48 measurable indicators. The goals are: to eradicate extreme poverty and hunger; to achieve universal primary education; to promote gender equality and empower women; to reduce child mortality; to improve maternal health; to combat HIV/AIDS, malaria, and other diseases; to ensure environmental sustainability; and to develop a global partnership for development (GoN/UNDP, 2005: 1).

In Nepal, the MDG has become a common agenda for government and non-government partners at the national and sub-national levels, to ensure and establish freedom, equity, governance, human rights, and peace and security (Khatiwada, 2006). To address the MDG goals and targets, the government formulated a Poverty Reduction Strategy Paper (PRSP) for

the period 2002-2007. This aimed at reducing poverty through “broad based economic growth, social sector and infrastructural development, social inclusion and targeted programs, and good governance” (NPC, 2003c: 3). Similarly, the National Interim Plan (2007/08-2009/10) and the Three-Year Plan (2010-2013) also addressed MDG requirements. Efforts have been made to institutionalise MDG at the local level, through the District Poverty Monitoring System (DPMAS). A number of surveys were conducted, which contributed to providing reliable data on a regular basis to monitor and evaluate performance (NPC, 2003a). At the local and district level, and through the Village Development Committee (VDC), periodic plans and sectoral strategic plans have been formulated, to address poverty issues and provide effective service delivery.

The government has made a strong commitment to attain the targets by the year 2015. The first MDG report (2002) addressed 18 numerical targets and 48 indicators (NRB, 2006). The second and third evaluation reports indicated progress, while the last presented the status of 17 indicators which show that Nepal is on track to achieve six indicators, possibly will meet another five, and is unlikely to attain three others. Data for the three remaining indicators has been lacking (Bharadwaj, Dhungana, Hicks, Crozier, & Watson, 2007).

5.1.1 Linking MDG to local development

MDG localisation is a process of agenda transformation from national to sub-national level, providing an integrated framework for local development, and endowing a structure of accountability to support marginalised groups in participatory governance and inclusive decision-making (Johan, 2006). The concept of 'localisation' is derived from three inter-related spheres: sub-national capacity in planning systems; decentralisation of powers and authorities for service delivery; and participatory development (Conyers, 2006). A meaningful effort has been demonstrated by many developing countries through the process of MDG

localisation, which contributes to the reduction of grassroots poverty and enhances the capacity of public service delivery.

Experiences show that through capacity development at the local level, major advances have been achieved in primary school enrolment and in key health indicators (NPC/UNDP, 2011). This process requires the national government to work closely with local level stakeholders such as local government, civil society, and the private sector. It has become evident that these stakeholders play a key role in the achievement of the MDG targets (Dallas, 2009). The community forestry program, enrolments in primary education, and supply of drinking water and sanitation, as well as the micro-credit programs are some of the best practices of MDG localisation and local capacity development (UNDP/UNCDF, 2010).

Apart from these programs, a number of attempts have been made to localise the MDG initiative under the umbrella of local government (LG). The LGs with their proximity, accountability and convening role at the local level, are often pivotal in identifying and delivering locally relevant MDG interventions (UNDP/UNCDF, 2010). The institutional LG participatory planning process has enabled the people, who are traditionally voiceless and living in marginal conditions, to have a say in local development affairs. Through participatory planning structures, local people themselves formulate plans and provide inputs to the decision making process based on their own collective analysis, opportunities and constraints (Maskay, 2005).

‘Capacity development’ of local institutions is a prominent agenda of donor agencies to achieve MDG at the national levels (UNDP/UNCDF, 2010). Based on this, the Ministry of Local Development (MoLD) has implemented a MDG localisation approach, to develop the capacity of LG and enable communities to respond by pro-poor planning, formulating district-specific MDG indicators, integrating them in development frameworks, and institutionalising the DPMAS.

Conyers (2006) explains that effective localisation depends on the strong commitment of stakeholders in national parliaments, local authorities and civil society. However, a decade long civil war, poor governance, absence of elected representatives at the LG level, damaging political crises, economic breakdowns and worsening social conditions, sustain the status quo (UNDP/UNCDF, 2010). Lower units of the central government and non-state partners, such as NGOs and CBOs, are not always included and often insufficient attention is paid to MDG localisation (Poudyal, 2008).

5.1.2 Challenges and constraints

In 2001, the Human Development Index (HDI) ranking of Nepal was 129th among 180 nations. Since then, the HDI ranking has dropped (UNDP/N, 2001). The 2011 HDI report shows that Nepal's rank has fallen to 157th (UNDP, 2011b). There are numerous of reasons leading to the decline of development in Nepal: political instability, weak governance and rampant corruption (Bhattarai, 2007; Dahal, 2011). In order to address the HDI rating appropriately, MDG has over the last decade, become a central agenda for development effort in Nepal, as elsewhere (Conyers, 2006).

Nepal's current poverty rate shows that 25.4 percent of people are still living below the poverty line (NPC, 2010). Despite many efforts at addressing poverty, the country has not been able to reach its goal because of ineffective service delivery (Khatiwada, 2006). The Nepal Living Standard Survey (NLSS) 2010 shows the average *per capita* annual income of the poorest 20 percent of the population is US\$ 210, whereas the richest 20 percent of population average US \$1,240 (Shrestha, 2011).

The Gini coefficient shows that the inequality and poverty gap has risen from 0.34 in 1996, to 0.41 in 2004 and to 0.46 in 2008/09 (GoN/UNDP, 2005). This indicates that Nepal has perhaps the highest degree of income inequality in Asia (Bienen et al., 1990). To address poverty and inequality proficiently, direct investment in meeting the people's demands,

effective economic policy in physical infrastructure development, social and economic networking and environmental protection are inevitable (Khatriwada, 2006). However, the current unstable political scenario, weak resource base, post-conflict mentality, weak governance and transitional economy, negatively affect the attainment of MDG targets. Inequitable mobilisation and distribution of domestic resources and a conditions-based dependency on external agencies have negative influences on the economy and are unlikely to decrease the poverty gap.

Nonetheless, the MDG evaluation reports covering different time periods show that Nepal has made substantial progress in accomplishing most of the indicators. It is important to point out that most MDG targets are based on quantitative figures, rather than qualitative descriptions that are markedly weak in evaluating MDG attainment, though the government asserts that the country has made significant progress in attaining most of the MDGs.

5. 2 Sectoral policies of basic service delivery system

To reduce poverty through effective and equitable delivery of basic services, successive governments formulated policies and strategies after the establishment of democracy in the 1950s. Systematic interventions were made after the deployment of neoliberalism in the late 1980s. The growing consciousness of people supported the democratic government's initiatives for improving the service delivery mechanism (Cornwall & Gaventa, 2001).

As indicated earlier, in 2002 the Nepalese government formulated a PRSP as the national strategy for poverty reduction, and the complementary concept of sectoral devolution²⁸ was promoted. This incorporates education, agriculture and livestock, health, and postal services as constituents of BSDS, and hands District Development Committees (DDCs) and sectoral line agencies (SLAs) responsibility for planning, implementing, monitoring and evaluating, as

²⁸ In 2002, the government of Nepal decided to provide more powers and functions to the district level local bodies through the concept of sectoral devolution, to promote local governance system. Under this concept, four sectors, education, agriculture and livestock, health, and postal services are devolved to the DDC. However, numerous ambiguities lead to failures in its successful implementation and operation.

well as undertaking financial activities. Recently, the central government advanced the idea of a District Development Fund (DDF) to channel resources to the local level. Through this, the central government provides a ‘block grant’²⁹ to implement community development services through DDCs.

In addition, a number of sectoral services, such as irrigation, natural resource management, and drinking water supply and sanitation, have also been decentralised to the community level. The following sub-sections focus on the policies of basic service delivery encompassing local development, education, health, drinking water supply and sanitation services.

5.2.1 Local development³⁰

Efforts and Achievements

In the early 1950s, Nepal formally began improving the delivery of community level service under the framework of the Tribhuvan Integrated Rural Development Program (TIRDP). The aim was to accelerate community services through the development of agriculture, rural roads, drinking water supply, education and health services (Bista, 2010). However by the 1970s, these programs were criticised for their failure to improve the economic and social well-being of community. A crucial reason for the failure was local elites’ use of these programs for their economic and political advantage (Acharya, 2008).

In the late 1970s, the service-centric concept was implemented through eight different Integrated Rural Development Programs (IRDPs) (Pradhan, 1985). Under the IRDP, the

²⁹ In Nepal, each local government has received block grants (external funds) annually from the central government to implement local infrastructure projects and delivery of other basic services. The central government provides these grants after ascertaining positive outcomes in service delivery, planning and monitoring, spending capacity, record keeping and success of project completion rate.

³⁰ Local development was mainly bound with capital and infrastructure policies; and growth centre strategies. The recent growing concerns of many local communities and their associations, has contributed to the shift towards deployment of decentralisation, governance, collaborative, interactive, and multi-dimensional for the effective community based service delivery (Hart & Murray, 2002).

emphasis was on combating poverty through savings and credit programs, community infrastructure development, capacity building, health, agriculture, and local entrepreneurial activities (Amatya, 1989). Over time, this concept underwent changes due to widening inequalities between groups in society, traditional administrative structures, and uncertainty about the economic prospects of marginal and deprived groups (Sharma, 2006).

In the 1980s, Nepal focused its development efforts on an agenda encouraging self-reliance in local development (Shrestha, 2004). At the same time, the basic needs approach (BNA) was designed to advance the economic and social life of poor and marginal groups (Frnnando, 2008). Some advocate that BNA represented a radical departure from a conventional development strategy to one that was innovative (Nepal, 2010; Ruttan, 1984; Sen, 2000). Nevertheless, the equity goals of this approach came under severe criticism (Maskay, 2005). During the late 1980s, 'self-reliance' and 'participatory endogenous development' flourished, under the people-centric concept and expanded with more innovative mechanisms in place (Paudyal, 2007).

The strategic development plans³¹ show a focus on people's and institutions' participation in the local development process that was begun in the 6th Five Year Plan (1980-85) (Bista, 2010; Pradhan, 1985). In 1982, legislation (followed by enabling regulations in 1984) sought to institutionalise a decentralisation culture at the local level that would widen the scope for people's participation (Pradhan, 1985; Shrestha & Apedaile, 1983). The 9th plan (1997-2001) continued the focus on poverty reduction, through robust people's participation in various 'community development sectors'³². However, because of the government's incapacity to

³¹ National Planning Commission of Nepal: Reviewed planning documents of the various plan periods. The first plan (1956–61), second plan (1962-65), third plan (1965–70), fourth plan (1970–75), fifth plan (1975–80), sixth plan (1980–85), seventh plan (1985–90), eighth plan (1992-1997), ninth plan (1997-2002), tenth plan (2002–2007), three year interim plan (2007/08 – 2009/10), and three-year-Plan (2011-2013).

³² The Agricultural Road Program, Rural Infrastructure Development Program, District Road Support Program, Rural access Program, Remote and Specific Area Development Program, Poverty Alleviation Project were interventions for local development, and a notable step for community development.

prioritise projects, external influences, political pressures, and the absence of local body representatives, the aims of the plan were not achieved.

The 10th plan's (2002-2007) emphasis was on sustainable service delivery through the PRSP's four pillars: improvement of service delivery, enhancing transparency and accountability, and the achievement of the MDGs through localisation. This focus was continued in successive plans: the Three Year Interim Plan (2007-2010) and the Three Year Plan (2010/11 - 2012/13). Since 2007, additional financial and technical support has been provided to local government, through a 'formula-based or performance-based grant systems',³³ for addressing community needs. Equally, the 2007 interim Constitution also focused on decentralisation and devolution of authority, through the sharing of responsibility (including revenue generation) between the central government and agencies related to local self-governance.

Recently, the government has launched the Local Government & Community Development Program (LGCDP³⁴) with the support of multi-sectoral donors. Taking its cue from previous unsuccessful local development exercises, the program identifies four strategic areas of intervention for effective community basic service delivery. The first is to ensure meaningful participation of communities and hold local government accountable for their services and resources. The second is to enhance the capacity of local bodies in mobilising resources to promote effective social and infrastructure service delivery. Thirdly, to assist the development of community friendly policies and enable the development of local regulatory frameworks important for the devolution of power, development of social empowerment and a safety net. Finally, to develop an institutional mechanism to strengthen upward and downward accountability (LGCDP, 2008).

³³ Each year, the government of Nepal provides minimum capital expenditure grant to the all local government bodies, which is provided based on the proximity and remoteness. However, an innovative reform has been introduced in Nepal to increase the effectiveness of local government service delivery system, accountability and transparency through an incentive and penalty mechanism that is known by formula based or performance-based grant systems.

³⁴ Review of Programme document, Local Governance and Community Development Programme (LGCDP) (2008).

Constraints and Challenges

In Nepal, the policy shift from supply-driven to demand-driven programs shows innovations in combating poverty. The co-operative movement of the 1960s, the IRDP missions of the 1970s, the poverty-alleviation approach in the 1980s, social mobilisation and micro-credit in the 1990s, and the MDGs of 2000, have all emphasised the institutionalisation of the demand side to make a sustainable impact on the needs of the people (Paudyal, 2007). Despite continual efforts to provide an equity-based approach throughout the country, the reality is that the more accessible areas of the country constantly receive better development attention, because of the dominance of elites within them, while remote communities in inaccessible areas continue to receive little resource and development support (Pigg, 1993).

The IRDP approach of 1970s was initially successful, but its conventional design largely failed to meet efficiency, equity and participation goals (Devkota, 1994). One of the bitter truths about Nepal is that the rural economy is still largely a feudal system, with the elite having limited incentive to effectively implement development programs (Amatya, 1989). Another reason for failure was the motives of development aid donors, who often manifested vested interests, lacked moral commitment and generally created dependency at the community level (Thapa, 1989). Heavy dependence on foreign aid in relation to limited effort in mobilising domestic resources, and an emphasis on infrastructure, also contributed to the failure of basic service delivery (Rana, 1974). The absence of local representatives since 2002 created 'local government without governance' (Bhattarai, 2008).

5.2.2 Educational services

Efforts and Achievements

During the *Rana* period, education was only accessible to the ruling class, social elites and government officials; the rest of the population remained largely illiterate. Education was

seen as a threat by the *Rana* rulers, in that it would lead the people to a greater awareness of their oppression and encourage them to demand civil rights (Sakya, 2000). However, a major shift in education reforms occurred in 1901, when the *Rana* Prime minister Dev Shamsheer developed an education policy (Shields & Rappleye, 2008). After World War II, several schools were established in the major towns. In the villages, public respect for education increased, as a result of the influence of Gurkha soldiers returning from the war. Some families from the elite class sent their children to India, for higher education and technical training (Savada, 1991).

In 2001, the quintile figure for literacy shows the rate was 53.7 percent, which increased to 58 percent in 2008. The net enrolment rate in primary education was 81 percent in 2001 and 93.7 percent in 2010 (NPC/UNDP, 2010b). A number of reform policies and significant foreign aid contributed to educational progress. The government expenditure plan of 2008 shows that expenditure on education amounted to 16 percent of the overall budget (Carney, Bista, & Agergaard, 2007). After 2007, education became one of the priority sectors with annual budget allocations of 14-16 percent of the total budget.

In order to systematise educational services, the 4th Plan (1970-75) introduced a 'new education system'. In 1975, free and compulsory basic primary education was introduced (Upraity, 2003). An anomaly of this new system was that it shifted responsibility for education, which had been governed by the community from the mid-1960s, to the government (Shields & Rappleye, 2008). Community participation in education was reduced and the governance function shifted to the state.

Although education was seen as one of the major sectors for addressing poverty efficiently, the 5th Plan (1975-80) identified social services that included education, as a second priority. In the 7th Plan (1985-90), the government formally addressed issues that related to the education sector and gave these issues priority. In 1990, Nepal launched a twelve-year literacy

program, targeting eight million people, through which it was aimed to transfer the role of school management to the community and local government, with technical and financial support (UNDP/N, 2001). The government also encouraged the private sector to establish schools and enhance the quality of education delivery (Shields & Rappleye, 2008). In the 8th Plan (1992-97), high priority was accorded the education sector, in terms of budget resources to strengthen the quality of public schools and create a framework for decentralised management of schools. The 9th Plan (1997-2002) focused on reducing poverty and improving governance, and since then every sector has been appreciated, as relevant to poverty reduction. However, actual expenditure on education was barely significant, the implementation of reforms, sluggish and overall the standard of education did not increase.

A more revolutionary approach in the education sector occurred with the 7th amendment of the Education Act in 2001. This initiative changed the education delivery mechanism to a decentralised model (Rappleye, 2011). After 2003, government controlled public schools were gradually transferred to communities, with a range of stakeholders, particularly civil society including communities and organisations, involved in monitoring and evaluation for further improvement. Recognising the significant efforts made by communities, the government transferred the management of more than 26,000 public schools to communities. This transfer was a shift from centralised management to a community-controlled planning and management system (Carney et al., 2007; Singh & Jensen, 2010).

Evidence shows that greater school autonomy and more parental and community control in the management system reduced teacher absenteeism, augmented enrolment, lowered dropout rates, and improved the general quality of education. A similar method has been used successfully in Brazil, Mexico, Argentina, El Salvador, Peru, Chile, Nigeria, and India (Birdsall, Levine, & Ibrahim, 2005).

Challenges and Constraints

The current education system has come under severe criticism. Some critics argue that the outcomes of the current system are influenced by unrealistic policies, political bias, and bureaucratic inefficiency (Janjua, 2010). The current system benefits children of the elite, but not those from poorer families or the lower castes (Shields & Rappleye, 2008). Inefficient policies, institutional crisis, poor management capacity, lack of transparency in resource allocation, misuse of finance and lack of quality of human resources, have contributed to poor performance in the educational system (Birdsall et al., 2005). Current educational programs were developed without attention to social and cultural realities of communities. Most programs are prescriptive and not people-centred, highly commercialised, and reflect an urban-bias (Bajracharya, 2008). Better quality, result-oriented institutions are either private or located in urban areas. In rural areas, the quality of education and schools is poor, facilities are inadequate, results inferior, and educational materials are either outmoded, or virtually unavailable (Shields & Rappleye, 2008). Educational institutions in rural areas operate either because a local elite decided to start a school, or under direction of a political leader.

Recently, with the implementation of the devolution approach, the involvement of local government in the education sector has increased. The central government now provides incentive grants to community schools. However, the transfer of public schools to communities has created administrative confusion in areas such as liability, teachers' salaries, monitoring, and resource generation. Administrative details relevant to sustainable management of schools handicap poor communities, who find it difficult to operate the schools within their context (Shields & Rappleye, 2008).

Although the government emphasises its commitment to education by allocating budget resources, transferring schools to local community management, and providing free education, it is unable to meet teachers' salaries and other operating costs. These resource

constraints and political influence in the community management committees (CMCs), have caused a deterioration in the quality of education (Bajracharya, 2008). Alternatively current government policies downgrade community management of schools. The 2004 *World Development Report* argues that the underlying causes of such failures in basic service delivery are weak accountability relationships between the state, service providers, and the citizens (UNDP/UNCDF, 2010).

5.2.3 Health services

Efforts and Achievements

In Nepal, only a few dispensaries for curative healthcare were established during the *Rana* period and were accessible only to the members of the ruling elite. Other sectors of the community had little access to health facilities (Regmi, 2008). At present, the health service in Nepal is poorly structured and “healthcare practices can be divided into three major categories: popular folk medical care that relies on the *Jhankri* (faith healer), *Ayurvedic* treatment and allopathic medicine. These practices are not necessarily exclusive; most people use all three, depending on the availability of services” (Stone, 1986: 394).

In order to improve and deliver effective health services, the government during the period of the 1st Plan (1956-61), focused on institutionalising medical services through existing hospitals, clinics and *Ayurvedic* dispensaries. In the mid-1960s, the results of a national health survey led to the launching of the Tuberculosis (TB) Control Project for the immunisation of children.

The 2nd Plan (1962-65) emphasised, for the first time, both preventive and curative medicine and in the 3rd plan (1965-70) more extensive attempts were made to strengthen curative activities. Under the 4th Plan, a shift occurred from curative to more preventive services and with the 5th Plan, vertical programs within the overall health infrastructure, became integrated.

Basic healthcare services were delivered through health centres and health posts in communities. Although health facilities spread across the country, they were static in nature and provided no outreach services. During this plan, the government adopted policies and programs for the promotion of health at the national, district and community level, under the Long Term Health Plan (LTHP-1), which aimed at providing basic health services at the community level for the majority of the population (Adhikari & Maskay, 2004). In the late 1980s, significant progress was made with the endorsement of the Primary Health Care Approach (PHCA) for planning, organising and delivering health services (Regmi, 2008).

The 6th Plan focused on decentralisation under the sectoral policy of development administration, and emphasised the establishment of four regional health development centres. The 7th Plan focused on meeting the minimum basic health needs of the people. Integrated basic healthcare services were extended to rural communities and an emphasis was made on private sector participation in health service development. In 1990, the National Health Policy (NHP) was formulated that explicitly prioritised the upgrading of rural health standards through the PHCA. Further, the government proposed the extension of basic healthcare services to the community level, via decentralised healthcare organisations, for providing access to modern medical facilities, for rural people (Adhikari & Maskay, 2004). In 1991, the NHP extended the primary healthcare system in rural areas, so that people had access to modern medical facilities and trained health professionals.

The 8th Plan emphasised the provision of 'health for all' by the year 2000, listing objectives that aimed at gradually improving the health status of the Nepalese people. However, the policy design was felt to be inadequate due to the unavailability of health indicators (Pradhan, 2006:181). The 9th Plan focused on poverty reduction by improving the health status of the people, and highlighted four categories of a healthcare system - preventive, promotional, curative and rehabilitative. The plan emphasised the need for improvement of the health status

of the people from marginal sectors, and improved access to integrated health services at the grassroots level. During the 1990s, government health services were systematised under the decentralised based de-concentration approach (Dhakal, Ratanawijitrasin, & Srithamrongsawat, 2009).

The focus of the 10th Plan was on an essential healthcare service (EHCS) for all people, establishing a decentralised health system to inspire community participation, and initiating public-private-NGOs partnerships to deliver improved healthcare facilities (Dhakal et al., 2009). Since 2002, the management responsibility of MOHP has moved from Primary Healthcare Centres (PHCs), Health Posts (HPs), and Sub Health Posts (SHPs), to grassroots communities under the decentralisation policy. The main objectives of this transfer of responsibility was to make local bodies more responsible for basic health facility management in their communities; to deliver faster and effective healthcare services at the community by confirming good governance, and mobilising the local level resources to their fullest extent (Collins *et al.*, 2007). By 2006, 1,433 health facilities in 29 districts had been handed over to local authorities. The Interim Plan reiterated that the fundamental health right of the citizens would be improved by delivering ‘quality’ health services to all segments of people, without any discrimination. The plan paid special attention to the provision of a basic health service system including infrastructure development, devolution of health institution management, and promotion of public-private partnership. Currently, a three year plan is in operation continuing the previous plans and policies.

Challenges and Issues

Today Nepal has 4,396 public health institutions throughout the country. These institutions include 94 hospitals, 5 health centres, 201 primary health centres, 699 health posts, 3,104 sub health posts and 293 *Ayurvedic* health institutions. These are staffed by 1457 doctors, 11,637 nurse/ANM, 7,491 paramedics/health assistants, 3,190 village health workers, 3,985

MCHWs, 394 *Ayurvedic* physicians, and 360 *Baidhyas* (MOHP/GoN, 2009). Expenditure on the health sector was substantially increased in the 8th Plan period, to 4.53 percent of total budget expenditure, and in the 9th Plan to 7.28 percent. However, there has been a budgetary decrease on health services in the current plan although expenditure on health in Nepal is higher than in other South Asian countries, such as India (0.6%), Bangladesh (1.6%), Sri Lanka (1%) and Pakistan (0.9%) (Adhikari & Maskay, 2004).

In Nepal, the rugged terrain necessitates long walking distances to receive health services. Similarly, the shortage of human and technical resources serving remote areas, and weak enforcement of laws and regulations by the government has widened the gulf between the rural and regional areas in access to health and sanitation services. Consequently, rural people largely depend on faith healers to cope with illness. In the health posts, there are no doctors, nurses or other trained medical persons and the supply of medicine is meagre (Regmi, 2008).

Recently, there have been government efforts to transfer responsibility for management of sub/health posts (S/HP) and their functioning to local government bodies. The expectation was that this decentralised governance structure, working through local health management committees, would provide better health services. However, Nepal's attempts at decentralisation over six decades show a considerable gap between intention and reality.

Large sections of the population were excluded from all modern healthcare facilities, although some efforts have, to some extent, sought an equitable extension of health services in the rural communities (Stone, 1986). However, these efforts were unsuccessful in delivering basic health services on a systematic and regular basis in the local communities. The major problems were inadequate resources, absence of trained human resources, shortages of equipment, medicine, and health infrastructure (Devkota, 2008). In this setting, the role of NGOs and the private sector is imperative to support technical, financial, supervisory and documentation functions. Lessons from South Asian countries, particularly Bangladesh and

India, suggest that NGOs have assisted local communities in providing information, technical support and decision making options (Ali, 1991).

5.2.4 Drinking water supply and sanitation

Efforts and Achievements

In Nepal, most of the rural population still rely on traditional sources of drinking water such as natural springs, rivers, *kuawa* (surface wells), *dhunge dhara* (stone spouts), shallow tube wells, and *pokhari/kunda* (pond dug-wells) (Merz, Nakarmi, & Weingartner, 2003; Prasain, 2008). Many efforts have been made to facilitate access to safe drinking water (Magar, 2008), but approximately 28 percent of people still lack access and more than 53 percent lack access to adequate sanitation (MPPW/GoN, 2011). A global report estimates that more than 10,500 children die annually in Nepal, as a result of water-borne and sanitation-related diseases related to unsafe drinking water sources and lack of basic sanitation, (Griffin, Shepherd, & Mahat, 1988).

At the start of the 'Water for Life' decade in 2004, 84 percent of the world population lacking safe sources of drinking water lived in rural areas, and more than 40 percent lacked adequate sanitation facilities, defecating in the open or in unsanitary conditions (WHO/UNICEF, 2006). While only 34 percent of the people living in rural areas in Nepal had access to the safe drinking water in 1990, this has increased to nearly 81 percent currently. A similar achievement is apparent in the provision of sanitation facilities. The overall coverage of sanitation was 6 percent in 1990, reaching 43 percent in 2009 (MPPW/GoN, 2011).

Under the current legal system, various development partners are directly or indirectly involved in the drinking water supply and sanitation (DWSS) sector. The National Water Resources Development Council (NWRDC) is the highest authority for making decisions on water related issues. The Ministry of Physical Planning and Works (MoPPW) holds sectoral

responsibility and makes policies and strategies at the national level for DWSS (Gautam, Shivakoti, & Webb, 2004). At the local level, the DDC is the key institution in each district for the planning, implementing and coordinating DWSS projects. The VDC is the lowest governance unit of sub-national government structures, and has responsibility for the coordination and facilitation of project implementation (Magar, 2008).

In the national strategic plans, the DWSS sector has received significant priority since the 4th Plan, with a variety of programs systematically scaling up the quantity and quality of water supply and sanitation improvement projects (Boot and Heijnen 1988; Prasain, 2008). In 5th Plan, responsibility for the provision of drinking water was transferred to the village and district *Panchayats*, both LG institutions. In practice, in spite of this arrangement, a number of projects were directly implemented through political channels by influential leaders. These projects were largely unsuccessful and implementation was frequently delayed, because of internal political conflict or lack of community motivation (Prasain, 2008).

In the 7th Plan in the 1990s, the Rural Water Supply and Sanitation Fund Development Board (RWSSFDB) was established to implement a ‘demand-driven’ rural water supply project (Prasain, 2008). This approach was in contrast to the conventional supply-driven approach and it has directly empowered communities, promoted transparency, accountability and project sustainability. Studies found that 78 percent of schemes using this approach, became fully functional and sustainable (UNDP, 2010).

The 8th Plan adopted the participatory approach in the delivery of water supply and sanitation. It focused on downward accountability and local needs, community ownership and management, strengthening user committees, women’s participation, local communities, NGOs, the private sector, and local governments. In 1992, the Water Resource Act was formulated to legalise the role of communities in the management and utilisation of available water resources for safe drinking water, through the Water Users' Association (Magar, 2008).

The 9th Plan focused on effective, equitable access and sustainable delivery of drinking water supply and sanitation services. In 1998, the National Water Supply Sector Policy was promulgated, signalling the end of direct government involvement in water supply and sanitation projects, and strengthening institutions for decentralised service delivery (UNDP, 2010). In the 10th Plan, the government developed a National Water Plan (2002-2027) to meet the increasing demand for drinking water and sanitation facilities. The intention of this plan is to provide access to drinking water and sanitation facilities for the total population (NPC/UNDP, 2010a).

The three year Interim Plan focused on the direct linkage between water supply and sanitation and people's livelihoods, and aimed at ensuring a sustainable drinking water supply and improved sanitation services, by institutionalising inclusive development efforts. To achieve this, strategies were formulated to enhance community participation in the process of plan formulation and implementation, adapt the sector-wide approach to planning (SWAP) to water and sanitation programs, improve the access and quality of drinking water supply to meet basic standards set by the national water quality guidelines, and empower institutional capacity of stakeholders for a sustainable service and supply of drinking water and sanitation. The Plan also envisaged a multi-sectoral coordination mechanism, from VDC to national level.

The three-year plan approach paper (TYPAP) now focuses on providing safe drinking water supplies to 85 percent, and sanitation to 60 percent, of the population. It recognises that water supply and sanitation services are fundamental to human development and acknowledge the wide gap between rural and urban coverage of both water supply and sanitation. In essence, the general strategies of the TYPAP are to increase people's participation and gradually incorporate a sector-wide approach to planning (SWAP).

Challenges and Issues

In Nepal, the participation of local communities in all stages of water supply projects has been made mandatory by law. Community-owned water resource management is the preferred model for managing water supply services at the community level. This system has brought many social and economic changes including gender equality, participatory decision making, and exploring income generating activities. However, the prescribed institutional structures for community-owned water resources management have largely failed to meet the public need due to technical and financial constraints experienced by communities. Policies and decisions under the decentralisation Act of 1983 and the local governance Act of 1999 are formulated by the central government to promote, construct, operate, and maintain water supply systems, but this does not enable participation of local communities in decision making (Magar, 2008). In 2002, the concept of sectoral devolution was initiated to foster devolution of authority to the local level. However, many water, sanitation and hygiene (WASH) sector programs have by-passed the community owned structure. Similarly, the role of local bodies in the WASH sector have been quiescent in the last few years, due to absence of elected local bodies at the district and grassroots level (RWSSP, 2009).

Many scholars have recommended alternative approaches to dismantling the power structure in the water supply sector, and encouraging involvement of the community, NGOs and the private-sector (Bratton, 1990; ESCAP, 2009; Hunter, MacDonald, & Carter, 2010; Saleth & Dinar, 2000). However, sector review reports of Water Aid Nepal show that water supply coverage is only 53 percent (WaterAid, 2011). A recent analysis of the functional status of existing facilities shows that 42 percent of all projects are not functioning and need major repairs, rehabilitation or reconstruction (NPC/UNDP, 2010a). Further, technical and financial constraints hinder the community's capacity (Gautam et al., 2004). Other factors include institutional fragmentation and limited sector coordination, captured decentralisation in local

authorities, weak monitoring and attention to water resource management and water quality, as well as lack of information on budget allocations (UNDP, 2010).

5.3 Concluding comments

History shows that successive Nepalese governments have formulated policies to deliver basic services, to enhance community livelihood and governance mechanisms. Before the *Rana* period, available facts indicate that rulers were conscious about the government roles and responsibilities. Nonetheless, they were authoritarian, abused their power and minimised citizens' right and privileges.

In the *Panchyat* period, there were some innovative initiatives such as restructuring the administrative system, delegation of power to smaller units, formation of local governments, promulgation of separate legislations to perform roles and functions, and reform organisational structures. However, *Panchyat* was an autocratic system that not only paralysed the socio-political and economic life of the people, but also limited the functions of government and enlightenment of society. In this period, coordination and accountability issues and problems of LGs and SLAs became prominent.

After the restoration of democracy in 1990, the government highlighted decentralisation and sectoral devolution. The District Development Fund (DDF) was introduced to consolidate resources for community service delivery. However, no significant step was taken to resolve existing conflicts between LSGA and sectoral laws. Experiences demonstrate that ineffective service delivery at the community level is caused by two main reasons. First, the recent practice of decentralisation is either more compartmentalised than before, or is excessively power structured. Secondly, democracy is clearly divided into two layers. In the first are political and bureaucratic benefit groups, the capitalist and business class and local elites. In the second are the marginalised groups denied any opportunity to influence policy, and so democracy becomes significant only on Election Day.

In Nepal, resources and capacity building programs have mainly been concentrated at the central and district levels, rather than at the community level. Central and district level agencies exercise a high degree of power over communities, in budgeting and services provision. Consequently, communities are unable to emerge as effective entities of the basic service delivery system (BSDS).

The constant shifts of policies and programs show the government's intention to serve the people and combat poverty at the grassroots. However, reality shows that most of these policies were weak in addressing the required factors. Thus intended goals have remained largely unrealised. Political instability, weak governance, inequitable resource distribution, conditional dependencies on external agencies, and undue influence of local elites' in BSDS are the principal reasons.

The next chapter discusses and justifies the research methods used in this study.

CHAPTER - 6

Methodology

6. Introduction

Undertaking an empirical research to examine the current state of the basic service delivery system in Nepal was extremely hard because of the complex political and bureaucratic arrangements, and economic and social structures. In this chapter, the central issue is explored based on existing policies and investigated using a number of research procedures, focusing on the analytical empiricism of the research methodology and exploring, in detail, the implementation of the research design. Both primary and secondary data sources were employed to collect the necessary information to answer the central research question – how is community governance effectively deployed in enhancing basic service delivery system (BSDS) at the grassroots level in Nepal?

The first section of the chapter provides a profile of the study area and the rationale for its selection. Section two presents information about the study participants and the sample size for the primary survey. Section three shows the procedures of data collection, including primary and secondary survey methods. The fourth section explains the quantitative and qualitative data analysis methods, while ethical aspects pertaining to the study are discussed in the fifth, and finally some concluding remarks.

6.1 Basic theoretical underpinnings of the study

In Nepal, a number of approaches have been adopted in the last few decades to improve institutional efficiency, client-oriented service delivery, and macro-economic performance, including poverty reduction and good governance (NPC 2005). However, experience

indicates that over-emphasising certain macro issues such as upward accountability and a centralised mechanism and devoting less attention to social agendas left ‘poor and marginal communities’ more deprived and less capable of meeting basic needs. This forced research scholars, development practitioners, and policy makers to review public policies to meet community demands in terms of changing social, political and economic conditions.

After 1990, the Nepalese government focused on a decentralisation policy within a neoliberal framework. This stimulated the private sector to become more involved in public welfare and response to the needs of the people. However, the neoliberal approach was not sufficiently equipped to create an environment for community participation and synergy for addressing community issues. Thus general governance theory and the community governance paradigm were adopted to complement the neoliberal approach, together with further reinforcement from a variety of governance models, such as new public management, participation, social capital and central-local relations.

6. 2 Field work

Five Village Development Committees (VDCs) - Goltakuri, Hekuli, Pawannagar Shreegaun, and Shantinagar of Dang district in Nepal qualified in terms the study rationale for selection, exhibiting the necessary levels of rural endemic poverty and long-term marginalisation or exclusion from the basic service delivery structures or mechanisms. The selected VDCs are located in the most remote and poverty-stricken pockets of Nepal (WFP/N, 2006), farthest from district headquarters and major urban centres (DDC/Dang, 2001) (*See Appendix 6.1, .6.2 and 6.3*). The poverty profile of District Development Committees (DDC) Dang shows that the ultra-poor and poor households (HHs) in the study area constituted 60.80 percent of the population. Similarly, HHs having access to safe drinking water and sanitation facilities constituted 33.52 and 43.60 percent respectively (WaterAid, 2012).

Likewise, education statistics indicate that 59.38 percent of the area population qualifies as literate. The concentration of *Dalit* (untouchable caste group), *Tharu* (minority group), and other ethnic minority groups, all economically and socially deprived, was high. Regional organisations, such as local governments (LGs) and sectoral line agencies (SLAs), donors and NGOs’ have a long history of involvement in these VDCs. The following map shows the location and organisational constituency of the study area.

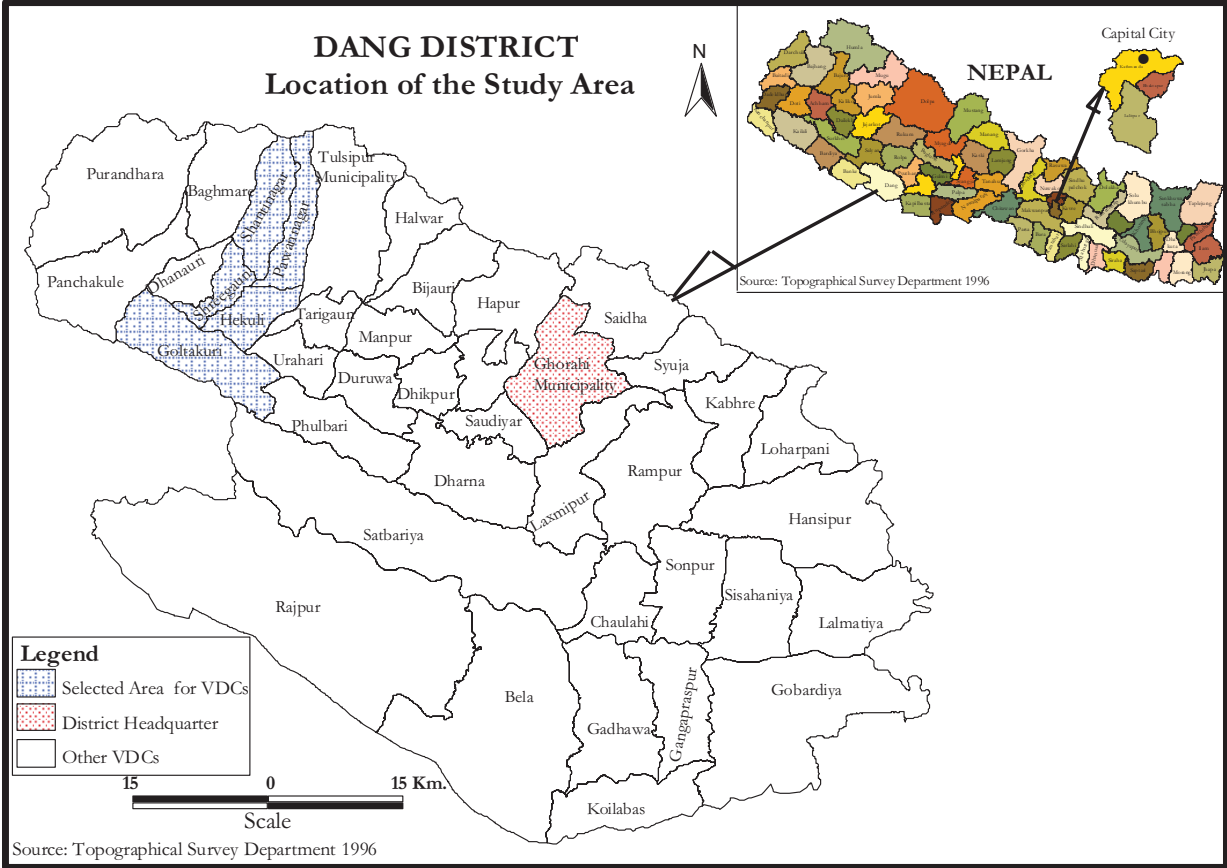


Figure 6.1: Map of the Study Area

6.3 Research Design

6.3.1 Unit of Analysis

Three different categories of CBOs - Community Forestry User Groups (CFUGs), Community Organisations Development Group (CODGs) and Women Development

Organisation Groups (WDOGs) were chosen as units of analysis, in terms of study design and goals. These bodies have been actively involved at the community level since 1990, as people's representatives and facilitators of local services. Their backgrounds, in the following the sub-section, provide the rationale behind their selection.

Community Forestry User Groups

In 1995, community forestry program was initiated in the study area as the prime forest management strategy of Nepal. This encouraged the community to participate actively in conservation, management and distribution of forest products. Forest resource utilisation rights were granted to communities through a series of national policies, which included the Forestry Sector Master Plan 1989, the Forest Act 1993, the Forest Regulations 1995, and the Forestry Sector Policy 2000 (Kanel, 2006). These legal and policy initiatives allowed local communities to organise the CFUGs, as self-governing autonomous local institutions for managing and utilising forest resources. The formation of CFUGs was democratic and their constitutions were registered at district forest offices (DFO). The CFUG contribution was primarily concerned with three approaches toward improving forest-based natural resources and the livelihoods of associated communities - capital formation in grassroots communities, policy and governance reform, and empowerment and social change.

In Dang district in the 1980s, a formal forest conservation practice was started through *Panchyat* forest and *Panchyat* conservation forest. However, a more pragmatic approach to forest conservation began in 1995, when forests were handed over to community groups. To date, 95,226.90 hectares of forest areas have been handed over to the 447 CFUGs across the district, with 88,076 HHs directly involved and deriving benefit from the transfer (*See Appendix 7.1 for details*). In the proposed study area, 44 CFUGs were involved in managing the 6,000 hector forest land (DoF/Dang, 2008). In the beginning, the DFO, local governments (LGs), Livelihoods and Forestry program (LFA), Education for All (EFA), CARE Nepal, and

Rapti Integrated Rural Development Program (RIRD³⁵) were involved in facilitating community management. However, the overall status of community forests is poor, and deforestation and encroachment have been rampant in most of the community forest areas. A critical factor in this general decline has been the direct involvement of the elites and political leaders in the CFUGs (Shrestha & McManus, 2008).

The Department of Forest (DoF) reports that 3,200 hectares of community forest area of Dang district were deforested or encroached upon by outsiders, on the instruction of political leaders (DoF/Dang, 2008). The CFUGs were not in the position to take actions against these forest loggers and political elites, leading to claims that local administrative mechanisms were ineffective in the control of forest issues.

Community Organisation Development Groups

In 1996, with the technical and financial support of the United Nations' Development Program (UNDP), a social mobilisation project was implemented in the study area, under the LGs umbrella, with over 72 CODGs being formed to perform social, economic and infrastructural development activities (*See Appendix 7.1 for details*). To formalise the project, at least 80 percent of households were included in the CODGs from each settlement. This created the foundation to conduct social mobilisation based activities, long associated with the movement from "traditional to modern ways of life" (Meier, Acharya, & Shrestha, 2009). As locally constituted people's institutions at the grassroots level, CODGs were entrusted with the responsibility of conducting all infrastructural, social and income generating activities.

On the action front, this program enabled local community investment of savings, in the form of low interest loans to needy members and encouraged community members to undergo training in skills development, promotion of technology, and implementation of more

³⁵ The Rapti Integrated Rural Development Program (RIRD) was conducted in 1977-1987 in the entire the Rapti Zone, including study area assistantships of the USAID, providing public service access to the communities.

productive infrastructural methods. Communities received seed grant finances for the building of roads, rural electrification projects, bridges, irrigation schemes, drinking water facilities and community buildings (Poudyal, 2008). In order to ensure the sustainability of these local initiatives, the LGs promulgated the Local Development Fund Act 2002 to formalise the CODGs and their initiative - the Village Development Fund (VDF) at the grassroots level. However, UNDP's support for this program's operation was discontinued in 2007. This created a crippling funding and technological crisis for the CODGs.

Women Development Groups

In 1982, the Production Credit for Rural Women (PCRW) was launched in the study area under the Ministry of Panchayat and Local Development for empowering and enhancing women's capacity. The focus of women's development program/groups is to enhance the socio-economic condition of poor rural women, including ethnic and lower caste groups, through a process of empowerment, in order to improve access to and control of resources, assets, and services. Formation of community groups, support and solidarity for collective action to overcome resistance to change, holding institutions accountable, and implementing social mobilisation for effective service delivery have been other important objectives (Mahat, 2003). In ensuring women's equal and meaningful participation in the development process, emphasis has been on increasing access to economic participation, mainstreaming women into both the public and private sector decision making process and enterprise system, restructuring existing discriminatory laws which deter the empowerment of women, and reforming the organisational structures, coordinating women's development activities (Acharya, 2001). Recently these groups have been supported by Women's Development Office (*See Appendix 7.1 for details*).

6.3.2 Sample size

In the selection of respondents, the sampling method of Arkin and Colton (1963), was administered, with 95 percent confidence level and 5 percent precision level determined the total population comprising the study area. The proportion of population comprising the sample size was determined by, using the following formula (Yamane, 1967).

$$n = \frac{N}{1 + N (e)^2}$$

Hence, $n = \frac{152}{1 + 152 (0.05)^2}$ the sample size = 110

Similarly, the number constituting the sample size was determined by following formula:

$$\text{Sample Fraction} = \frac{\text{Sample Size}}{\text{Total Population of Respondents}} \times \text{Individual Popn. of Organisations}$$

Table 6.1: Sample size for the grassroots level organisational survey

Description/Type of Organisations	Total Number of Groups	Sample Number
Community Forest User Groups (CFUGs)	44	31
Community Organisation Development Groups (CODGs)	72	53
Women's Development Groups (WDGs)	36	26
Total	152	110

6.4 Data collection procedures

Both primary and secondary data was collected according to the requirement of the study. A letter outlining the purpose of the study, accompanied by the Nepalese translation, of questionnaires was provided for each agency and CBO group which requested these, facilitating in the collection of information.

6.4.1 Primary data

Primary data was collected using, three methods - organisation surveys, focus group discussions (FGDs), and in-depth interviews.

Organisation survey

Organisation surveys were conducted by three research assistants, between February and April, 2011. Before the survey exercise, the researchers designed and familiarised themselves with the communication methods, questions, responses, and documentation, to be employed. This was followed by a pre-test survey conducted in the study area. The purpose of the organisation survey was to collect information about the role and responsibility of each participating CBO and the level of collaboration among the stakeholders in undertaking the BSDS (*See Appendix 6.7 and 6.10*).

A simple random sampling method was adopted for selecting 110 CBO groups for the organisation survey (*See Table 6.1*). However, the respondents of the organisation surveys, the chair, secretary and a member of each sampled group were chosen on the basis of purposive sampling. The participatory method was employed in data collection. The closed-end structure for multiple choice questionnaires was developed as the basis of the central research question, which was explained by the researcher to respondents (*See Appendix 6.4 for the details for questionnaire*). The respondents discussed the options provided in the questionnaire and agreed to answer the question.

Focus Group Discussion

The Focus Group Discussion (FGD) was employed to monitor the discussion within a selected group of individuals, and record their views and perceptions on BSDS. The rationale for the choice of the FGD was to gain insights into people's experiences concerning, community issues, and how individuals are influenced by groups and development agencies' activities. Thus the research drew first-hand upon group participants' feelings, attitudes, experiences, beliefs, and responses, in regard to BSDS as the participants shared individual experiences of BSDS operations, governance patterns, and public access into basic services. This emotional group process enabled the researcher to get more information in less time,

compared to an individual interview process. The method also revealed power differences between the community people, types of leadership, and other decision-makers.

Three FGDs were convened and conducted at three different places; the first comprising chairpersons, managers and members of CODGs at Goltakuri VDC; the second at Pawannagar VDC with chairpersons, secretaries and members of CFUGs; and the third was at Hekuli VDC with a mixed group of CODGs, CFUGs, WDOGs and local people. The reason for the involvement of all these organisations was to gather views of a representative and heterogeneous community cross-section. Issues for discussion were presented in a question form, designed to give feedback in terms of the main research question (*See Appendix 6.5*). Each FGD lasted approximately 90 minutes. Proceedings were recorded electronically, and later transcribed and presented in a written format.

The mixed group discussion enabled a larger number of participants in all locations to air their concerns regarding BSDS. Table 6.2 shows the location, dates conducted, numbers of respondent for the FGDs.

Table 6.2: Details of focus group discussion

Location	VDCs	Name of CBOs	Conducted Date	No of Participants			Status of Participants
				Male	Female	Total	
Madaupur school	Goltakuri	CODGs	03/03/2011	9	11	20	Chairpersons, Managers and a key member
VDC Hall	Pawannagar	CFUGs	11/03/2011	12	8	20	Chairpersons, Secretaries and a key members
Hekuli Secondary School	Hekuli	Mixed groups (WDOGs, CFUGs and CODGs)	24/03/2011	7	12	20	Chairpersons, Secretaries/managers and a key members

Interviews

In February 2010 a series of individual interviews was conducted to gather more in-depth information and to explore the latest BSDS issues. Included in the interview schedule were

persons with greater experience and more knowledge of BSDS, representative of the national, district and community level service delivery systems. Forty people from different spheres of society were selected to be interviewed, based on their contributions to and experience in community development, governance and service delivery. The interviews targeted two representative levels and were held on different dates and in different locations. In the first phase, 20 people comprising executive and general members of different CBO groups, grassroots level local government officials, local leaders of political parties, women activists, and officials in charge of extension service centres at the community level, were chosen. The second phase included another 20, chosen from district and national level stakeholders, such as chairpersons of district development committees, chiefs of line agencies, private sector representatives, development activists, district level NGO representatives, ministerial officials, representative of local government associations (ADDCN and NAVIN), and decentralisation activists (*See Appendix 6.6.1 for questions of interview, and 6.6.2 for number and level of respondents*).

These interviews were designed to gather the opinions and attitudes of participants on the relationship between community, CBO, state and non-state partners in BSDS. They were also asked for input creating an enabling environment at the community level, the practice of networking and partnerships among state and non-state stakeholders in BSDS, as well as about CBO performance in meeting governmental and public expectations, as development partners at the grassroots level. Additional issues involved CBO autonomy, practice in participatory democracy and community governance, and institutional barriers they encountered.

Open-ended and open-structured questionnaires were administered for the interviews, designed on the basis of the main research issue. The personal interview was much easier to control, both in explaining the issues and extracting responses from participants. Interviews

averaged one hour and these were recorded electronically and later transcribed and presented in a written format

6.4.2 Secondary data

Secondary data was collected from the institutional records of CBOs from the district (DDC) and grassroots level (5-VDCs), LGs, DFO, and WDO at the district headquarter of Dang district. Numbers of executive bodies, CBO groups, members, inclusion patterns and HH coverage were extracted from these records. These institutional records were supplemented by the records of each CBO group and prevailing legal acts such as LSGA and by-laws of 1999, the Community Forestry Act 1993, Cooperative Act 1992, Poverty Reduction Strategy Paper (PRSP) 2002, Three Year Interim Plan (TYIP) 2007/08–2009/10, Three Year Plan Approach Paper (2010/11- 2012/13), the Interim Constitution 2007, the sectoral devolution policy, women development policies, health policies, local infrastructure policies, drinking water supply and sanitation policies, and education policies and provisions of the central and local government, district level sectoral line agencies (SLAs), NGOs and other different grassroots level organisations.

From these collected secondary sources, CBOs actions, governance pattern, and basic service delivery system (BSDS) were reviewed. These have been presented in descriptive ways in different chapters according to their relevancy.

6.5 Data analysis

Both quantitative and qualitative techniques were applied in the analysis and presentation of the collected information. In presenting the information, specific codes were assigned for the VDCs, CBO groups, and data collection methods. For ethical and social reasons, no individual names were used.

Table 6.3: Code of VDCs, CBOs, and methods

Name of the Methods	Code	Name of the VDCs	Code	Name of the CBO groups	Code
Focus group discussion	X	Goltakuri	A	Community Forestry User Groups (CFUGs)	i
Interview	Summary presentation	Hekuli	B	Community Organisation Development Groups (CODGs)	ii
Survey Method	Presentation in tabular form with source	Pawannagar	C	Women Development Organisation Groups (WDOGs)	iii
		Shreegaun,	D		
		Shantinagar	E		

6.5.1 Quantitative analysis

Quantitative analysis is a statistical technique to analyse and present the numeric database in a simple and comprehensible manner, using tables and figures. In this study, the primary data was coded, parameters were built, and responses entered into the worksheet of the software package - Statistical Package for the Social Sciences (SPSSs) Version 18. The SPSS program analyses complex raw input and presents the summarised information accurately in a tabular form. The data was analysed using basic statistical techniques such as descriptive statistics, cross tabulation and frequencies, as well as more powerful statistical analysis such as correlation and regression.

Frequency analysis

Frequency analysis is a method of summarising a set of categorical, nominal, and ordinal data. It is a record of how often a set of values of the variable in question, occurs. The entered data in the SPSS was produced and presented through a simple descriptive and cross-tabulated statistical method.

Weighted average index technique

The weighted average index technique (WAI) was used to assess the capacity of community-based organisations and their performance of activities. In terms of the nature of this study, more of the data was quantitative, rather than qualitative. This necessitated transformation of attributes through aggregation of quantification by weighting, scoring and computing index values. In order to make comparisons easier and clearer, a WAI was employed to assess CBO capability in BSDS. Seven functional activities were determined. These were organisational development, economic resource mobilisation, community/social mobilisation, planning, implementation, and monitoring, community governance, coordination and linkages, and social contribution. Similarly, seventy indicators were developed based on past experience and theoretical or empirical literature, to assess the CBO capability (*See Appendix 6.8 for details of indicators*). The capability indicators developed were based on sectoral regulations, policies, guidelines, objectives and current activities. These indicators were modified with the standard indicators of different agencies, to assess CBO performance.

The information on functional capacity was collected from 110 different groups of three broad 'CBO group'³⁶ during the scheduled meetings, and a participatory approach was used. Each indicator, under the functional activities, was discussed in the group meeting and documented after participants reached consensus. Members' responses were collected using a structured checklist in the 'Yes' and 'No' format, where 'Yes' denoted the activities completed and 'No' otherwise. Later, the weight was assigned for completed activities = 1, 0 otherwise.

The assigned weights of individual groups, according to the individual indicators, were calculated under the broad category of organisations and their functional activities. The following WAI technique was used for measuring and comparing organisations' capabilities

³⁶ The number of members in each CBO group ranged between 25 and 45 in which one household represented one member. In the study area, most of the community households were organised into CFUGs, CODGs, and WDOGs.

and performance in the different activities (Zhen & Zoebisch, 2006) (See Appendix 6.9 for details).

$$I = \sum F_i W_i / N$$

Where,

I = Weighted Average Index (WAI), F_i = Frequency of responses to a particular statement, W_i = Weightage of statement, and N = Total number of responses (Dueñas, Albert, Carrasco, & Aroca, 1996).

The indices employed in the data analysis are summarised hereunder;

$$WAI = (F_1 W_1 + F_2 W_2 + F_3 W_3 + F_4 W_4) / N$$

WAI = Weightage Average Index

Where, $N = F_1 + F_2 + F_3 + F_4$

F = Functions (1 = performed activities under specified categories; 0 = not performed) and,

N = Number of functions under the particular categories.

Based on WAI values, the CBOs functional capacity were categorised as:

Efficient capability = above 0.75;

Moderate capability = 0.51 – 0.75;

Weak capability = 0.25 – 0.50; and

Vulnerable = Less than 0.25.

These capability assessment findings were validated through visits to CBO group meetings and discussions with group members. After calculating the index value, the quintile figure is visually displayed in the spider-web configuration.

Correlation analysis

The correlation technique was used to find the stakeholders' inter-collaborations in BSDS for effective community governance. "This relationship is known as the correlation coefficient, is represented by a value within the range of -1.00 to +1.00. A correlation coefficient of +1.00

indicates that variables are moved in the same direction at all times” (Zimmerman & Williams, 2000: 272).

Regression analysis

This analyses the relationship between a dependent variable and one or more independent variables (Tobin, 1958). Detailed information on governance practice adopted by CBO groups including inclusive participation, empowerment, transparency and accountability, enabling environment, local democracy, service delivery effectiveness, service integrity, social capital, institution building, community mobilisation, planning, implementation and monitoring, and coordination, linkage, partnership development, was collected using a structured questionnaire.

Selection of dependent variables

The dependent variable was constructed on the basis of the main research question and the scoring was assigned as: 1 assigned for practiced activities and 0 for none. This index was considered as a dependent variable. For the specification of dependent variables³⁷ (deployment of governance practice in BSDS -Y), 5 common indicators were identified on the basis of CBO activities at the community level (*See Appendix 6.11 for detail indicators*).

Selection of independent variables

To determine the relationships, twelve independent variables³⁸ such as inclusive participation (X_1), empowerment of people (X_2), transparency and accountability (X_3), enabling environment (X_4), practice of local democracy (X_5), service effectiveness (X_6), service integrity (X_7), social capital development (X_8), institution building (X_9), community mobilisation (X_{10}), planning, implementation, and monitoring (X_{11}), and coordination, linkage,

³⁷ Dependent variables are those values that closely related and determined as a consequence of changes in independent variables (Bollen, 2012).

³⁸ Independent variables are regarded as inputs to a system or they can determine effectiveness of the system according to their efficiency (March & Sutton, 1997).

and partnership development (X_{12}) based on CBOs activities were selected for the regression model (See Appendix 6.12 for the detail indicators of the independent variables).

Model specification

A simple linear regression model was designed to analyse the inducing factors of governance for effective service delivery. The variables were analysed using backward multiple linear regression. This method is more useful in constructing models, in which both dependent and independent variables are numeric. As mentioned earlier, the dependent variables were considered as a numerical index which was assumed to vary from one organisation to another.

Rossillo (2013: 35) states that “this is an appropriate statistical method to elaborate the influence of independent variables on dependent variables, as it permits examining the influence of each independent variable on the regression model. To pursue the backward multiple regression analysis, the dependent variable governance for the effective service delivery, was assumed as being controlled by the number of independent variables: X_1, \dots, X_n . The specified model is as follows;

$$Y = b_0 + b_1 X_1 + b_2 X_2 + \dots + b_n X_n;$$

Where, Y = dependent variable of governance practice, b_0 = intercept,

b_1, b_2, \dots, b_n = coefficients of explanatory variables X_1, X_2, \dots, X_n .

The model was constructed using the backward probability criteria of F to enter $\leq 0:050$, and probability of F to remove $\geq 0:100$. Independent variables (X_1, \dots, X_{26}) entered in the analysis”

Similarly, the ANOVA (analysis of variance) (Details in Appendix 10.3) was employed to calculate the consistency of variability levels within a regression model. From the basis of significance test, the variance of the independent variables was determined. In ANOVA

analysis, the factors were directly manipulated and the result of changes to the dependent variable measured.

6.5.2 Qualitative analysis

The major weaknesses of quantitative technique are that it can neither interpret the causes, nor elaborate the effects, of variables. It can only indicate how, or to what extent, variables are associated with each other. In this study qualitative technique was employed to show the cause-and-effect relationships of the variables, with applicable interpretation. For the qualitative data analysis, stakeholder analysis, simple transcription, summary and verbal statements were used.

For the analysis of acquired data from FGDs and in-depth interviews, the data was transcribed and coded according to thematic issues, such as role of CBOs in basic service delivery, their functional capabilities, collaboration with different stakeholders, and inducing factors of governance. Later the coded data was analysed according to the theme.

Stakeholder analysis

The stakeholder analysis method was applied to identify the relationships between the actors, their knowledge, behaviour, intentions, interrelations, agendas, interests and the influences on community development service delivery mechanism (Brugha & Varvasovszky, 2000) that ensures the inclusion of all stakeholders and maximisation of their roles and contributions. In this study, stakeholders were identified, and their involvement explored, through a step-wise participatory approach in meetings of CBO groups. In the first step, group members identified all stakeholders who were directly and indirectly involved in service activities in their communities. Next, stakeholders were categorised into three groups: key, primary, and secondary. This categorisation was based on their direct or indirect involvement, positive or negative interests, and influences, in service delivery at the community level based on

relevant literature. Clarkson (1995: 106) clarifies that “stakeholders in any society can be categorised by key, primary and secondary”.

Key stakeholders

Key stakeholders are essential to the survival and well-being of the service system for their influence, either positive or negative (Brugha & Varvasovszky, 2000). In study area, CFUGs, CODGs, WDOGs, local people, local political parties/elites, rural cooperatives, extension service centres (agriculture and livestock), community health centres, forest range posts, government schools (primary & high schools), VDCs, private boarding schools, private agrovets, local retailers and whole sellers, public transportation associations were identified as key stakeholders.

Primary stakeholders

Primary stakeholders are those who interrelate, but are not essentially influenced by the service system. They play an intermediary role and may have an important effect on the service outcome (Brugha & Varvasovszky, 2000). In this category are the communities and local institutions that are eventually influenced by service provision, either as beneficiaries (impacted on positively) or dis-beneficiaries (impacted on undesirably). In the study area the district development committee, SLAs, GOs, government financial institutions, private hospitals and clinics, and private financial institutions were identified as primary stakeholders.

Secondary stakeholders

Secondary stakeholders are those who are indirectly involved, but may affect a specific service provision. In the study area, FECUFUN, FNCCI, NGOs (BASE, SEED), district level media associations, and local saw mill owners were identified as secondary stakeholders.

Determining the importance and influence of stakeholders

By using a matrix at four levels, stakeholders were considered and placed in different boxes, according to their importance in the approach, versus their influence in determining the approach (Grimble & Wellard, 1997). This analysis determined which stakeholders were more important for formulating, implementing, monitoring and evaluating projects. To identify the importance and influence of stakeholders in the service delivery mechanism, the workshop method was adopted during group meetings in each identified sampled CBO group (See Appendix 8.1 for details).

Table 6.4: Stakeholder Matrix

Group A Least influence, most importance	Group B Most influence, most importance
Group D Least influence, least importance	Group C Most influence, least importance

Group A: Least influence, most importance

In this group, the involved stakeholders are from the project area. They may have little power to influence management and decision making. However, they are the most critical participants in programs and projects, which are often designed considering their interests (Henriques & Sadorsky, 1999).

Group B: Most influence, most importance

This group includes the powerful who are associated with a project, party members who have strong influence because they may be main investors, and so on (Brugha & Varvasovszky, 2000).

Group C: Most influence, least importance

This may include participants from funding agencies who have strong influence in planning, finance, and overall decision making, which determines the mobilisation of resources (Grimble & Wellard, 1997).

Group D: Least influence, least importance

These stakeholders represent various sectors of society, which low risks in the projects, of which they are a part. They might be included in groups of people who are marginally affected and are basically project beneficiaries or collaborators (Grimble & Wellard, 1997).

6.6 The ethical process

This study complies with the research ethics standards, as set out in the guidelines for Human Research Ethics at the University of New England. The researcher gained approval for all components of the research: the organisational survey, focus group discussion, and in-depth interview.

6.7 Concluding comments

This chapter provided an overview of the research design and methods used in exploring the research questions. The thesis was guided by a mixed method approach, in which both quantitative and qualitative techniques were employed to extract critical information on the BSDS, analyse the data, and present realities for the further improvement. In this study, CBOs and their members were chosen as the unit of analysis. Both secondary and primary data sources and qualitative and quantitative techniques, such as organisational survey, FGD, and interview methods were administered to gather information from community, district and national levels. The qualitative analysis method, such as transcription of conversations, and quantitative method were employed in analysing the data. Both descriptions and tabular forms

of the data provided information on community basic service delivery, their mechanism, performance, capacity, actor relationships, and inducing factors and their influences on governance practices., The analysed information, findings, and results will presented in the chapters following.

Following the description of research methods in this study, the next chapter analyses the CBO role in basic service delivery and community governance in the Nepalese context.

CHAPTER - 7

CBO Role in Basic Service Delivery and Community Governance

7. Introduction

Community based organisations (CBOs) are locally constituted, membership and faith-based, non-profit, volunteer organisations. CBOs' facilitating and catalytic role has brought many positive change and greater effectiveness in service delivery at the grassroots (Mansuri & Rao, 2004). Their flexible structure, autonomous character, downward accountability, and less bureaucratic orientation has propelled them into becoming faithful institutions, catalytic agents and grassroots representatives for generating civil awareness and reducing the gap between communities, community-based actors and policymakers in the policy process (Dongier, Van Domelen, et al., 2003). However, the structure of service delivery system in Nepal is based on a centralised unitary configuration. Under this structure, the legislative, executive and judicial powers have been under the control of the central and local governments, affecting the governance mechanism at the grassroots level and discouraging community based organisations from contributing towards effective service delivery.

Nevertheless, various efforts were made in recent years to increase the efficiency of service delivery. A variety of acts and policies, such as LSGA and other sectoral acts, the Social Council Act and Cooperative Act, have been promulgated. Their major focus is CBO engagement in service delivery system at the grassroots level. Experience shows that CBOs have been particularly concerned with empowering local communities with easier access to services, decision making and resources.

This chapter presents the analysis of data which focuses on the structure and role of CBO in the basic service delivery system and its importance for effective community governance. The

first section provides an outline of the service delivery structure and the role of CBOs, while the final section provides concluding comments regarding their role and its effectiveness and sustainability.

7.1 Structure and role of CBO in basic service delivery mechanism

Empirical findings indicate the structure of the service delivery in the study area is based on two types of systems - reciprocal and non-reciprocal. The reciprocal involves the mutual interactive relationship between CBOs and local communities. CBOs, as grassroots institutions, attempt to improve accessibility of services for the people. This is a two-way reciprocal relationship wholly at grassroots, whereas the non-reciprocal concerns the state-community relationship and its adherence to the one-way top-down system. The nature of the basic service delivery mechanism (BSDS) shows a three-level structure found in central, districts and local bodies.

In the reciprocal system, group members identify issues, problems and needs through participatory efforts facilitated by CBOs. After this, the plans and programs are forwarded to the district level through channels provided by extension centres, Village Development Committees (VDCs) and non-government organisations (NGOs). After the necessary improvements, the district level agencies formulate district level plans and programs. Finally, these plans and programs are sent to the central level to obtain final approval and necessary funding. The approved plans and programs are finally sent back to the district level, through the appropriate channels (*See Appendix 5.2 for details*).

Two Hundred forty different groups were involved in the study area, concerning delivery of services and implementation of projects at community level (*See Appendix 7.1.1*). The formation process of groups shows that 30 percent were setup by LGs, followed by 50.83 percent by sectoral line agencies (SLAs) and 8.75 percent through traditional practices. The coverage of NGOs and volunteer groups were 6.67 and 3.75 percent respectively. However,

figure shows 64 percent of groups were informally legitimised, and only recognised by the LGs and sectoral policies, or by NGO system. Among the legitimised CBO groups, 68 percent were legitimised by Community Forestry Acts followed by 32 percent by Cooperative Acts (*See Appendix 7.2 about the legitimisation status of the surveyed groups*). In the study area, CBO role was endorsed in 1977 through implementation of the Rapti Integrated Rural Development Program (RIRDP), which encouraged local communities in collective action, bringing social transformation, economic advancement and more. However, experience indicates that RIRDP's major focus only concerned informal CBO groups. These informally constituted groups were not in a position to make decisions relating to service delivery, having been endorsed only to facilitate community mobilisation. After 1990, when the Community Forestry Program and other community mobilisation programs were implemented, many CBO best practices, such as community institution building, social mobilisation, capacity development, local democratic exercise and other activities, came to be viewed as effective measures of poverty reduction.

7.1.1 Building community institutions

Community institution building (CIB) is a structured social process concerned with the cultural endowments of communities, such as norms, values and institutional innovations, behavioural patterns, technological dynamics, and institutional policies that trigger the restructuring of traditional institutions, in order to improve their efficiency and effectiveness (Bush, 1987). In the study area, the entire practice of decentralisation empowered the local communities in institution building, by engaging members in local politics and restoring socio-economic controls. In addition, many CBOs were engaged in BSDS such as building organisations, mobilising people, developing basic rules, harnessing local resources, and implementing development projects to create an enabling environment for CIB. The following table shows the roles of CBOs in community institution building activities in the study area.

Table 7.1: Roles of CBOs in institution building activities

	Formulation of rule, regulations and, policies	Building collaboration with stakeholders	Establishment of community power structure	Adopting democracy in service activities	Social Accountability	Total count of groups
No. of involved groups	98	78	72	65	64	110
Percent	89.09	70.91	65.45	59.09	58.18	

Source: HHs Survey (February-April, 2011); Output table produced by SPSS Ver. 17

Note: See Appendix 7.3 for details

Table 7.1 shows 89.09 percent of groups formulated community owned rules, regulations, policies and strategies, which ensured not only transparency and accountability in decision making and regulatory processes, but also guaranteed community control to power, politics and resources. In addition to these, multi-fold actions such as minimising conflicting policies, better application of legal prosecutions, efficient resource allocation and capacity building were effectively operationalised after formulation of community based rule, regulations and, policies. These actions on the one hand, created an enabling environment for the people to participate in the service delivery mechanism. On the other hand, such involvement of CBOs overcame the communities' constraints such as inadequate income generation activities, insufficient knowledge on resources management; minimal access to health and education and infrastructure such as roads, irrigation and drinking water schemes.

The second column of the table indicates that 70.91 percent of groups played a key role in building collaborative roles with other stakeholders. CBOs being a dynamic force at the community level, their value has not only been appreciated as facilitator, but also as a catalytic agent, enabling the community to establish two-way relationships with stakeholders, who have supported their endeavours to play a meaningful role in community service delivery, monitoring, and evaluation. In the study area, CBO role in institution building process through collaboration reinforced identifying problems and priorities, motivating and mobilising local communities for working together. It also helped begin dialogues with stakeholders and in creating an enabling environment. These stimulated effective public

engagement to gain the public's confidence, establish credibility in the planning and implementation process, and enhance trust through strong relationships and interactions at various levels, faster approvals, and open exchange of information.

The third column shows that 65 percent of the groups were engaged in establishing community power structures to limit elitist influences and eliminate the top-down mechanism in the BSDS. Two modes of community power structure were in operation. In some groups 'pluralist power structure' was established wherein community group members cut across class lines and were represented in the community decision-making system. However, the trend indicates these groups' contribution was significantly less, in addressing the rights and needs of marginalised community sectors, because service functions were influenced by hierarchical power structure at the community level. People who were influential mobilised a major segment of the community. In many groups, the power structure is stratified and dominated by a small homogeneous group which controlled decision-making and resource mobilisation.

Aiming for democracy and social accountability ensured participation and other democratic practices that brought social and economic changes at the community level. However, smaller groupings, as exemplified in the fourth and fifth columns, sought to adopt governance norms (59.09%) and social accountability practices (58.18%) in their service activities. In general, past experience indicate that the CBO focus was on developing acceptable institutional building practices, for service provision by empowering communities and enhancing their voices. Similarly, they facilitated the participation of all group members in decision-making including networking, linkage, and local resource mobilisation. An excellent example of

institution building was demonstrated by those communities involved in the *Chiregar* Irrigation Project³⁹.

The empirical information demonstrates that many CBOs developed *vachapatra* (oath) and thumb rules as guiding principles that helped maintain discipline, ensure democracy, and increase public trust. The community developed guiding principles supporting women's and disadvantaged groups, to build their confidence and avoid gender and social discriminations. Likewise, many CBOs enforced various legal provisions and various national and international agreements such as Local Self-Governance Act (LSGA), CFUG guidelines, CEDAW and the Civil Code of 1963 at the community level. Their aim was to make effective positive discrimination policy, with 33 percent women's participation in decision making, and 10 percent *Dalit* participation in each development committee. Ten percent of the budget was allocated for women's programs in each agency.

Several participants expressed the view that many groups were working towards creating an 'enabling environment'⁴⁰ for the participation of all members, particularly those socially excluded, in group meetings, training and interaction programs. These activities created a chain of networks, local autonomy, and a safety net for the poor. Additionally, they contributed to reducing structural exclusions and lack of access to services, changed the rules of the game, and increased the voice of the poor to promote social accountability at the community level.

³⁹ The *Chiregar* Irrigation Project charged a service fee to all irrigation users according to the size of their land. Funds collected were utilised for a medium-scale co-operative which provided agriculture-related services such as credit, fertilizers, seeds and pesticides to the community members. *Source: Field Survey (February-April, 2011).*

⁴⁰ In Hekuli, the *Tharu* community groups developed a concept of "*Aadharsila*" (the foundation), which supported the people, particularly the women, in becoming a part of decision making at the HHs and community level. Additionally, it has supported the *Tharu* and *Dalit* communities to participate in the service system that empowers their leadership capacity, increases local ownership, and makes them accountable for community need-based projects such as drinking water, sanitation, livestock, agriculture and health. *Source: Field Survey (February-April, 2011).*

7.1.2 Mobilising communities for community driven development

Community-Based organisations (CBOs) mobilise the community people to increase their control of decisions over the resources. These groups often involve in diversities of work in partnership with demand-responsive support organisations and service providers including local governments, the private sector, NGOs, and central government agencies. In the study area, many CBOs perform a variety of functions. They facilitate local communities in increasing their access to social and infrastructure services, organising economic activities, managing resources, empowering the poor people, and improving governance. This shows that the nature and functions in mobilising communities for basic service delivery varied from one CBO to another. While one lobbied among local and central government or other non-government institutions to fund projects, others assisted with the technical preparation of projects. Frequently, they enabled communities to serve as liaison agencies between their neighbourhoods and public institutions and encouraged watchdog activities via public hearings.

In the study area, effective management of local forest and rural-based micro finance, increasing enrolment of primary and secondary level education and public access to primary health, agriculture and livestock, and drinking water supply system services, are some of the best examples of CBO community mobilisation. The achievements indicate that while CBOs maintained a low profile, they made substantial progress in community mobilisation. This proves that CBO actions played a decisive role in enhancing sustainability, improving efficiency and effectiveness, empowering poor people, and strengthening inclusive governance. The following table 7.2 shows the roles of CBO in community driven development.

Table 7.2: Mobilising communities for community driven development

	Create social awareness	Integrate community development activities	Conduct participatory bottom-up Package	Economic resource mobilisation activities	Natural resource management	Total count of groups
No. of involved groups	104	89	86	82	62	110
Percent	94.55	80.91	78.18	74.55	56.36	

Source: HHs Survey (February-April, 2011); Output table produced by SPSS Ver. 17

Note: See Appendix 7.4 for details

Table 7.2 shows that 94.55 percent of groups were involved in social awareness activities followed by 80.91 percent in integrated community development activities. Next, 78.18 percent of CBOs were active in the participatory bottom-up planning, implementation and monitoring process, followed by economic resource mobilisation activities (74.55%). In natural resource management, 56.36 percent consisted mainly of community forestry user groups (CFUGs). According to legislation, their involvement was mainly with forest resources; however, the information shows that CBO group involvement in other kinds of natural resource management, such as land and water conservation, was also appreciable.

According to findings, the high level of CBO involvement in social awareness programs supported increased collective actions, boosted self-confidence, and helped exercise local autonomy among the groups. Equally, democratic practices and easy access of the public to the service mechanism were achieved. Examples of some focused activities included a campaign against gender and caste discrimination, representation and participation of women and marginal communities in the political, economic, and occupational sectors, practices for local democracy such as voice raising, leadership selection in school management committees, and user committees. These activities not only empowered the communities, but also strengthened the CBOs' capacity to accomplish integrated community infrastructure activities, such as construction of school buildings, irrigation projects and drinking water schemes. Other examples included construction and maintenance of roads, bridges and

culverts, health post buildings, bio-gas projects, and construction of toilets and community buildings through support of local governments, sectoral line agencies and I/NGOs.

CBOs support for local communities in planning processes, assisted local people in identifying community felt needs, mobilising people for attaining consensus, ensuring that people were able to understand and vocalise their needs, integrating local knowledge systems, creating two-way learning systems between service providers and communities, and developing accountability in community governance. Through this, CBOs created a favourable space for the communities to organise, involve, and share their views and experiences. Correspondingly, their inclusive activities encouraged women, *Tharus*, *Dalits* and other marginalised people to participate in the group activities. These actions led to efficient economic resource mobilisation such as savings, government and non-government funding of resources, LG grants, and community owned properties (forest, land, boulder, sand, water).

Experiences indicate that CBO assistance to communities in mobilising economic resources not only allowed for the effective delivery of basic services, but also contributed to their long-term sustainability. A best outcome of economic resource mobilisation in the study area was uniting the poor and marginal communities through saving credit mobilisation. Through this, they mobilised local savings, managed minimal interest-rate, derived and updated rural record keeping and information systems. Many CBOs in the study area were usually performing varieties of functions. In addition to this, the capacity of members was enhanced through economic enterprises such as mushroom cultivation, raising goats, off-season vegetable farming and bee-keeping.

Over time, the rural communities were able to collect a significant amount of money and invest in rural cooperatives that provided soft loans to other villagers. Regarding natural resource management, the state granted legal authority to CFUGs for managing, utilising and

generating physical and social capital. Evidence indicates that CBO involvement in community development activities helped relieve their dependency on external agencies, and engaged local communities in the local resource mobilisation activities. This process promoted not only indigenous skills and community development, but also enhanced the adaptive capacity of communities by creating economic opportunity and strengthening local institutions for redistributing forest management rights, encouraging decentralised forest governance, and diminishing social inequities caused by uneven benefit-sharing.

7.1.3 Building social capital

Community based social capital develops associations, trust and reciprocity between individuals and within communities. In the study area, communities developed confidence, increased participation in decision making, reduced malpractices and moved towards economic prosperity. More important, the CBOs' focus on inclusion of the poor and marginal groups supported initiatives for widening people's choices and enabled them to be heard. As explained before (Chapter 3.2.3), social capital is a set of horizontal associations between communities, social networks and existing norms and values, that increases institutional dynamism and enhances organisational efficiency.

Findings from the study area show that social capital involves positive relations between communities and functioning groups and creates networks among the HHs within the community, thereby helping reduce household risk in service mechanisms. CBOs play an important role in rule formulation, breaking down power structures and countering elite control. CBOs' actions for generating greater equity among communities in the service mechanism by removing hierarchical and elite power structures have implications for social capital. Table 7.3 elaborates CBO roles in social capital building in the study area.

Table 7.3: Building social capital at the community level

	Association of people in CBO groups	Collective action	Develop social harmony	Trust & reciprocity in CBOs' action	Social network and relationships	Total count of groups
No. of involved groups	98	96	92	82	71	110
Percent	89.09	87.27	83.64	74.55	64.55	

Source: HHs Survey (February-April, 2011); Output table produced by SPSS Ver. 17

Note: See Appendix 7.5 for details

Table 7.3 shows that 89.09 percent of groups created an enabling environment that organised people into groups (association) and inspired them to engage in the group activities. Highly transparent activities, greater degree of accountability, equal chances of participation in decision making and benefit sharing activities, created a trustworthy environment at the community level. These motivated the people to provide voluntary contributions, in cash and kind, to community programs. The following speech of a participant is pertinent.

A LDF official proposed me to join a group of CODG. However, I did not respond to her proposal, because I could only trust my community. Nevertheless, she promised her trust and I started to organise five women members and 5 Rupees saving per week. Now, 26 women have been organised and 500,000 Rupees as savings. We have plans to construct drinking water schemes, small irrigation projects, basic health and education and mobilise savings credit fund. This has encouraged others to organise themselves in different CBO groups...**X.B.ii. 7.3**

Similarly, a large percentage (87.27) of groups was involved in collective actions that helped increase people's access to public services. Community groups produced varying forms of collective actions that enabled social change. For example, there was increased public access to health services, such as antenatal and pre-natal care (PNC), immunisation and vitamin-C administration, improved school enrolment, enhanced reach of public voices to the grassroots and intermediate level local government and sectoral line agencies, and the generation of stronger alliances between communities and CBOs.

83.64 percent of CBOs developed social harmony by boosting social awareness and confidence, emphasising equity and affirmative action strategies, and stressing equal justice,

connectedness and inclusion. For this process, social mobilisation program enhanced social harmony at the grassroots level. It promoted participation of rural poor in local development activities, strengthened human and institutional resources development, improved access of communities' to social and production services and efficiency in the use of locally available resources. Similarly, 74.55percent of the groups contributed to creating trust and reciprocity of local people in CBO service mechanisms through community health, education, and community welfare projects. This process provided direct benefit to community in promoting community well-being system, increasing control over decisions and resources by expanding the depth and range of their networks, and managing risk including safety net for poor people. Likewise, 64.55 percent of CBOs were involved in establishing social relationships and interactions at the grassroots level for community services. For this activity, some CBO groups involved in delivering basic services or advocating for client needs as catalytic agents of resource agencies.

The encouragement of CBO groups in building social capital shows that a strong degree of trust and reciprocity was established, between local people and CBOs. However, there were three distinct reasons behind people's engagement in CBO activities. These were: proximity, where people from the same locality were encouraged to organise themselves into groups; social and economic gain; and common interests and professions. More specifically, the major part of the groups' endeavours were aimed at promoting strong capacity, a positive work culture and defining rules and regulations (*bidhan and karyanirdesika*) to create an enabling environment for inclusive participation and the utilisation and management of local resources. For example, the implementation of a pro-poor policy in service provision encouraged poor *Dalit* and deprived *Tharu* users. Similarly, resourceful CBOs supported marginal communities on a needs-based platform.

The formation of paralegal committees enabled many women's issues to be settled at the community level. This also encouraged equal benefit sharing, a democratic decision-making system and leadership selection, and transparency of their activities and resulted in strong social support for the CBOs and the way in which they honestly addressed issues. CBOs also introduced micro credit programs⁴¹ for community based enterprises, and community owned projects that supported sustainability and social cohesiveness of members. Thus, social capital involved investment and use of resources, embedded in social relations.

7.1.4 Bolstering inclusive participation

People's participation is an organised effort to improve quality and control over access to resources and institutions on the part of individual citizens, formal and informal groups and community movements (McEwan, 2003a). Oakley and Clegg (1999) show that inclusive community participation has been achieved in three main areas. These are the sharing of power and resources, deliberate efforts by community based organisations to control their own missions and purposes, and extracting opportunities at the grassroots level. In the study area, people's participation bestowed upon communities real opportunities to make a difference in to both the group and individual lives, and to impact on decisions and actions that affect the community. However, the indifferent attitude of certain 'deaf' actors, weak community relationships, elite leadership, high political influence, lack of power devolution, and lack of appreciation of local communities, badly affected the meaningful participation of the people in BSDS. However, many cases revealed that where inclusive people's participation was ensured, services reached the needy people. Where downward accountability was practised, unnecessary complexities and the risks of corruption and elite capture were diminished.

⁴¹The saving scheme was started in Goltakuri in 1996. Generally, each member contributed 20 rupees each month of which 10 rupees were for the saving scheme and the other 10 rupees for *Bipad Bebasthapan Kosh* (Disaster Management Fund). Until recently, each group had more than 100 000 rupees as savings, which they used for internal loans to avert short-term fund crises. Many participants reported that they had started businesses, and were able to avoid the traps of local money lenders.

However, some lessons indicate that the depth of community participation depended on organisational attitudes. These attitudes influenced not only communities’ collaborative identities - their unity in identifying the real needs, thinking together, deciding together and acting together, but also hindered the configuration of group dynamism, structure and leadership building. The dominant reasons for these negative factors were: the absence of ground rules and regulations, lack of awareness of individual roles and responsibilities leading to passive participation, and important decisions left unrecorded. The consequences of such passive participation were threefold. The first was low attendance of members mainly from the weaker and vulnerable groups that created an environment of domination by the rural elites. Secondly, there was no guarantee that the latter would listen to the voices of the impoverished communities. The third issue was manipulation of records. However, the empirical findings prove that the main achievement of community participation was improving local decision making and bolstering ownership of the BSDS. The following table shows CBO activities for inclusive people’s participation in community service system.

Table 7.4: Inclusive participation of people in BSDS

	Benefit sharing	Leadership selection	Resource management and mobilisation	Planning process	Organisation structure and decision making	Total count of groups
No. of involved groups	73	71	67	64	62	110
Percent	66.36	64.55	60.91	58.18	56.36	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17

Note: See Appendix 7.6 for details

Table 7.4 indicates that 66.36 percent of CBO groups shared their benefits with members. The shared benefits were economic, such as forest resources, savings and credit schemes, government and non-government grants; social resources such as equal distribution of opportunities, power and authority; access to selection process of representatives, mutual respect; inclusiveness in knowledge resources such as influences in decision making, training, interaction, and capacity building. 64.55 percent of the groups were engaged in leadership

selection. Mostly, their selection was based on leaders' commitment, leadership capacity, and members' satisfaction with their working style. In this endeavor, most groups encouraged members of the lower caste, women's and ethnic minority groups for executive positions. This brought some positive changes in the decision making system and increased community influence in the power structure. In addition, these groups were able to support the building of institutions and systems that are accountable, democratic, transparent, and efficient in service delivery. They were functioned according to laws and procedures.

Table 7.4 shows 60.91 percent of groups included resource management and mobilisation activities. Some evidence demonstrated that meaningful participation was achieved by the indigenous economic resource mobilisation techniques (compulsory saving policy, formation of resource mobilisation group), natural resources utilisation (forest orientation, sustainable use of forest resources, small scale water mills and irrigation canals), management through local consensus (village gathering, community physical contribution), and information sharing. The following three conditions: transparent democratic practices in community actions with clear accountability; appropriate facilitation of groups and members; and positive action by the rural elites, who were normally in leadership positions, contributed to making a real difference towards inclusive participation. A participant's comment shows how CFUG activities have resulted in inclusive participation:

As CFUGs, we are the best alternative and resourceful institutions for community development. We are not only engaged in forest resource management and its utilisation, but also actively contribute to managing community capital formation and resource mobilisation process. We have made contributions to community infrastructure development and even a few scholarships for the children of poor and marginal groups. These are the inclusive actions of people's participation....*X. B.1.13.1*

Somerville (2005) refers to resource management and utilisation as the key strength of institutions that facilitate inclusive participation. He elaborates that it widens the institutional space, encourages innovative citizen-oriented management techniques, and civic infrastructure. In the case of study area, 58.18 percent of CBO groups demonstrated an

inclusive participatory planning process. Many examples exist to show that CBO groups have been transformed from individual to collective thinking entities. In this process, they developed collective leadership, abandoned social partiality, discrimination, and exclusionism, which ensured easy access to the organisational structure through a participatory planning process. Many participants explained that the development from individual to collective action signified the end of the centralised system, which initiated new opportunities for marginalised sections of the population. One participant declared:

The CODG has initiated the Village Development Fund to transform communities from individual to collective efforts. This focused on a bottom-up approach, inclusive leadership, representation in the village decision making system, and impartiality in political and social actions. Under its leadership, each member is encouraged to participate in identifying problems, formulating plans, and arranging resources for implementation. This process has enabled grassroots governance at the community level... **X.43.1.2**

The continuous development of policy guidelines and reformulation of complex and conflicting laws and regulations created an enabling environment for people's participation in the planning process. Finally, in terms of organisational structure and decision making, 56.36 percent of groups were inclusive. Several closely connected factors contributed to establishing new, effective and inclusive organisational structures and a decision-making process that ensured consensus building, transparency and public accountability. Through this process many CBO groups developed a listening culture, a soul-searching forum and a self-assessment system that encouraged the poor and disadvantaged communities to join or support and express their opinions. Shaktin (2009) explains that the main reason for the inclusive decision-making process is that CBOs are collective entities, and as such are successful when the locally accepted social mobilisation approach enables the people to increase their awareness, understand their role and responsibilities as citizens and establish local rights.

7.1.5 Empowerment of communities

Empowerment has intrinsic value at the individual and collective level, which enhances communities' capacity to access the BSDS through economic, social, and political processes (Oladipo, 2010). Empowerment bestows power, which is a part of system experienced and encountered by communities in everyday life. It is not only a description of things what communities' have, but also is a behaviour that how communities relate to each other in a system. Community empowerment is concerned with the process of acting collectively, such that it enhances community impact on, or provides control over decisions that influence their interests. In a multi-dimensional process in Nepal, these were embedded together with local value and belief systems, which helped people or groups to gain power and control over their own lives. The following table shows the level, degree and types of community empowerment in the study area.

Table 7.5: Empowerment of communities through CBO activities

	Social empowerment	Political empowerment	Economic empowerment	Institutional transformation	Community transformation	Total count of groups
No. of involved groups	100	74	50	73	55	110
Percent	90.91	67.27	45.45	66.36	50.00	

Source: Field Survey, (February – April, 2011; Output table produced by SPSS Ver. 17)

Note: See Appendix 7.7 for details

From Table 7.5, it can be seen that 90.91 percent of CBO group members were socially empowered followed by 67.27 percent who were politically empowered. Experience shows that social empowerment was connected into three levels-- individual, family and community. Actions promoted social equity and inclusion, bestowed autonomy and self-confidence, and strengthened social norms and behaviour at the grassroots. Similarly, political empowerment created an enabling environment for the community people to raise their voices and encourages them to participate in the decision-making process. There were a number of

specific factors contributing to the CODGs' and WDGs' empowerment initiatives which differed with those of the CFUGs'. First, the deliberative alliance between local government and community with institutional facilitation contributed to empowering communities. Under this alliance, the local community received a regular annual budget from the LGs for social empowerment schemes. Second, the strategic alliance among the government organisations (GOs), NGOs and community enhanced local capacity. Evidence shows that the NGOs and donors were also supported with software packages to foster social mobilisation, awareness raising, advocacy, lobbying, and skills-based income-generating, planning and monitoring activities. Third, communities under the CBO leadership appreciated their role in community initiatives; they exerted pressure on the development agencies for downward accountability and were involved as a major stakeholder in the development process. Attesting to the significance of social and political empowerment at the community level, a female member expressed her views thus:

After implementation of the Village Development Program, our attitudes have changed; we have gained confidence, social respect and a better position in the community. Before, our children did not go to school. We used to drink river water and no one had a toilet to use. Every year, women died due to delivery complications. Infants and children died due to malnutrition, diarrhoea and cholera. The community was divided into two segments such as touchables-untouchables, male-female, rich-poor, and sons-daughters. Now, we have become entrepreneurs and facilitators; we have skills, knowledge, and resources. Most importantly we have confidence and a voice. *X.C.iii.9.2*

However, economic empowerment activities show that only 45.45 percent CBO groups were empowered. Some of these groups developed external linkages and increased access to different financial organisations and markets, and enabled control over the price of community products. This empowerment promoted equal distribution of capital and income-generating activities at the grassroots level. It strengthened the internal capacity of community members to participate in, contribute to, and share benefits of development. In addition, it supported an increase in community access to decision making, social and economic opportunities, resource mobilisation, property and other fixed assets, knowledge and skills

development and production infrastructure and market information. Regardless, experience shows both economic empowerment activities and empowerment level relied on upper level decision making system which controlled not only all economic resources, but also debilitated communities' economic security. Prospects for economic empowerment relied on saving credit schemes, agricultural initiatives, and cottage based micro enterprises that are susceptible for long term sustainability.

Likewise, 66.36 percent of group members were empowered in institutional transformation activities. The transformation of organisational actions from a conventional to a new system, inclusive management facilities, implementation procedures, working culture, and public responses were imperative for empowerment activities. In the study area, most of the CBO groups prepared their annual working calendar, established horizontal and vertical linkages and networking, developed institutional vision, mission, policy and guidelines, avoided a top-down command system, prepared a citizen charter, publicised their programs, resources, and decisions, conducted regular group meetings, avoided pending work, followed regular assessment and evaluation of their activities, ensured timely resource delivery and project implementation, followed a regular audit system, and implemented monitoring and supervision guidelines. These made CBO groups more responsive and accountable to the community service system at the local level.

Finally, in the process of empowering community transformation, half of the CBO groups were successful. Community transformation included comprehensive transformation of political, economic and social sectors. Findings indicate that political transformation was linked with political awareness and knowledge, power and domination, and rights and authority. In the study area, many communities were empowered to settle disputes relating to resource allocation and mobilisation. They also developed negotiation skills and demonstrated

confidence in mediating community conflicts. All this significantly strengthened the people's connection with political parties and local government.

Many participants expressed the opinion that after the empowerment of communities, many positive outcomes appeared at the community level, such as institutionalised participatory planning and budgeting, an enhanced public expenditure tracking system, the establishment of citizen monitoring and citizens' charters, a strengthened parent-teacher association, and health committees. As political influence decreased, participation of local people in service co-production, management, and sustaining the service delivery system increased. A new level of the people's interest in the political sphere saw their representation on executive committees of political parties, LG, and local users committees. Examples show that the empowerment process contributed to the community advancement in terms of knowledge, lifestyle and social cohesiveness. Evidence shows declining touchable-untouchable, male-female and rich-poor gaps. Improving livelihoods and building attractive communities through the implementation of 'One village one product' concept, attaining food sufficiency by choosing high yield crops and promoting agricultural diversification, and establishing rural micro-financial institutions and market linkages through rural cooperatives, all show the successful application of economic transformation at the community level.

7.1.6 Applying transparency and accountability

Transparency refers to openness and an ongoing communication process that provides timely and reliable information to users, whereas accountability is the acknowledgement and assumption of responsibility for actions, decisions, and policies (Armstrong, 2005). The application of transparency and accountability in BSDS shows these to have improved responsiveness of local institutions, supported verification of actions and, most importantly, increased public rights to information on service delivery. Empirical findings illustrate that the transparency mechanism at the community level was improved through score cards for

public services, and by supporting local independent media (FM radio and local newspaper), social audits and the public hearing system. These measures served to encourage a process of slow but steady progress in accountability, both in the short and the long term. Table 7.6 shows the results of transparency and accountability practices in the study area.

Table 7.6: Transparency and accountability of CBOs in BSDS

	Establishment of social intelligence system	Completion of financial audit system	Information and communication flow system	Conduct public hearing and social audit	Regular assembly meeting	Total count of groups
No. of involved groups	81	74	49	23	29	110
Percent	73.64	67.27	44.55	20.91	26.36	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17

Note: See Appendix 7.8 for details

From Table 7.6, it is clear that the majority (73.64%) of CBO groups established a social intelligence system for improving transparency and accountability. As such social intelligence refers to the ability of people to relate to understand, and interact effectively with others. At the grassroots level, it worked as a surveillance process of community actions. The concept of a social intelligence system gained popularity at the community level, due to its interactive nature. Many people in the community put their trust in this community-based ‘watchdog’ group which gained the status of greater reliability and trustworthiness, in that it was community-owned. It involved accurate identification of the status and progress of activities, their suppression and delays. In addition, it promoted social searching system, diffused information and encouraged community involvement. However, the formation rate of intelligence groups’ (*Nagarik Sarokar Samiti* -Citizen Concerned Groups) in many communities was lower. Similarly, the outcomes of *Nagarik Sarokar Samitis*’ were not completely employed in these groups, which demonstrated a degree of misuse of economic resources, manipulation of information, and unholy engagement culture between group leaders and development partners.

The proven levels of public concern showed the people were highly conscious about information, communication, and education of the BSDS. Many CBO groups formed *Nagarik Sarokar Samiti* (Citizen Concerned Groups) to investigate the strengths and weaknesses of BSDS. The *Samitee* generally followed existing rules and regulations, overseeing actions, collecting public responses and providing recommendations for further actions. Experience shows that community engagement brought many improvements in the governance process, but particularly in monitoring anti-corruption measures through specially constituted committees, which achieved success in reducing corruption and increasing effectiveness in service delivery. Their involvement made it possible to access information which reduced theft, resource misuse and manipulation in work. The findings further indicate that the *Samiti* played a successful role in improving community-managed schools, drinking water schemes, and watershed conservation practices. The regular monitoring, feedback, and solution-seeking process effectively enhanced CBO performance and service management.

The data reveals that 67.27 percent of CBOs completed their financial audit systems in their groups. The reason for the high rate compliance regarding financial audit procedures among CBO groups was concern about legitimacy and resources. The guidelines base the annual renewal of each CFUG's tenure from the District Forest Office (DFO), on compliance with a statutory financial audit. A similar process was adopted by the district Women's Development Office (WDO) for the WDOs. In the case of CODGs, they were informal organisations and not in receipt of any organised funding from GOs or NGOs. Although a few CODGs did receive projects from external agencies, the majority were reluctant to do so.

While 44.55 percent of groups did manage an information and communication flow system about their services, the majority did not supply information through communications with their members. The practice of regular assemblies in groups was poorly implemented with only 26.36 percent conducting regular meetings. Likewise, there was a huge reluctance

among the CBOs to manage the public and social audit of their activities. The lack participatory practice of these groups and their unwillingness to hold regular meetings and conduct public and social audit programs shows poor community governance. This information shows that some CBO groups misused significant resources and power at the community level. A trend suggests that many CBO groups suffered not only because of poor financial management and auditing, but also prevented initiatives for power sharing and inclusivity. These fragmented and weakened many CBO groups. The following observation of a participant clearly addresses the issues:

Almost all CBO leadership is highly influenced by nepotism, cronyism and favouritism. Their activities, resources, and benefits are mostly linked with GOs, NGOs and donors' agencies. In many activities, such as project selection, funding, and implementation, we have no information. But, when they need public contribution, they demand our support. Because of their upward accountability and lack of downward accountability, we aren't ready to contribute..... *X.B.2.6.1*

7.1.7 Creating enabling environment

'Enabling environment' is an expression which encompasses policies, rules, regulations, strategies, and legal processes that focus on effective BSDS. Recently, technology and market have been appreciating overwhelmingly as major enabling factors of BSDS. Experience suggests that an enabling environment has allowed CBOs to know themselves as small organisations, to understand that 'small' equates with greater integrity, and that their strength lies in a membership who know their community well. The process led to CBOs not only focussing on resource management, but also to paying greater attention to ease of access to quality education, a good health system, together with the necessary infrastructure and financial service system at the community level. Table 7.7 shows the process of enabling environment and the associated practices which were adopted by CBO groups to enable an effective service system in the study area.

Table 7.7: Enabling environment for basic service delivery mechanism

	Adopted rule of law	Organisational autonomy	Legitimacy	Conduct reward and punishment system	Conducive policies, rules, and regulations	Total count of groups
No. of involved groups	74	48	47	47	41	110
Percent	67.27	43.64	42.73	42.73	37.27	

Source: Field Survey, (February – April, 2011; Output table produced by SPSS Ver. 17)

Note: See Appendix 7.9 for details

Table 7.7 shows 67.27 percent CBO of groups adopted the rule of law in their activities. In community development discourse, the rule of law is a governing principle, which enables and encourages communities, individuals and organisations to engage in particular functions and actions. More specifically, it involves providing more power to grassroots communities and less authority to the upper tiers of government. Next, 43.64 percent of groups were found to have organisational autonomy. This indicates CBOs faced many crises on their internal management and capacity development, which created big problem on formulating strategic planning, budgeting, governing structure, building external relationships, and fund raising activities. Similarly, fewer (42.73%) groups found formally legitimised. led many CBO groups informally legitimacy. These deterred informal CBOs from building formal partnerships with resource agencies.

Experience shows, 100 percent of CFUGs were formally legitimised and autonomous to conserve, manage and utilise local forest resources. Far fewer of the WDGOs and the CODGs found formally legitimised. The information shows that CFUGs' were legitimised by formal Acts of Forest Masters Plan 1989, whereas CODGs and WDGOs were legitimised by the Cooperative Acts. Many participants of the CODGs and WDGOs maintained that after receiving legitimacy from the cooperatives, they lost their public image and identity. Additionally, their agendas had to be changed from social empowerment and community governance to economic development activities. This restricted these CBOs from attending to community governance, empowerment, and effective service delivery agendas.

Some groups felt that a reward and punishment system enhanced the CBOs' enabling environment for effective service delivery. This is a motivating factor for the effective function of individuals and institutions. Some initiatives were introduced such as assessing the performance of groups and members, conducting community initiated social and economic actions, providing community owned contributions, and resource utilisation. Experience shows such practices were popularised and institutionalised in the community service mechanism. However, empirical information indicates that only 42.73 percent of CBOs established a reward and punishment system. Although such a system is associated with accountability, it created social capital deficit. First, it focused only on process rather than quality and output. Secondly, the systems at the grassroots neglected public participation and involvement. Thirdly, the punishment and reward systems undermined people's voluntary cooperative intention. Some participants argued that many policies, rules, and regulations which CBOs formulated, adopted and exercised were not effective due to poor implementation and lack of technical support. Such policies resulted in several confrontations among the community actors. Only 37.27 percent of CBO groups felt existing government policies, rules, and regulations were effective. The following participant's opinion supports this finding:

Not only government policies, rules, and regulation, but also the internal mechanisms of CBOs, and their service systems are not all effective. The selection of leadership and other decision making processes such as formulation of plans and projects, mobilisation of resources and decision making processes are power structured, which does not encourage people's participation and their access to the service system...*X.B1.13.2*

7.1.8 Strengthening local democracy

In the community development, local democratic practices are embedded in the process of regular and fair leadership choices, equal distribution of power and resources that ensures the participation of marginal sectors, and high level of civil liberties and autonomy for the

association, assembly and arguments. CBOs that were studied exercised two forms of democratic practice at the community level. These were: participatory democracy involving public involvement and consensus-oriented policy making, and representative democracy including elections, and representative system.

In the study area, both forms were prominent and these encouraged the people to become directly involved in the decision making system. However, there was a greater degree of adoption of participatory democracy at the grassroots level, in terms of informing citizens about community issues, providing services more efficiently, and facilitating citizen involvement in decision-making. Through this process, local democratic practice was established at the community level and contributed to developing a process of community dialogue, maintaining a community calendar, communicating about policies and programs, providing practical information on service delivery, providing feedback and citizen input, organising local and neighbourhood associations, campaigns and citizen initiatives. Table 7.8 shows the practice and system of democracy at the community level in Nepal for effective BSDS.

Table 7.8: Practice of local democracy in the CBO groups

	Access to all people in CBO groups	Practice for social justice	Equal access in leaderships	Access to all members in basic service system	Freedom to raise voice mechanism	Total count of groups
No. of involved groups	91	71	69	66	61	110
Percent	82.73	64.55	62.73	60.00	55.45	

Source: Field Survey, (February – April, 2011; Output table produced by SPSS Ver. 17)

Note: See Appendix 7.10 for details

Table 7.8 shows 82.73 percent of CBO groups played key role in practicing local democracy tackling, as they did, community issues that matter most. This shows local democratic practice enabled the strengthening of accountability, political skills and service integrity. This development not only inspired the community members to organise themselves into groups,

but also encouraged them to advocate for social justice, human rights, equal opportunity, fairness, and participation in educational, economic, institutional activities.

However, the democratic system which functioned at the grassroots level supported only a few people and neglected mass participation. As a result, there was a great variation in practice for social justice, equal opportunities for leadership positions, people's access to basic services and freedom to raise voice against inappropriate actions. In some groups, local democracy seemed to have been patented only for the powerful groups who practiced it in their own style and whenever convenient. This problem created low and falling participation among CBO groups.

Table 7.8 shows, only 64.55 percent of groups practiced social justice as an ingredient of local democracy. The main reasons for this absenteeism were feudal legacy within the CBO system, low level of user awareness and access, less bureaucratic and political commitment towards the devolution of power and authority to local levels, complex legal practices and policies, and political partisanship. This made community organisations weak and fragmented, on the one hand. On the other, the role of local people were ignored or excluded from effective local democratic practice. In this case, CFUGs were found to be highly politicised and elite captured, but legitimate for resource access. In these groups, manipulation and influences are common phenomena that leave the community behind economically and socially.

Regarding accessibility, 62.73 percent of the groups provided equal access to their members. The reasons behind the huge absence are low level of education and awareness, patriarchal social structure, and family pressure. Similarly, regarding leadership, some participants said that WDOs gave priority only to the elite class, which is educationally, economically and socially robust. In CFUGs, members only concern was to manage local economic resources.

In contrast, CODGs were found to be motivated by the social mobilisation approach which granted equal power to the people socially, economically and politically.

Members' access to the service mechanism was provided by 60 percent of CBOs. The main reasons behind these figures are that CFUGs and most of the WDGOs are formally legitimised. The Community Forest Policy Guidelines and the Cooperative Act provided a guide to increasing access to all members in service provision. In contrast, CODGs' informal legitimacy was the main reason for not receiving economic support from the state and non-state mechanism. Their policy guidelines were informal and there was no obligation to enact informal policies.

In the last category, freedom to raise voice, 55.45 percent of CBO groups voiced their concerns against inaccessible, expensive and fragmented services. They also demanded the engagement of all in BSDS and the decision making process. Experience shows that strong local democracy requires accountability by institutional leadership and people's active participation. When citizens hold their leadership and institutions accountable and responsible, they receive effective service delivery.

The study findings reveal that local democracy at the community level produced two outcomes. First, it contributed to replacing the hierarchical power structure with a community structure that was more democratic. Secondly, this new structure placed the community at the centre and helped increase governmental effectiveness for accessible, equitable and quality-assured service delivery. However, some critical issues weakened democratic practice at the community level. Political and social transition led CBOs to take over-ambitious steps in implementing many democratic practices, such as selection of representatives, benefit sharing, and participatory decision-making. Rather than being supportive of democratic practice, this created a fertile ground for upward accountability that limited freedom of speech and encouraged the community actors and CBO leadership to abuse their positions of

power⁴². Additionally, manipulation of information obstructed the people from sharing their knowledge, views, and ideas within CBO groups.

7.1.9 Ensuring service integrity

Integrity is consistency of actions, values, methods, principles, beliefs, and outcomes (Epstein, 2005). In BSDS, integrity is equated with honesty, truthfulness and accuracy of information concerning actions. Experience indicates that CBOs, as locally constituted voluntary bodies at the grass roots levels, needed to play a role that would be responsible and effective and preserve the integrity of their actions. Further, their integrity would be reflected in mobilising people’s capacity to work for the community, building their confidence, and identifying their needs and utilising resources prudently. Such a process would mean the operationalisation of community designed rules and procedures, less administrative complexities, strong performance incentives, and systematic monitoring and evaluation. Table 7.9 shows the numbers of practices for service integrity, which were employed by the CBOs in BSDS.

Table 7.9: Service integrity of the CBOs delivered services

	Acts from below	Responsive leadership	Impartiality and neutrality in service delivery	Policy and rule formulation	Responsive organisation group	Total count of groups
No. of involved groups	74	65	63	56	51	110
percent	67.27	59.09	57.27	50.91	46.36	

Source: Field Survey, (February – April, 2011; Output table produced by SPSS Ver. 17)

Note: See Appendix 7.11 for details

Table 7.9 shows that 67.27 percent of groups performed acts ‘from below’. They were successful in meeting the needs of those who had no access to the state, non-state or private

⁴²In the leadership selection process, members were invited only to approve and formalise the process. Normally the leadership selection was done by certain staff of development agencies, political leaders, and other local power structures. They didn’t ask about our views in this process, because they knew we are not in a position to contest their decisions. This has created internal conflict in the groups, and low engagement of the members.

sector service systems. These groups focused on the bottom up planning process, adopted inclusive policies, prioritised poor and marginal communities' demands, ensured budgetary allocations, and employed downward accountability in their functions. These activities contributed to addressing integrity, honesty and truthfulness of CBOs as public institutions working for the community.

Similarly, 59.09 percent of CBOs implemented responsive leadership. The empirical information shows the presence of two types of leadership. First is the path-breaking or innovative leadership, which is valuable for the community. Such leaders not only had the willpower, but also credible influence in mobilising the community to go for new opportunities towards a better, improved, and more secure future for all. The second type of leadership was accountable to the communities and their responsibility was establishing full sense of governance in CBO actions. Such leaders engaged themselves in raising awareness and seeking solutions to existing problems.

Table 7.9 shows 57.27 percent of CBO groups demonstrated impartiality and neutrality in the service delivery mechanism. The finding shows that impartiality and neutrality at the community level was ensured through effective implementation of pro-poor policies, formulation and implementation of needs-based programs, equal resource and benefit sharing, high involvement of marginal communities in decision making and service management, and sharing of information and communication among all group members.

Many participants suggested that most of the CODGs and WDGOs were strict in following these practices, but only a few CFUGs were found to be impartial and neutral. According to a large number of CFUG members, they did not have access to the leadership, nor a chance to put their arguments to the executive committees. This caused particularly the marginal sectors of local communities, to lag behind in access to services and resource facilities. In many cases, if they disagreed with the leadership, they would be prejudiced when it came to

resource utilisation and allocation. Evidence also demonstrates that most of the CFUGs were used as political vehicles, for elevating their leaders or as bargaining instruments. Generally, the leaders provided many opportunities to their own protégés and followers.

In the area of policy and rule formulation only 50.91 percent of groups were regarded as satisfactory. These groups formulated and implemented pro-poor and inclusive policies to empower the marginalised people. In this sense, they filled the gap in basic service delivery at the grassroots, CBOs engagement in developmental work and activist orientation made aware local communities of their rights and obligations. Examples demonstrate that CBOs created public awareness about issues such as informal education and people's roles and responsibilities in an organised manner. They developed creeds, guidelines, group constitutions and working calendars. Similarly, some CBOs developed rules and regulations which were formalised by their councils. However, half of them were reluctant to guarantee the effective implementation of these policies and regulations. In these CBOs, they faced severe financial constraint in providing good services and technical skills needed for problem identification and solutions experienced at the community level. They failed to ensure the supply of public goods and in maintaining minimum quality of service standards. Apart from these, they were elite dominated and not organised as formal legal entities. Their activities and actions at the community level were in isolation. Only few CBOs collaborated with the private sector to ensure the efficiency of the service delivery system. The findings show that only 46.36 percent of groups were responsive to their services and members.

7.2 Concluding comments

At the community level, CBOs play an important role in addressing problems associated with inequality, isolation and poverty. They foster creation of awareness, the practice of democracy and governance, community building, advocacy, coordination, networking, and two-way relationships between the community and other stakeholders. They facilitate the mobilisation

of local resources, seek to implement a needs-based approach and on giving a 'voice to the voiceless', and building a safety net for marginal community sectors. They strengthen accountability and promote decentralisation for better service delivery.

These processes reduce structural exclusions, reform conflicting policies, increase access of marginal communities to services, change the rules of engagement, and empower the voice of the poor. Thus, the best achievements of these organisations at the grassroots level were to explore the local initiatives, strengthen the community power structures, and promote social accountability in the new community governance system.

Despite many efforts, CBOs have not been able to enhance the status of communities to a satisfactory level. The structure of the service delivery system has not been fully streamlined because of the centralised unitary structure. A number of factors enabled the maintenance of the status quo: lack of group formalisation for civic engagement (See Chapter 6), clientelist policies, denial of resource allocation to marginal or voiceless groups, and weak central-local relations. These factors generated three types of implications for governance effectiveness. First, there was low attendance at meetings of members, particularly from weaker and vulnerable sectors of or classes. Secondly, public and social accountability in the service delivery system deteriorated. Finally, the governance system became somewhat dysfunctional but not totally invalid or ineffectual.

The next chapter discusses CBO capability in basic service delivery and community governance.

CHAPTER – 8

CBO Capability in Basic Service Delivery and Community Governance

8. Introduction

In the discourse of organisational development, CBO capability is defined in terms of empowerment, competencies and abilities that are an abstraction of an organisation's development, and generate confidence in the social, economic, and political functions which the organisation undertakes (Kaplan, 2000; Wijayaratna, 2004). Helfat (2003) illustrates that organisational capability enhances organisational potentialities, directs the system and process, improves skills, generates responsiveness, and ensures service quality and integrity, so that capable community organisations can facilitate people's involvement in decision making and crisis management. At the grassroots level, institutional capability indicates the capacity of formal and informal CBOs to work together with the people for institution development, resource mobilisation and solving problems for realising common interests (Chaskin, 2001).

Are CBOs, as development drivers at the community level, capable enough to support basic service delivery system BSDS and effective community governance? Following the discussion of the role of CBOs, this chapter highlights their capability in terms of functional activities within the governance paradigm. The chapter is divided into four major sections. The first section assesses CBO capability in delivering basic services to the community. Section two discusses the challenges faced in enhancing their capability in performing functional activities. The third section deals with initiatives relating to the enhancement of their capability through community governance, while the concluding section presents a summary of lessons and actions.

8.1 Assessment of CBO capability in basic service delivery

Capability is the comprehensive outcome of many attributes which are accomplished by an interaction of organisational physical entities and social capital. Capability assessment is used to measure a CBO's performance in increasing the efficiency and effectiveness of the service delivery mechanism. Ouda (2010) illustrates that capability assessment is a systematic analytical procedure, whereby the various dimensions of capability areas are measured and evaluated within the broad organisational context. As such, it contributes to reducing vulnerability caused by outside forces and minimises malpractices such as corruption and misuse of resources. From the community perspective, the process of capability assessment provides feedback and recommendations for further adjustments and improvements (Khan, 2006). In the study area, CBO capability focuses on functional activities and effectiveness for service delivery.

Capability assessment was designed to explore the functional capability of CBOs according to the following themes: organisational development; economic resource mobilisation; community/social mobilisation; planning, implementation, and monitoring; community governance, coordination and linkages, and social contribution. These functions bestowed institutional strength, confidence, and system performance of CBOs in delivering basic services delivery to the community, as a component of effective community governance (*See Appendix 6.8 for the details*).

Table 8.1: Functional capability of CBOs in basic community service delivery system

Functional Activities	CFUGs	CODGs	WDOGs	Average	Remarks
Organisational development	0.72	0.67	0.63	0.67	Weak to Moderate
Economic resource mobilisation	0.7	0.62	0.65	0.65	Weak to Moderate
Community/social mobilisation	0.62	0.6	0.63	0.62	Weak to Moderate
Planning, implementation, and monitoring	0.61	0.71	0.72	0.68	Weak to Moderate
Community governance	0.54	0.56	0.56	0.55	Weak to Moderate
Coordination and linkages	0.46	0.52	0.42	0.47	Vulnerable to Weak
Social contribution	0.74	0.82	0.88	0.81	Moderate to Efficient
<i>Average</i>	<i>0.63</i>	<i>0.64</i>	<i>0.64</i>	<i>0.64</i>	

Efficient = Above 0.75; Moderate = 0.51 – 0.75; Weak = 0.25 – 0.50 and; Vulnerable = Less than 0.25.

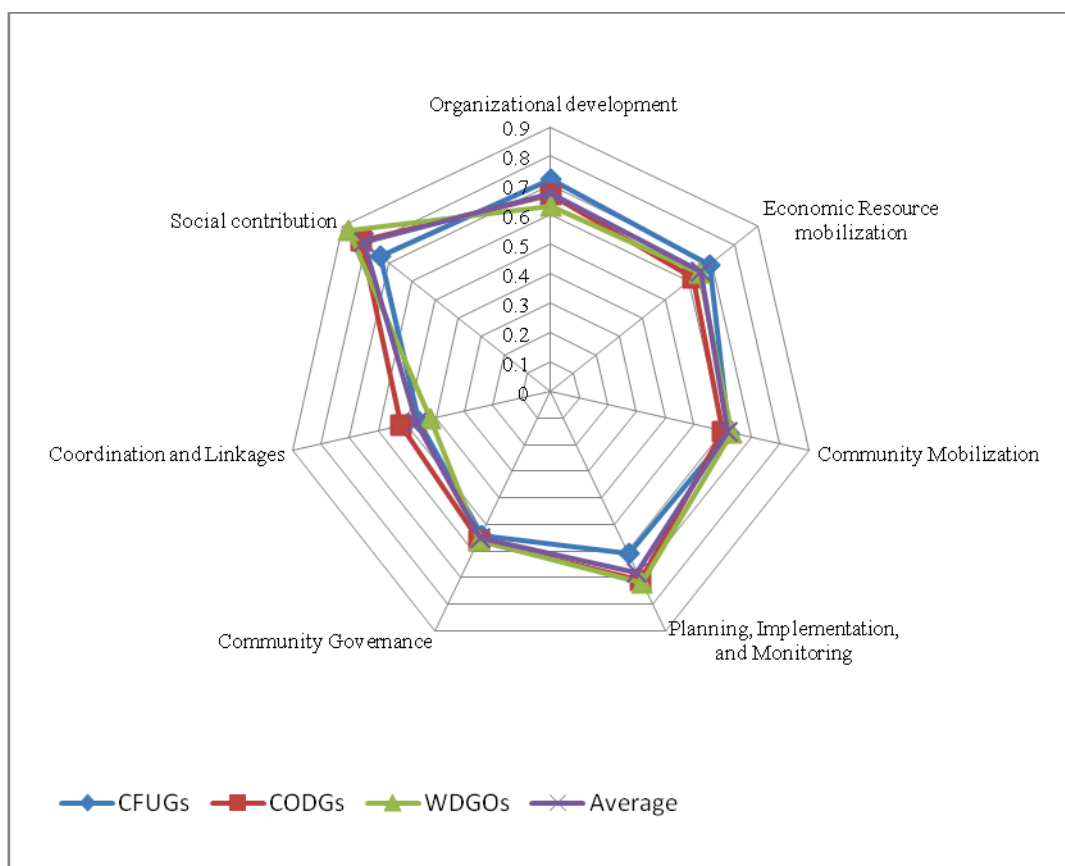


Figure 8.1: Functional capability of CBOs through spider diagram

Table 8.1 has analysed the capability of CBOs and their performance in the study area through seven functional activities, which on average was moderate (WAI = 0.64). The individual group capability shows that the WDOGs (WAI = 0.66) and CODGs (WAI = 0.64) were more capable compared to CFUGs (WAI = 0.63) in terms of functional capability. Figure 8.1 also indicates that CBOs had fairly strong capability in social contribution activities (WAI = 0.81). These activities fell into the ‘moderate to efficient’ category, but five other areas were in the ‘weak to moderate’ category. These were: economic resources mobilisation (WAI = 0.67); community/social mobilisation (WAI = 0.65); planning, implementation, and monitoring (WAI = 0.68); community governance (WAI = 0.55), and organisational development (WAI = 0.67). The coordination and linkages activities fell into the ‘vulnerable to weak’ category (WAI = 0.47).

CBO capability and their performance being weak to moderate (WAI = 0.64) in the study area, indicates that the formation process of CBOs was either through sponsored activities (local government, line agencies, donors, NGOs) or led by imitation and emulation. The occurrence of self-initiation in the construction of CBOs by the people was limited. According to public perception, the sponsored CBOs were highly power-structured; more concerned with resources, upwardly accountable to the funding agencies, and lacked inclusiveness in their leadership. Thus, they were strongly influenced by political agendas and veered away from volunteerism and social movements against injustice. However, some CBOs were conscious of the people's needs and by nature of their functions were less political, but in such cases lacked resources. The consequence of this was that not only were these CBOs unable to meet public needs and demands, but also faced declining membership and increasing dysfunctionality. This participant's view is relevant:

We intend to utilise the CFUG's resources for community development so that we can meet our basic needs and demands. Whenever a meeting is conducted, the chair and secretary show the demand lists such as granting resources for the salary of school teachers, funding local political parties, presenting forest products to the district level bureaucrats, and FECOFUN. If we oppose their agendas, they will create administrative and legal complexities and put us in a trap. This has led to declining membership and made the group dysfunctional ...**X.C.i.3.**

The formation of CBO groups began during the 1960s to intervene in the vicious circle of rural poverty, by enabling effective BSDS under the Rapti Integrated Rural Development Program (RIRDPs). Many arguments illustrate that those CBOs, as social agents, were fully capable of filling the gap of governance, creating awareness and reaching poor communities and remote areas. However, reality shows they lacked proper orientation and paid mere lip-service to their constituent ethical values, such as self-reliance, equitable development, and fulfilment of basic needs. They were guilty of organising people into groups without considering local realities, policy limitations and accessibility of the resources that not only raised false hopes and aspirations among the people, but also created confusion as to who

were the users, choosers and actors in the community service mechanism. In this scenario, the CBOs were manipulated by the ‘conspiratorial’ role of GOs, NGOs and donor agencies.

Although, the government of Nepal enforced the policy of decentralisation in the late 1980s under the framework of neoliberalism, poor commitment of the centre, weak capacity of the communities, slow growth of the private sector, and inability to solve the core problem of the inability of donor agencies to address the issues of the governance appropriately at the community level. Although there were positive outcomes in promoting the redistribution of the decision-making authority and financial management from the national to sub-national level, this merely created another ladder of bureaucracy that forced the CBOs to contribute to and participate in local project implementation, while their participation in the decision-making process was purely informal. Experience indicates that informal CBOs were not constituted as decision making authorities, and their contributions were not documented in the formal process. This affected local communities and their institutions, which remained powerless and had no decision-making role in the service delivery process. Many participants responded that this system only benefited the rich, elites, political leaders, and the service agencies, putting them in an unassailable central controlling position, whereas the position of communities and their institutions remained peripheral and lagging in the basic service delivery structure. A participant’s opinion regarding the service delivery system is relevant:

Our past was very difficult; we did not have education, health, communication, and transportation facilities. Our generation has been passing without the hopes and aspirations of a better livelihood. The lack of effective policies and their poor implementation by the government and their extended arms (state and non-state partners) are the causes of our insecure life... *X.B.ii.11.1*

Some authors point out that the negative influence of local elites, the community power structure, feudal legacies in the representative system, the client-patronage system of donors,

and the apathetic role of the state led to an abeyance of CBO functions (Diamond, 2002; Veltmeyer, 2005).

However, experiences indicate that after the implementation of social mobilisation-based schemes such as the Village Development Program (VDP), the Community Forestry Program (CFP), and the Women's Development Program (WDP) in the study area, many intensive interactions, exposures and training packages were initiated by development agencies, to enhance the capacity of the CBOs and communities. This bolstered the capability of local institutions and communities to thwart malpractices such as corruption, complex bureaucratisation, exclusion, irresponsible governance, and non-participatory democratic practices. Nevertheless, the majority of CBOs had a narrow social base and weak household coverage. Most CBOs conducted only limited activities out of community interest. The middle class played a prominent role in decision making and their attention was only focused towards external funding. The service delivery functions in these groups relatively not very strong and the actions of governance, accountability, and democratisation were vulnerable.

Thus, only few CBOs proved their capability as self-organising institutions, in identifying needs and making decisions for effective solutions, formulating simple rules and strong incentives, providing technical and material support to capacity development (CD), enhancing community capacity through existing indigenous skills and knowledge, fostering economic capacity development through enterprise development and capital formation, and in many other aspects of social transformation. Through this process, the capability of these CBOs grew and they contributed to contemporary public debates, agenda articulation, advocacy and lobbying, human rights, and participatory democracy and governance that empowered marginal sectors of communities such as the poor and women.

8.2 Functional capability of CBO in BSDS

Empirical findings indicate that CBOs faced many challenges in their functional activities relating to BSDS. A number of internal and external factors, such as unchanged government machinery, bureaucratic hurdles, systemic corruption, and power structure of the local elites, political leaders and middle classes, created obstacles towards strengthening CBO capacity. These factors not only led to a deterioration of CBO confidence, but also increased public dissatisfaction with the CBO mechanism. The following sub-sections discuss challenges CBOs encountered in performing their functional activities.

8.2.1 Organisational development activities

Most CBO groups developed a systematic organisational culture which included regular group meetings, developing and articulating collective agendas, systematic discussions and a participatory decision-making system, effective information and communication flow, interpersonal cooperation, and documentation of all group activities. According to the information, Community Forestry User Groups (CFUGs) (WAI = 0.72) and Community Organisation Development Groups (CODGs) (WAI = 0.67) were found to be capable of efficient institutional capacity building activities, whereas Women's Development Organisation Groups (WDOGs) were found to have a weak to moderate capability (WAI = 0.63).

At the grassroots level, CODGs developed a common approach for organisation building, including three basic components of social mobilisation, namely 'organisation, saving and skills' to develop self-reliance and economic and social independence. Similarly, the CFUGs developed four different activities to nurture organisational development activities. According to their guidelines, they completed these activities in four different stages. In the first stage, they conducted awareness and confidence building activities, followed, in the second stage, by organising groups and preparing or revising plans. In the third, they provided tangible

benefits and assets to community members' stage, whilst in the fourth stage they focused on building in sustainability.

UNICEF, in Nepal, developed a broader women's empowerment framework to facilitate the government to focus on five levels of equality - welfare, access, conscientisation, participation, and control (Mahat, 2003). The WDOGs maintained these components as core values in the institutional building process. Experiences demonstrate that leaders of certain CBOs were more committed to driving their groups as agents of change, such that these groups developed institutional norms, rules and values to increase the effectiveness of the service delivery system. One of these groups' leaders expressed this view:

I contribute to empower the communities using my inter-personal skills and knowledge. I know the strengths and problems of the communities and try to address the issues pragmatically through critical dialogues with different stakeholders. However, many complexities, unnecessary pressures from different sectors and one way orientation of the communities have created many hurdles in service delivery. Nevertheless, I am trying to impersonate positive role models of communities in diversified situations..... ***X.B.i.20***

Such positive activities enabled the CBOs to build linkages with developing agencies for resource support. Additionally, continued facilitation, competent monitoring and regular follow-ups by locally recruited facilitators, significantly contributed to expanding the institution building process and maintaining social accountability in these groups.

Regardless of such admirable efforts by group leaders to institutionalise the service functions, a quarter of the groups did not pursue any organisational building activities. This weakened the capability of the CBOs. Examples show the reluctance of leaders to provide leadership in CFUGs. Some CFUGs' members expressed the opinion that the group leaders were not ready to listen to the members and were unwilling to create group dynamics, as their prime interest was resources. This undermined CBOs, leaving them functionally incompetent, vulnerable regarding sustainability and losing the trust and motivation of the community. Furthermore,

many participants felt that security problems during the civil war caused setbacks in the organisational development process.

Apart from these, most of the CBO leaders stay in the town centre (*Tulshipur*) and rarely visit their villages and communities. Many seemed reluctant to delegate functional roles to members who oversaw the organisational and guiding principles. They procrastinated over decision making and failed to comply fully in constructed projects and their sustainability. Some CFUG members stated that they frequently could not utilise forest resources at the time they needed to, due to the delay in holding group meetings and the tardiness of the decision-making process. Likewise, members of WDOGs and CODGs reported that they did not have their own resources, and that the support of development agencies was very limited. This caused serious crises, as these resources were essential to strengthen the capacity of CBOs' organisational development. Another reason was that there was no formal legitimisation of many CODGs and WDOGs, and thus they could not formally build partnerships with development agencies for resources and services. A participant expressed his dissatisfaction on this issue, thus:

In our experience, the present legitimisation process is nothing more than the politics of decentralisation. This has split the local community and caused the collapse of the community's social harmony. The evidence shows some groups (CFUGs), which are legitimised by the prevailing law, have been enjoying local forest resources, while others such as CODGs, WDOGs, Farmer and Livestock groups are lagging behind. This has created inter-group conflict in the community. *X.A.iii.15.8*

In the organisational development process, inclusiveness is a principal factor that determines organisational efficiency or inefficiency. The empirical information shows that some groups were inclusive in their leadership; they motivated the women, *dalit* and other ethnic minorities to become involved at the executive level. However, despite this appreciable development in some groups, the leaderships of many CFUGs and CODGs were not inclusive. According to participants, these groups were either elite captured or relied on political connections. Such elites regularly blocked access of the disadvantaged groups, for their own benefit. This lack of

inclusiveness relates to a high level of illiteracy, a high value on resources such as those of local forests, and donor funding. Chambers (1995) describes how a lack of education leads to low self-confidence, which gradually results in powerlessness, isolation, poverty and vulnerability. A member of a marginal community expressed his frustration in this regard:

Generally, we are not informed about the process of planning and implementation. Only the executive board formulates the programs and allocates the resources without the consent of general members. The predominant channel for communication is the 'exclusive executive board', where not a single woman or marginal community person has representation, as an executive member. However, we are under pressure, because most of us are illiterate, poor and unaware about organisational processes. *X.C.i.12.6*

8.2.2 Resources mobilisation

Resource is a superlative instrument of any society that measures the effectiveness of BSDS. It supports change in the communities' political, social and economic life through investments (Eagle, Macy, & Claxton, 2010). Experience shows CBOs' roles, performance and behaviour at the community level, were determined by the amount of resources, capability of mobilisation and the management system. In the study area, an extensive effort to mobilise the community resources was initiated during the late 1970s, through the concept of RIRDP. To mobilise local resources, a number of extensive programs were implemented under the RIRDP. These included the field assistant system, integrated village development activities, local-private enterprises, irrigation system approach, and *Gaun Sallah* (village dialogue).

Amatya (1989) illustrates that several initiatives helped communities gain awareness in generating and managing local resources at the community level, mobilising local resources in community development (CD) activities, and increasing community concerns in consolidating resources and sharing them with development agencies. The findings of this study also demonstrate that CBOs were able to mobilise different types of natural resources such as forest, water, land and financial resources from government, local government, donor agencies, NGOs, and the CBOs' internal sources, to meet the development needs at the

community level. Additionally, many CBOs were more conscious in developing networks with different agencies, as per memorandum of understanding (MoU), for regular funding support. This enabled the CBOs to obtain community trust and, in turn, those communities were able to change their economic and social behaviour, by establishing community based enterprises and social actions.

However, empirical findings demonstrate that numerous factors such as lack of formal legitimisation of all CBO groups, absence of efficient coordination between line agencies at national and sub national levels, centralised 'bottom-up' policy approaches, conservative bureaucratic machinery, and inefficient resource mobilisation, all played a role in making resource mobilisation ineffective.

The result indicates that CBO groups' capability in resources mobilisation activities was 'weak to moderate' (WAI = 0.65). The capability outcome shows that CFUGs scored higher (WAI = 0.70) than WDOGs (WAI = 0.65) and CODGs (WAI = 0.60). According to field information, CFUGs contributed to uplift the rural livelihoods in two ways. First is local forest resources improvement. Secondly, it concerned with enhancing livelihoods assets at the grassroots level. The livelihood assets comprise with variety of capitals. These were natural capital (forests, water, land and minerals); human capital (skills, knowledge, beliefs, attitudes, capacity, and relationships); physical capital (infrastructure); social capital (trust, reciprocity, networks); and financial capital (monetary resources). These indicate that CFUGs were highly resourceful; they mobilised their resources in different community-based infrastructure initiatives, social and economic development activities. These included: the construction of school and community buildings, small bridges and culverts; informal literacy programs for women and the poor; education scholarships for the children of poor and marginal families; improving teachers' salaries; and other emergency actions. These achievements specified that CFUGs had a greater degree of capacity to mobilise local resources for community welfare.

By contrast, CODGs and WDOGs had minimal internal resources, and received little more, from the local governments (LGs), sectoral line agencies (SLAs) and I/NGOs for the construction and maintenance of rural roads, irrigation canals, drinking water systems, and other projects such as training, income generation, and awareness raising programs.

Experience denotes that the behaviour of the leadership in most CBO groups in program implementation was abnormal or corrupt. Many groups violated financial rules, regulations and policies. Many cases were found in which projects were implemented by non-beneficiary groups and the real users were excluded from the implementation process. Most of the resources were controlled either by politicians or local elites and used for their individual purposes. Some participants expressed the view that the chairpersons and treasurers of some CFUGs used the group resources for their personal benefit. They invested group money in personal accounts and profited personally, from the attractive 18 percent interest rate. According to these participants, the investment income was not deposited into group accounts.

Similar experiences were found in the CODGs and WDOGs. In these groups, the chairperson and manager was either employed as a school teacher or was engaged in a local business. This meant that they were not capable of taking on an extra burden, such as consolidating development agencies' resources for community service delivery. This saw a decrease in public involvement and increase in public dissatisfaction. Some participants stated that public dissatisfaction was not the only reason for not receiving government and local government resources, but also that lacked motivation of CBOs' leaders, failed to manage group meetings and eliminate their worst practices, such as decreased service quality and the inability to meet auditing compliance requirements, and were thus responsible for the poor resource delivery status, lack of public contribution, and poor financial management systems.

8.2.3 Community mobilisation

Community mobilisation raises the motivation of the people, passes on the necessary knowledge and skills, and explores the core values, attitudes, and behaviour of the community, so that they can effectively carry out community basic service delivery (UNDP/N, 2004). The community mobilisation process in the study area was guided by two different perspectives, the transactional and the transformational. The transactional perspective focuses on the economic dimensions such as enterprises, resource utilisation and credit savings mobilisation and does not necessarily include raising voices, communicating with agencies or changing the rules of the game. The transformational perspective is more participatory, aiming to empower the members in raising their voices, claiming opportunities, participation and access, and having an influence in the decisions, processes and the formal and informal rules of the game. Many groups' used the transformational perspective to bring about social and economic changes at the community level. They developed the leadership capabilities of group members, particularly women and marginal communities through training and exposure programs; increased effectiveness of group meetings, agendas, and decisions through interactions and by adopting transparency mechanisms; built awareness at the community level about social, economic, political and environmental issues that supported the enhancement of knowledge and skills for effective of planning, implementation and monitoring; and reduced caste, gender and social discrimination. Similarly, they increased the number of social pressure groups to institutionalise community governance, promoted collective efforts in local resource mobilisation, and developed horizontal and vertical relationships.

Despite these efforts in community mobilisation activities, empirical findings show that CBO capability remained in the 'weak to moderate' range (WAI = 0.62). WDOGs (WAI = 0.63) and CFUGs (WAI = 0.62) were found to have the greatest capability followed by CODGs

(WAI = 0.60). The degree of achievement varied according to CBO groups, and participants' comments reveal that the orientation of development agencies and their service delivery pattern, implementation modality, process and system and group dynamics did not create much interest, so that they were not able to stimulate the people towards self-mobilisation and self-regulation. In this matter, CBOs in the study area were only partially successful in providing leadership to face social, economic and institutional challenges. One participant's expression is particularly relevant in addressing this issue:

We need an improved irrigation and drinking water system, a trained health work force and midwifery services, and trained extension workers to assist us for productive and income generating activities. We need quality based government schools, as we are unable to send our children to highly expensive boarding schools. We need market facilities to buy and sell our local products and a road link with the *Tulshipur* market centre. However, CBOs neither can fulfil our demands, nor can they build fruitful relationships with funding agencies.... **X.C.iii.5.6**

The expression of participants shows that many CBOs honestly encouraged the local people in resource mobilisation activities. However the process of CBOs encouragement and public involvement was overridden by the collusion of development agencies and CBOs leadership. The reasons for community disenchantment were, first programs imposed and conditional support of development agencies. Secondly, development agencies' concern was only for resource delivery, rather than quality-based outcomes. Thirdly, CBOs were not in the position to counter development agencies' decisions because resources are optimal for the CBO leaderships' next tenure. This confined approach provided only short term results, and benefited only a limited section of the population, whilst the quality of the implemented activities lacked sustainability or public ownership. One participant's view is particularly relevant in grasping this issue:

In Nepal, the community mobilisation programs have been implemented with the wrong approach. Development agencies have never assessed the root causes of community problems. They argue that poverty is the main crux of the problem in the community. So far, their programs and policies are designed only for addressing poverty, whereas the root cause of community suppression is the local power structure. Without empowerment of community people in terms their social cognisance, all invested resources only reach the elites. **X.C.ii.13.2**

Some found that most groups were unable to trace specific communities' issues. Their investment patterns and priorities were mainly concerned with economically unproductive activities, such as temple construction, trail maintenance, motorcycle/cycle repairing training, and sewing training, mainly because such projects were designed to protect the interests of certain leaders. To launch these projects, leaders tried to convince the funding agencies that such demands were from the people's assembly. The funding agencies were also happy to support anything that had the 'people' tag, and were ready to provide excessive resources, without any monitoring. In reality, this support could not contribute to overcoming community suppression. This type of flawed intervention favoured upward accountability and a supply-driven service system, increased outsiders' influence, minimised the roles of local people, and misused resources. A participant expressed his view on this issue:

Last year, we requested some resources from the VDC to replace the thatched roof of the primary school with zinc sheets. The VDC declined to fund our project. But later we got information that 2 00 000.00 NRS was allocated after pressure from a CA member to construct the *Sahid Dwar* (Martyr gate)... ***X.C.iii.14.2***

Such malpractices and the weak stand of CBOs in advocating and lobbying for appropriate activities, contributed towards negative public perceptions and misgivings about CBOs. This underlines their weak capability. However, a few experiences show the CBOs' contribution in generating, harnessing and managing local resources contributed to increasing trust and association of local people in the CBO groups, and social and economic empowerment of the community. Examples show many HHs were involved in rural enterprises, capital formation activities and in enhancing knowledge and skills. They managed a community level cooperative for capital mobilisation and supported members' enterprises and other necessary activities. Similarly, paralegal activities ensured action against domestic and social violence.

8.2.4 Planning, implementation and monitoring

In Nepal, after the enactment of the decentralisation policy in 1989, through the Master Plan for the Forestry Sector, a bottom-up based participatory planning, implementation, monitoring and evaluation system was instituted at the grassroots level (Wagley & Ojha, 2002). However, more attention was paid to this effort since 1992, and the formulation of the Local Government Act. Some authors argue that the LSGA 1999 is a major benchmark of legal intervention supporting participatory planning, implementation, monitoring and evaluation, which promoted a bottom-up approach to advance resource distribution and service delivery, by bringing the decision-making process closer to the grassroots (Dhakal, 2008; Dhakal, 2007).

At the community level, CBOs adopted a participatory planning and implementation process, according to the provisions of the LSGA, which required that the participatory planning process should be completed in 14 steps (*See Appendix 9.1*). Based on these, local governments and other district level SLAs designed and formulated their plans, resource allocations and stakeholder contributions. In this process CBOs, as primary stakeholders, contributed to several steps. With assistance from development stakeholders, they distributed the Project Request Forms (PRF) to the communities to identify their needs, problems and envisaged outcomes. After the assessment of community needs and demands, the CBOs prioritised these and formulated sectoral and integrated plans.

This process of participatory bottom-up planning not only contributed to reducing the overlapping and parallel activities of the agencies, minimising the duplication of resources and programs, and streamlining local level planning according to community concerns, but also boosted the confidence, particularly of women, the poor, and the marginal community sectors. These positive outcomes enabled them to participate in the bottom up planning process, take a greater degree of ownership, tackle the issues of project formulation and

implementation and improve on past planning mistakes. This process also contributed to transforming patron-client relationships from the individual to the community, and upward accountability to downward accountability. Through this process, the voices of communities were heard at the policy level, so that policy makers were obligated to formulate community-friendly policies and strategies. However, experiences demonstrate that the participatory planning process was only an initial step in setting a common agenda for community actors. The following comment shows that there were problematic issues that negatively affected the capability of the CBOs.

All CBOs have formulated annual plans and programs in closed consultation with local communities, thereby employing participatory approaches. When we forward our plans and programs to the concerned agencies for approval, their forms are often changed. Many community needs-based projects are replaced by window projects. In this situation, CBOs are incapable of taking a stand against the manipulation... *X.C.iii.12.5*

Related to the above statement, the capability index of the CBOs also shows they were in the 'weak to moderate' category (WAI = 0.68). For this activity, WDOGs capability (WAI = 0.72) and CODGs (WAI = 0.71) were found to be higher than CFUGs' (WAI = 0.61). The empirical evidence proves that these CBOs had weak links with external organisations and were influenced by the patrimonial socio-cultural tendency of the communities and patronage-based development practices of the government. This culture led agencies to play the role of giver and the people, the role of receiver. Thus the people and their institutions were not viewed as key actors in service delivery, which rendered participatory planning dysfunctional. However, government institutions made a commitment to adopt the bottom-up planning process, in meeting the needs of the local people.

The empirical information further shows that more than one quarter of CBOs indicated a lack of understanding of what actually constitutes a plan and its relevance. The lack of consultation with the CBOs and people about the process, system and implications, by the developing agencies, meant that they did not follow the participatory planning process. In addition to these problems, the lack of expertise in the CBOs, disguised agreements between

group leaders and development agencies and the evasive tactics of the latter, contributed to poor capacity of CBOs in mobilising the communities, implementing activities and adopting transparency and accountability in the services, which influenced the effectiveness of planning, implementation and monitoring process at the community level.

8.2.5 Community governance

Many experiences indicate that the basic services, not only in the study area, but also in the overall grassroots level, declined over the last two decades. The immediate impact of this deterioration was observed in the remote areas and in the marginal sections of the communities. In assessing the decline of services at the community level, bad community governance is an apparent reason, and is the result of lack of accountability of government bodies, private sector agencies, NGOs and even CBOs. The lack of accountability comes from the breakdown of relations between triangulated actors, namely citizens (as clients), policymakers (as influencing bodies-government), and service providers (both clients and influencing bodies-public and private). However, Plumptre & Graham (2009) believe that after the paradigm shift, the synergetic efforts among the state, non-state and the community have steadily been increasing, which strengthens relationships among stakeholders through interactions and communications.

Findings show the ineffectiveness of community governance was determined by the hierarchical power structure, unfair democratic practices, and an attitude of denial by the stakeholders. In this regard, the major challenges were to integrate the new paradigm of community governance with conventional central and local government systems. The conventional structures were dominated either by the legacy of power and authority (such as hierarchical power structure, participatory/community power structure and hidden power structure indirectly controlled by central mechanism) or by a patronage system that determined the interactions, networks, and policy actions. The empirical evidence indicates

that the process led to confusion between the principles of community governance and the requirements of better service delivery.

Despite such circumstances, many CBOs took initiatives to institutionalise governance practices, such as a social accountability system; a public and social audit system, publicising annual programs, budgets, and expenses through the media (e.g. FM Radio); establishment of hoarding boards at each project site; formation of monitoring committees to check for irregularities; preparation of citizen charters; citizen report cards; sharing all information with group members and communities; developing two way communication between group members and their leaders; circulation of the executive body's decisions to all group members; establishing a system for equal freedom to practice their customs traditions, and raising their voices; handing over leadership at the end of tenure of executive bodies; and a participatory evaluation process. These actions provided people with a social platform to resolve inter-community disputes, and also inspired the voiceless to present their grievances and difficulties. The following statement in an FGD from a participant captures the essence of CBO actions:

The adapted systems of governance have raised the confidence level of members, especially the poor, *Dalit, Tharu*, women, and other marginalised communities to raise questions against implementing agencies' mismanagement... *X.B.iii.19.2*

Regardless of such effective practices, the capability of the CBO groups was found to be 'weak to moderate' (WAI = 0.55). The capability of the CBOs such as CODGs (WAI = 0.56), WDOGs (WAI = 0.56) and CFUGs (WAI = 0.54) were almost similar. The empirical evidence illustrates that the root cause of weak governance was institutional deficiencies, lack of policies and legal provisions, and weak implementation. Many participants felt that the political leaders and local elites were manipulating the CBOs for their own benefit. Others complained that CBO leadership and activities were controlled by development agencies, and therefore they did not consult with the communities. This proves that many of the CBO

groups disregarded community-based transparency and accountability, such as information sharing and developing two-way communications. The empirical information reveals that the reduced level of transparency and accountability in the CBO groups aggravated service ineffectiveness and created much suspicion in the community groups about the purpose of CBOs. Addressing this issue, one participant expressed the following view:

We have a high school, a health post, and agriculture and livestock service centres. However, the reality is a small number of students belonging to the poor families, study in the high school. Teachers are fully engaged in political activities. There are no trained technicians in the agriculture and livestock service centres, and no medicine in the health post. For this, we rely on the expensive private sector services. However, CBOs are not unified, and they have not created awareness against these activities... *X.B.ii.11.2*

Further, many people felt suppressed by the majority-based democracy and governance system, which created inter-community conflicts between the original dwellers and migrants.

Here is one comment:

As original dwellers, we built CFUG, formulated guidelines, demarcated fire lines, and replanted and rehabilitated the barren land. However, we are in the minority. After the migration from hill districts during the period of conflict, a large number of migrants became more influential than us. Now, they hold key positions in committees due to the majority based democratic system. Being in the majority, they have formulated policies, rules and regulations according to their advantage which has violated the CFUGs norms and rules. However, the democratic practice has supported them for their actions. *X.C.i.16.2*

These significant issues have been responsible for weak community governance at the community level.

8.2.6 Coordination, linkages and networking

Coordination and linkages are arrangements for partnerships that create synergies in community service functions and effective administration. Timur & Getz (2009) illustrate that coordination is the process of assisting stakeholders to attain a common goal and purpose for the integration and maximisation of resources, and minimisation of duplications and repetitions. Linkages encompass inter- and intra-community, group and agency interactions to improve the capacity and expand the quality of the services by identifying gaps, improving

working relationships, and sharing expertise and knowledge. Empirical findings also indicate that information exchange, division of labour, a common framework, and harmonisation of activities are vital aspects of coordination and linkage. Nonetheless, such aspects were executed in isolation and influenced by self-enhancing bureaucratic culture and political system.

By contrast, there are many examples from the study area, of CBO groups receiving significant hardware and software assistance from various development partners such as sectoral agencies, local governments, donor agencies, NGOs, civil society organisations, and the private sector. Through such efforts, and in the absence of LGs, CBOs promoted a democratic culture in the communities and created a platform for negotiations and deliberations. The spirit of WDOGs was expressed in the following statement by a group representative:

We always work jointly with WDO; we follow the instructions and guidance of the social mobiliser, which facilitates engagements with NGOs, SLAs, LGs, and different federations. This process has opened the space to work jointly with district level SLAs, LGs and NGOs. In this regard, a big achievement has been the completion of the *Tulshipur - Hekuli* Motor road, and other rural projects and schemes... ***X.B.ii.7.2***

Thus, coordination became mandatory for all actors in designing policies, implementing programs, and sharing benefits. However, the weighted average index shows CBO capability in coordination and linkage activities as ‘vulnerable to weak’ (WAI = 0.47). CODGs (WAI = 0.52) fared only a little better, whereas CFUGs (WAI = 0.46) and WDOGs (WAI = 0.42) were weak. Many factors contributed to these poor results. These were: working culture variations; the magnitude of invested time and resources for collaboration; the applied approach (strengths-based); an absence of terms of reference (ToR); lack of sufficient resources or rigid funding arrangements; lack of skilled human resources; weak organisational structure; no legitimisation of the groups; lack of sharing and interaction; a ‘one-size-fits-all’

approach to work; and over ambitious plans, all of which contributed to weakening CBO capability.

These indicate that coordination is a serious development dilemma at the community level. The main reason was that community actors were not interested in being inclusive and transparent regarding programs and budget. At the same time, the central government, LGs and SLAs suffered from an excess of bureaucratic formalities. The LGs argued that the SLAs were only accountable to their superior administrative level, not to people and other horizontal institutions. They followed only sectoral guidelines and regulations, which contradicts LSGA policy. NGOs lacked transparency and were not accountable to the poor communities. They were more accountable to their funding agencies, which did not want to work in partnerships. Then again, CBOs were not seen as development facilitators, but as pressure groups always looking for faults. This ‘claiming and blaming’ climate made coordination ineffective at the community level.

Many participants expressed their feeling that the CBOs’ concern was only for resources and their delivery, which they organised on their own. The empirical information shows that the coordination of many CFUGs was only limited by FECOFUN⁴³ and the District Forest Office, CODGs by the Local Development Fund Office (LDFO) and WDOGs by the District Women’s Development Office. The experience of CODG members shows that they did not need to collaborate and coordinate with other agencies while UNDP support was forthcoming. All problems regarding administrative, technical and financial matters were resolved by LDFO. When the UNDP support was stopped in 2007, a dysfunctional syndrome appeared in the groups, as they did not have any idea on how to coordinate and link with other agencies for basic service functions. Similarly, WDOGs which were assisted by the Women’s

⁴³ All CFUGs were *de facto* members of FECOFUN.

Development Office and various donors were unable to foster coordination or forge linkages, once the support was withdrawn.

8.2.7 Social contribution

Social contribution triggers downward accountability and ensures a community-based governance system that denotes the willingness of community members to pay something (cash and kind) voluntarily for facilities or services they use. Social contribution is a synonym for community contribution, which reinforces the objectives of decentralised basic services, promoting local ownership and improving the mobilisation of local resources. In the study area, social contribution is interchangeably connected with social capital and social harmony.

Experiences indicate that social contribution was a major indicator of BSDS at the community level, which opened an avenue for resource funding, maintaining service quality and completing projects within given deadlines. It encouraged the people's voluntary contribution towards community action, removed upward accountability, and controlled unnecessary complexities and the risks of corruption and elite capture in BSDS. In the study area, social contributions of the CBOs were imperative in both the preparations for and aftermath of actions that directly addressed communities' short- and long-term needs. Addition, social contributions supported the transformation of the community power structure, socio-economic behaviour, inclusion patterns, and the improvement of the BSDS needs, in such areas as health, education, and governance.

The index shows CBOs had moderate to efficient capacity (WAI = 0.81). The figures for WDOGs (WAI = 0.88) and CODGs (WAI = 0.82) were high compared to CFUGs (WAI = 0.74). There were a number of reasons for the high rating of the CBOs in social contributions. Although Nepalese society is entrenched by feudalistic social structure and deep traditional practice that has created exclusion, and inequalities, the communities in the study area were predominantly displayed social harmony and mutual cooperation, which has ensured high

levels of social accountability and responsibility. In these communities, CBO capability in social contribution was an outcome of the social capital that emerged due to community attitudes such as mutual cooperation and reciprocity, a culture of information, knowledge and skills sharing, a significant degree of voluntary contribution in community services, increased public response in school enrolment, health and sanitation services, a decline in domestic violence and social malpractices (alcoholism and gambling), and increased social responsibility among group members.

According to empirical findings, communities were encouraged by the CBOs, to make larger voluntary contributions, which brought about positive impact on service delivery. The following statement of a group member is pertinent:

Our physical involvement and cash support contributed in constructing a motor road from *Goltakuri* to *Sitalpur* (*Tulshipur-Nepalganj* road), upgrading the *Madaupur* School from primary to secondary and extending drinking water schemes in many settlements. More importantly, we took ownership of all community projects, because we have invested cash and kind, individually and collectively.... ***X.A.iii.13.2***

The empirical findings show that CODGs, WDOGs, and CFUGs developed strong institutional mechanisms that created an enabling environment for creating gender balance, social equity and social norms, a community based infrastructure system, and income generating activities. CBOs proved that capacity-building training, exposure tours, regular group meetings, grievance sharing, and social mobilisation activities had a multiplicative effect in the social contribution process. CBOs' direct intervention in gender discrimination, education and health, income generation, infrastructure and other sectoral activities were multiplied quantitatively and qualitatively, in expanding social contribution at the community level.

However, some experiences denote that some CBO groups were incapable of encouraging communities towards social contribution, due to absence of creeds and guidelines. The reasons for this deficiency were lack of agendas and discussion issues, no ground rules and

regulations, and members lacking awareness of their role and responsibilities. In addition to these, many group members were hesitant to participate due to the issue of formal legitimacy, lack of resource assurance by central and local government, and lack of access for people's participation in service actions of development agencies. Some experiences indicate that these anomalies led to a decrease in ownership of the community service system, diminished service quality and a crisis in social funding.

8.3 Initiatives for enhancing CBO capability

In Nepal, the CBO contribution to community governance and the service delivery system began under the 8th Five Year Plan. Through this plan, the role and participation of CBOs in BSDS, established them as service facilitators and community representatives and their public/social accountability was formally institutionalised (Pandit et al., 2007). However, the local communities were not benefited as much as desired and locally constituted organisations also could not develop as community representatives due to weak implementation of this policy and lack of bureaucratic support. These had negative consequences: many CBOs' were loosely structured, poor functional capacity, could not receive formal legitimacy and faced resource scarcity. This resulted in reducing public satisfaction as to their usefulness in service delivery and the efficient management of community governance.

Over the past two decades, Nepal has adopted the concept of 'capacity development' to promote the institutional capacity of GOs, NGOs, CBOs and local communities. This concept highlighted community roles, associations and institutional ability to meet development challenges in a sustainable manner. This led to many changes in organisational capacity and functional activities, which included improving the work culture, mobilisation of local resources, designing local development plans and actions, formulation of communities' mission and strategies, expression of management competencies, and systematic flow of information and communication. Under this concept, community actors developed strong

social networks (such as FECOFUN, NGO Forum, FEDAWATSAN, Parent Teacher Associations, Women's Network, *Dalit* Network, *Tharu Kalyankari Sabha* etc.) and adopted rights-based policies and collaborative action programs. Experiences indicate that these long term capability building activities encouraged communities, CBOs and other actors in collective and collaborative actions.

Empirical findings indicate that communities and their institutions obtained unique strengths in many ways. Firstly, CBOs attention was to enhance the capacity of grassroots communities in participative decision making, demolishing the hierarchical power structure by utilising existing devolution mechanisms; enhancing leadership capability through training, exposures, interactions and linkage development; utilisation of formal legitimacy and building networking with federations. Secondly, many developing agencies highlighted the agenda of 'education, information and communication' to create awareness for removing elite power structures in BSDS. The VDP, CFP, and WDP were good initiatives for mobilising communities and local people. These programs bolstered the capacity of local institutions and people in thwarting social malpractices, such as corruption, complex bureaucracies, exclusion, irresponsible governance, and non-participatory democratic practices.

Thirdly, the government focused on the legitimisation process of the locally constituted CBOs through the Cooperative Act 1992, Social Council Welfare Act 1992, Community Forestry Act 1993, Local Government Act 1992, and Local Self-governance Act 1999. These Acts not only provided autonomy to local institutions, but also ensured resource sufficiency for BSDS. Experience shows the large numbers of CFUGs were legitimised by the Forestry Act, while the CODGs and WDOGs were registered through the Cooperative Act. However, only 57.27 percent of CBO groups were formally registered under government policies and regulations.

Lastly, many other activities and approaches such as the Good Governance Act 2006, capacity building packages, credit savings schemes, the livelihoods approach, pro-poor

policies, social inclusion policy, partnership concept, harmonised approach, sector wide approach to planning (SWAP), organisation development approach (ODA), and many other targeted approaches were put in place to enhance community and CBO capacity. At the action front, these efforts supported capacity building of local communities and their institutions for advocacy and lobbying, agenda articulation, creating inter-dependencies and effective management of basic services.

However, these approaches and interventions were still unable to give a big push in improving CBO capacity or BSDS. A number of factors lowered performance of these organisations: lack of long term vision, lack of activism, confidence and knowledge, and scarcity of institutional materials and financial resources. In addition, CBOs were highly criticised for their lack of transparency and accountability, competencies and reliability, accessibility and sustainability.

8.4 Concluding comments

CBO capability is interlinked with a number of interdependent elements such as organisational structure, knowledge and skills, and funding resources that enlarge their roles for effective service delivery system. In this context, the evaluation of different groups reflects quite positively and the achieved outcomes have been encouraging for more effective service delivery. Experience shows that overall there has been a redistribution of decision-making authority and financial control from the central to the local level.

To bolster community engagement in governance, the government of Nepal put forward the idea of local self-governance at the local level through the Forestry Sector Master Plan 1989, Cooperative Act 1992, LSGA 1999, and other sectoral Acts. These legal instruments were designed to create an opportunity for the communities and their institutions to serve their peoples.

To some extent, some CBOs have helped drive communities as agents of change. At the grassroots level, they developed many institutional rules and values, which assisted the communities to build linkages with different stakeholders for resource support. Continued facilitation, competent monitoring and regular follow-ups expanded social cooperation, relationships and cohesiveness among group members. In addition, they developed a number of best practices such as economic upliftment, social empowerment, development of public/social audit system, formation of social intelligence system, preparation of citizen charters, and creation of social platform to resolve inter-community disputes.

Regardless of such wonderful efforts by CBO groups in institutionalising the service functions, one-fourth of CBO groups did not pursue any functional activities thereby rendering their capacity weak or, at best, moderate (WAI = 0.64). The basic reason for such incapability of CBOs formation process was sponsored activities, which was highly power-structured, patronage based, and resource constrained. Many CBOs turned away from volunteerism and social movements. Their behaviour in program implementation often turned out to be abnormal or corrupt. Many groups violated rules, regulations, policies and programs. In community projects by non-beneficiary groups, the real users were excluded from the implementation process. Most of the resources were captured by either politicians or social elites, who used these for individual purposes and personal benefit. Thus, CBOs have not been fully functional in their roles, due to their weak capability in effectively helping influence governance outcomes at the grassroots level.

Following the analysis of CBO capability, the next chapter discusses their functional collaboration in basic service delivery and community governance.

CHAPTER - 9

Functional Collaboration of CBO in Basic Service Delivery and Community Governance

9. Introduction

Fragmentation, isolation, and parallelism are the main reasons for the downfall of state intervention. This has caused rejection of broad-based actors' participation in the governance mechanism (Roy, 2008b; Willer, 2009). Greenstein (2003) reveals that a heteronymous concept of state mechanism has caused the fragmentation of public services, and created a situation in which the state mechanism is not well-positioned to deal with communities. To end this, an inclusive approach of partnership under the framework of governance between actors has been deployed in many developing countries, to bring all actors together to work for society (Botes & Van Rensburg, 2000). In this framework, the community, market and state have come to depend upon each other and to be affected increasingly by each other (Streeck & Schmitter, 1985).

In Nepal, the government deployed a neoliberal policy in late 1980s to empower the service actors (state, market, and community) in power relationship. Under the neoliberal policy, authority, powers and functions were distributed from the national to sub-national level. However, this process led to socio-economic polarisation, and the growth of anti-state and anti-market sentiments (Streeck & Schmitter, 1985). Over the last two decades, community governance has been accepted as a dominant concept in development discourse at the grassroots level, focusing on the shift from government to governance (O'Toole & Burdess, 2004). This has created an enabling environment for meaningful actors' participation and building of relationships for the service mechanism.

Following an assessment of CBO capability, this chapter examines the collaboration between CBOs and other actors in basic service delivery system (BSDS), for effective community governance. In the first section, it provides a snapshot of the actors, their backgrounds and interests and influences. The second reviews the relationships of actors in service delivery, while in the third, the issues and effectiveness of community relationships, with different actors have been analysed. The final section makes some concluding comments.

9.1 Identifying actors for basic service delivery at the community level

The process of identifying multilevel actors in BSDS is paramount for governance at the community level. Scholars agree that failure of the market mechanism in the mid-1980s adversely affected the allocation of public services due to information asymmetries, inertia, unhealthy competition, severe pressure from externalities, and imperfect government interventions (Lewis, 2006). This forced a shift from government to governance, which creates many spaces for the multilevel actors in performing social, economic and political functions (Sending & Neumann, 2006).

In Nepal, before 1990, the non-state partners displayed a minor role in the BSDS. However, their involvement gradually increased and the emphasis turned to accelerating decentralisation, to enable participation of the actors at the sub-national levels and to reshape governance for greater accountability (Lawoti, 2010; Upreti, 2010).

9.1.1 Mapping actors at the community level

A variety of governance institutions contribute as key actors in service delivery at the community level. They either affect the services or are affected by the actions of the communities. However, identifying actors at the community level for service provision is contentious (Bryson, 2004). Based on closed consultations and meetings with CBO group members in the study area, three different types of actors were identified based on their

interest and involvement in BSDS. First, the interests of key actors and the nature of their involvement in the service mechanism are significant. Secondly, the identification of primary actors is based on their interests and range of involvement; their influence either positively or negatively has a direct bearing on the service provision. Thirdly, secondary actors fulfil an intermediary role in the BSDS (*See Appendix 8.1*). Table 9.1 presents actors' involvement in the study area.

Table 9.1: Identifying actors for governance practice

Government Organisations		Market Organisations	Civil Society Groups
Central Government			
Local Government			
Extension Service Centres – 6 (Agriculture and Livestock)	DDC	Local Saw Mills	CBOs (CFUGs, CODGs, WDOGs, FGs, local governments)
Community Health Centres – 5	VDC- 5	Association of Privately Owned Public Transportation	Local People
Forest Range Post – 2		Private English Boarding Schools - 9	Political Parties/ Local Elites
Government Schools – 17 (Primary & Secondary Schools)		Private Bank and Financial Institutions	NGOs (BASE, SEED)
Sectoral line agencies (Agriculture, Livestock, Forests, Education, Health, DWSS, ADB, District and Zone Hospitals)		Private Hospitals and Health Clinics	Cooperatives
Government Financial Institutions		Private Agro-Vets (7)	Media Association

Source: Field Survey, (February – April, 2011)

Table 9.1 shows three different categories of governance actors engaged in BSDS. First, central and local government organisations delivered their services through state mechanisms. In this category, extension services, community health centres, forest range posts, government schools, sectoral line agencies (SLAs), and government financial institutions (Nepal Bank, and *Rastriya Banijya* Bank) were included. Similarly, intermediate level and grassroots level local bodies, such as DDC and VDCs were also involved in BSDS.

The second category was associated with market organisations mainly delivering their services for profit. Local saw mills, the association of privately owned public transportation, private boarding schools, private banks, cooperatives and financial institutions, private hospitals and health clinics, and private agro-vets were grouped in this category.

CBOs (CFUGs, CODGs, WDOGs, farmers' groups, livestock groups and local governments), local people, political parties, local elites, NGOs (BASE, SEED), women's cooperatives, and media associations were involved as third level actors, promoting collective actions in BSDS.

9.1.2 Determining interests and influences of actors

The information shows there were twenty different types of organisations, directly and indirectly involved in community governance. Among them, six central government organisations, two local government organisations, six market organisations, and six civil society organisations were involved as key, primary, and secondary actors. According to their level of involvement and influences, fourteen organisations were identified as key, six as primary, and five as secondary actors (*See Appendix 8.1 for details*).

The following 2x2 matrix (Table 9.2) shows the stakeholders' position, participation, their influences and importance in BSDS. In this matrix, the actors were located at different places, according to their 'importance or their influences'⁴⁴.

⁴⁴ Importance,–here, is defined as the extent of stakeholder involvement, needs and interest in the projects, which affect the project operations or desired outcomes. Importance measures those stakeholders who have power over project implementation or outcome adoption (Kennon, Howden and Hartley 2009).

Table 9.2: Determining importance and influence of actors in BSDS

Least influence, most importance	2	13	9
	11 5 8 6	14	
Least influence, least importance	17 10 16	15 1 7	
	12	4	18
	20	19	3

Source: Field Survey, (February – April, 2011)

Table 9.3 Identification of Actors Mapping

Identification	Actors	Identification	Actors
1	CBOs	11	Private Agro-Vets, Local Retailers and Wholesalers
2	Local People	12	Associations of Public Transportation
3	Local Political Parties/Elites	13	District Development Committee
4	Rural Cooperatives	14	Sectoral Line Agencies
5	Extension Service Centres (Agriculture and Livestock)	15	Government Banks
6	Community Health Centres	16	Private Banks and Financial Institutions
7	Forest Range Posts	17	Private Hospitals and Clinics
8	Government Schools (Primary & Secondary)	18	NGOs (BASE and SEED)
9	Village Development Committees	19	District Level Media Association
10	Private Boarding Schools	20	Local Saw Mills

Table 9.4: Determining importance and influences of actors in BSDS

Least influence, most importance	Most influence, most importance	Most influence, least importance	Least influence, least importance
Local People	Village Development Committees	District Level Media Association	Local Saw Mills
Private Agro-Vets, Local Retailers and Wholesalers	CBOs (CFUGs, CODGs and WDOGs)	Local Political/ Elites Parties	
Extension Service Centres (Agriculture and Livestock)	Forest Range Post		
Community Health Centres	District Development Committee		
Government Schools (Primary & Secondary Schools)	Sectoral Line Agencies		
Private Boarding Schools	Government Banks (RBB and NBL)		
Private Hospitals and Clinics	Rural Cooperatives		
Association of Public Local Transportation	NGOs		
Private Bank and Financial Institutions			

Source: Field Survey, (February – April, 2011)

The above analysis (Table 9.4) shows that nine different organisations had least influence and most importance according to the governance perspective, which was identified through closed consultations with each groups. According to the public response, such organisations had a strong coordination with local communities. In such organisations, people had easy access to their services and faced less bureaucratic hurdles compared to others. These organisations' direct public dealing created public trust. They also delivered improved services through innovative management systems (IMS).

Nonetheless, there were still some shortcomings such as the continuance of hierarchical power structures (political and elitist) and socio-economic structures, which limited the power and rights of the people in expressing their grievances and opinion. Similarly, eleven organisations were strategically positioned and had political clout in determining their role as vital and influential at the grassroots. In the study area, many such organisations created a dependency syndrome in the local communities. Many participants expressed the opinion that

these organisations provided services to the communities on behalf of the state and were guided by the state's structured rules and regulations. However, their strong organisational structure, power-based authorities, resources capacity (financial and technical), and robust bureaucratic hierarchical system incorporating many layers, channels and networks created difficulties for the local communities to fulfil governance requirements.

The third category of organisations had the most influence, but least importance. These organisations did not deliver their services directly at the community level, but their activities, policies, and involvement were significantly influential. Many participants observed that their involvement favoured local politicians and local elites, rather than the marginal communities and CBOs. Many examples of these actors influencing the local communities through networking and resource investment initiatives can be found (*See Appendix 8.1 for details*).

9.2 Collaboration of actors in BSDS

In Nepal, experiences demonstrate that partnership-based collaborative management has successfully contributed to conserving degraded forests, sustaining a social and institutional environment, and balancing the unequal power structure and operational provisions of resource management (Khadka & Vacik, 2008). At the community level, the collaboration of the actors not only contributed to formalising the relationships between government, market, civil society organisations and community associations, but also promoted the social, economic, and political revitalisation of communities. This collaboration, to some extent, also modified the forms of the partnership between government, civil society, the markets and the community actors. On the other hand the deeply entrenched top-down service mechanism and the traditional areas of competition, such as state vs. market and public vs. private, were restrained.

In recent years, the collaborative approach in Nepal has been ratified by communities, academia, the government and the business sector, in its empowerment of community level

decision making, planning systems, resource management practices, design and enforcement of rules and regulations, and local democracy (Ojha, Persha, & Chhatre, 2009). These practices were supportive in increasing the participation of marginalised communities, removing existing hierarchical power structures, and increasing collective action for community services.

9.2.1 CBO – central government collaboration

Empirical findings show that the relationships between the central and local levels were developed in two distinct forms - centrifugal (central government) and centripetal (local) structures. The local structure, as the centripetal force, attempted to gain power and authority through enabling legal actions, whilst the central government, as the centrifugal force, delivered the same through a controlled mechanism. In practice, the central - local relation was determined according to the changing dynamics of the political system that was divided into two broad periods, historically. The first period was before the democratic era (pre-1990), and the second after democratic transition (post-1990). Before the democratic era, the government was a super-structure in transforming the diverse forms of services that led to a trickle-down, supply-driven mechanism. In this period, some efforts were initiated to improve BSDS, such as the formation of a high-level administrative decentralisation commission in 1962, to restructure the administration, and provide effective decentralised governance.

After the democratic change, many initiatives were executed to build a strong relationship between the central government and communities. In 1990, a democratic government was established that promulgated a new democratic constitution the following year, to protect the sovereignty of the people, decentralise power, provide good governance, and enhance cooperation between the central government and civil society. Hence, the government was committed to implementing an effective decentralisation policy through policy and legal instruments. At the same time, CBOs were recognised as mandatory partners in the process

of local infrastructure building and socio-economic development, and sought to establish a two-way relationship between the central and grassroots level organisations. Table 9.4 shows the collaborations of the CBOs and central government in basic service delivery mechanism at the community level.

Table 9.5: CBO - Central government collaboration for BSDS

	Delivering autonomy in service delivery system	Shift from government to governance	Establishment of formal partnership	Reduced hierarchy	Increasing reliability in service system	Total count of groups
No. of involved groups	92	78	72	66	64	110
Percent	83.64	70.91	65.45	60.00	58.18	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17
 Note: See Appendix 8.3 for details

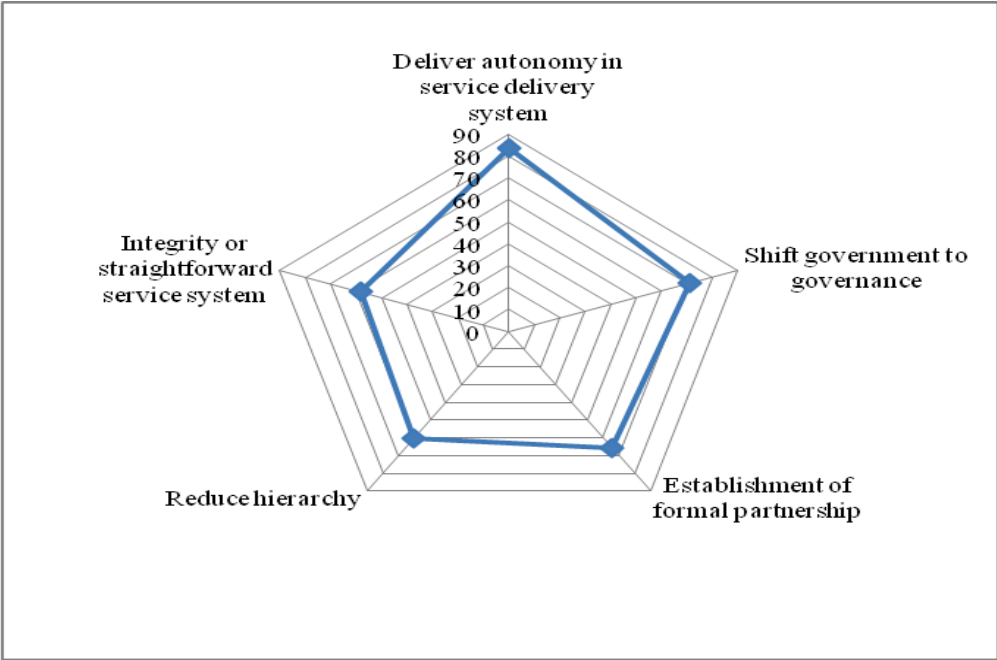


Figure 9.1: Functional collaboration of CBOs with central government agencies (Figure in Percent)

Table 9.5 shows the activities which were undertaken under the CBO - central government relationship. 83.64 percent of these activities involved providing local autonomy to the communities, by devolving power and the functions of service delivery including planning, implementation, monitoring, evaluation and resource allocation, followed by 70.91 percent involvement in shifting from a government to a governance approach. This included

transferring some authority and control of the state to the people and their institutions. The recent efforts at decentralisation, privatisation, and localisation were significant interventions in this approach.

65.45 percent of groups established formal partnerships with different central government organisations in sharing information and formulating policy. The CFUGs, cooperatives and Federation of Drinking Water and Sanitation Users Nepal (FEDWASUN) were the best examples. Next 60 percent of groups involved show reduced hierarchy in state led services. This means increased access of communities to services, growing participation of people in project formulation and implementation, and greater ownership of programs at the community level. Over 58 percent of groups ensured to increase the reliability in service delivery mechanism, as their involvement intensified in removing political and bureaucratic barriers, reducing social hierarchies and establishing a community power structure.

Experience shows that numerous activities were institutionalised after the establishment of effective central - local relationships at the community level. First, these created an enabling environment through the formulation and effective implementation of power and authority devolution, at the community level. The central government formulated a number of policies that were pro-poor, anti-discriminatory and inclusive, as well as devolution policies for education, health, agriculture and livestock, and the forestry sectors. Such policies not only created an environment for the community people to formulate and implement plans, but also authorised the communities to manage local resources. In turn, this endowed the community with the confidence to improve the governance system and widen the scope for participation in decision making.

Secondly, the growing realisation of the communities and their institutions as vehicles of service delivery, not only provided easy access for people to the service system, but the government also tried to become more accountable and responsible for strengthening the

communities by giving them a greater say, shaping their development space, and ensuring their engagement in the community service system. Thirdly, the actions of central government, such as the formal legitimisation process of CBOs (forestry groups, cooperatives), ensuring resources and creating partnerships for development projects, created safety nets for the community service system. Thus, this process supported the institutionalisation of downward accountability. Lastly, the central government preference for the supply and demand driven approach and the performance-based conditional grant system for the community service system encouraged and empowered communities and enhanced their opportunities to move from being marginalised sectors, to becoming a central part of the decision making system in service delivery.

However, table 9.5 indicates that many CBO groups were absent from the community - central government collaborative mechanism. In these groups, public sector accountability (shift from government to governance), resource distribution (delivering autonomy in service delivery system), establishment of formal partnership and legitimisation process had little relevance. This indicates the government remained highly centralised, fragmented, and lacking in inspired and productive collaboration. Local reality shows that the behaviour of the central government and its extended arms created many crises for local - central relationships.

A participant's view is expressed aptly:

The extension workers are not competent or qualified, and the service centres are not located scientifically - they mostly relied on a manual system rather than new technology. The behaviour of extension workers has been most bureaucratic and attitudinally complex. Their activities and associations are often supportive of the political leaders and social elites, whereas the majority of the rural populations are largely excluded by the extension service facilities...*X.A. iii.20*

However, some experiences show that the affiliation of the central government unit at the grassroots level is contingent upon a different set of choices. An enabling environment assists communities in complying with the rules and modifying them, according to local realities, to enhance their effectiveness. At the community level, the relationship favoured the

interests of the central government. For example, the formulation of centralised policies and allocation of roles, responsibilities and functions with a blanket approach, indirectly advantaged the central government, and a dependency syndrome was created in areas such as resource allocation and the exercise of power at the local level.

Empirical evidence further indicates that many community mobilisation programs, in the study area, were launched directly by the central government during the period of the RIRD, to provide public service access to the communities. Similarly, the “Self-reliance for Rural Development Program” in the 1980s, and a new form of social mobilisation program in the 1990s, was also implemented to transform the traditional life through diagnosing problems, determining priorities, and implementing and coordinating activities locally. Apart from these, the Decentralisation Act, Social Welfare Act 1992, LSGA 1999 and many sectoral Acts were formulated to mobilise the local communities.

However, such policies were highly concentrated with only regulatory or fiscal functions. The lack of sufficient resources, insufficient understanding of the community system, bureaucratic and political vested interests, and sometimes contentious relations between the government and grassroots communities, resulted in the regulatory and fiscal functions becoming more controlled at the community level. Thus, such policies not only weakened the community, but strengthened the centralised units. While promoting its decentralisation policy, the central government was faced with a moral crisis. The failure of government policies positioned the government as ‘landlord’ and the communities as ‘tenants’, and communities and their institutions faced a severe crisis of services and funding, for meeting basic needs and performing development-related functions. In regard to this crisis, one participant’s comment is notable:

Everybody at the surroundings say the *Loktantrik Gnatantra*⁴⁵ (people's democracy) has already been established in the country. But, we don't know when it will reach our remote communities... *X.A.iii.17*

This indicates that the changing political context and reformed central policies were also unable to meet community expectations, even though the central government advocated these would ensure good governance at the grassroots. This resulted in a weakening of trust in the central government and the crumbling of community involvement and the community governance structure. Agrawal and Ostrom (2001) argue that the implementation and benefit sharing modes are in crisis, owing to the dynamics of dual policies, engagement culture (give and take politics), lack of professionalism, pre-conditions set by funding agencies at the central level, lack of awareness of the communities, and elite domination at the community level. Although the 2007 interim constitution of Nepal declared local governance and democracy at the grassroots level, the nature of its enactment contributed to the state's supremacy over the citizens. However, the central - local relationship in the community was a 'learning by experience' process, not a ready-made package for development, but one which takes people's needs into account.

9.2.2 CBO - local government collaboration

Local governments are structured entities, according to the specific legislation that designates the decentralisation of power and authority. Evidence suggests that local governments adopted a variety of strategies such as creating flexible service delivery mechanisms through citizen charters and score cards, resource sharing in the service delivery mechanism over multi-stakeholder involvement, criteria based resource allocation, competitive tendering and contracting out for macro-scale projects, creating an enabling environment for people's access

⁴⁵ *Loktantrik Gnatantra* in Nepal is not only the political process, but also an expectation of social and economic transformation. The expectation of Nepalese people was the establishment of peace after the 12-year civil war; promulgation of a new constitution ensuring with basic rights of people; and effective operation of governance, and economic and social inclusion, through state restructuring. However, it has been hard to meet the expectations of the people.

to public services, decision making, information and service management. After the formalisation of Local Self Governance Act (LSGA) in 1999, the local bodies' functions, their structure, service delivery system and relationships between public and local bodies - traditionally designed by the central government - were now shifted to local bodies themselves, leading to increasing effectiveness in BSDS (*See Appendix 8.2 for details*). The LSGA, a major instrument of local government, was devised to build partnerships, networks, participation and management at the sub-national level, by adopting a number of principles. First, it created an enabling environment for public participation in the process of governance; secondly, it institutionalised the process of local development by enhancing the capacity of the public, including marginal communities, poor and disadvantaged people; and thirdly, it promoted institutional development of local bodies to bear the responsibilities of executing policies, plans, and programs. Table 9.5 shows the CBOs – local government collaboration in the basic service delivery mechanism at the community level.

Table No. 9.6: CBO–local government collaborations for BSDS

	Participatory planning and implementation	Community mobilisation and governance	Service providers and facilitators	Act as watch-dog group	Resource collaboration with communities	Total count of groups
No. of involved groups	81	75	63	48	40	110
Percent	73.64	68.18	57.27	43.64	36.36	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17

Note: See Appendix 8.4 for details

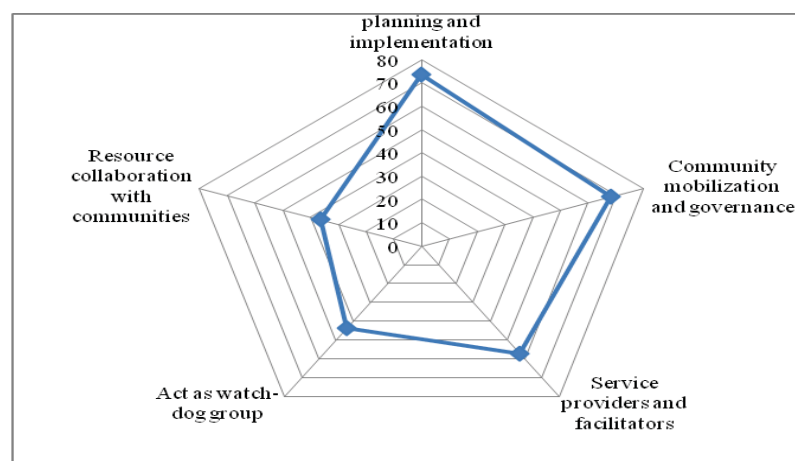


Figure 9.2: Functional collaboration of CBOs with local government agencies (Figure in Percent)

Table 9.6 shows that 73.64 percent of the groups' strong collaboration with local government was in participatory planning and the implementation process, through settlement level demand collection, project prioritisation, plan formulation, resource allocation and implementation. 68.18 percent of groups were facilitated by local government in community mobilisation and promoting governance practice. These collaborations were mainly concerned with providing services at the community level and ensuring their quality. Indeed, such mutual relationships can create high level commitment to serve the people and increase public awareness of needs and problems.

The satisfaction rate for CBO - local government collaboration, leading to service provision and facilitation, was 57.27 percent. Experience shows sectoral line agencies, district level NGOs, lawyers' associations, media groups, and FNCCI (private sector association), under the umbrella of local government, provided technical and financial support to the communities. The least magnitude (43.64%) was found in monitoring activities of local government, which included watch-dog services using surveillance systems, such as community intelligence groups that checked and provided feedback on the shortcomings of services and development projects, as well as in resource mobilisation and synergetic service delivery (36.36%).

Thus, collaborations between CBOs and local governments helped local communities to gain new power in decision making relating to BSDS. In closed consultation between local government and CBOs, four priority areas were identified. The first was transformation, which guided the local government and communities in their policies and actions for inclusiveness. Based on this, the local people became more involved with local government institutions, and were able to choose their own leadership through local democratic practices. They were able to select, formulate and implement plans and look after their management.

Secondly, both local communities and local government boosted their capacity through institutionalisation of the community governance system, which assisted local government bodies in generating local revenue and allocating more resources for local development. Evidence shows that local government continuously increased the amount of resources for service delivery at the community level. Local government capacity for quick service delivery was also increased. At the same time, local communities gained sufficient confidence for the utilisation of resources and conducting service delivery. This ensured downward accountability.

Thirdly, inter-dependency among the stakeholders increased at the community level through the appropriate institutional mechanisms. This improved not only the synergetic effects in the service mechanism, but also reduced duplication, expanded the service coverage and increased the number of beneficiaries. Many examples of collective action, linkage development, coordination, and networking appeared. One participant expressed her positive view on the collaboration between communities and local government:

Gaun ma vikas ayo, janta le kam payo (Development initiatives are instigated at the village, people get work).... **X.C.iii.13.4**

Fourthly, through the culture of sharing, the community people received an institutional mechanism. This 'sharing culture', in local bodies and community relationships, enhanced the participation of poor people in decision making, resource allocation, sharing of benefits and opportunities, ideas, knowledge and skills, and sensitisation programs, all of which contributed to increasing community access and minimising bureaucratic hurdles in the community service system.

Despite the favourable development outlined above, Table 9.6 also indicates that many CBO groups did not progress a community - local government relationship in service delivery mechanism. In Nepal, the local government bodies were led either by central government

officials or by the political mechanisms of the national ruling parties over the last nine consecutive years. The prolonged vacuum in elected bodies created serious crises and disputes at the grassroots level, which resulted from the misuse of resources and abuse of power and authority. Political high-handedness and the absence of local governance jeopardised democratic practices at the district and grassroots level, and also increased the vulnerability of public funds, reduced social accountability, and limited public access to local government services.

Similarly, the participatory concept, which was promoted by local government, was not institutionalised as a means of transformation. The existing hierarchical power structure and socio-economic reality pigeon-holed the people within the confines of the socio-political system, denying them their freedom of choice. The lack of skills and poor capacity for planning and implementation in local government units was highly criticised at the community level.

Many local government-initiated community-based projects such as Decentralised Action for Children and Women (DACAW), Village Development Program (VDP), Population and Reproductive Health Integrated (*PARHI*/UNFPA), social sector programs, agriculture and livestock extension programs, and infrastructural sectoral programs, did not ensure inclusiveness. This resulted in the local government becoming more regulative and centralised and innovative steps at the community level were systematically quashed.

Apart from this lack of inclusiveness, the people became more disillusioned with the rampant corruption, declining accountability, lack of responsiveness to the needs of the poor, and reluctance to prioritise important projects. The increasing influence of political elites and bureaucrats in local decision making channelled the services towards their own interests. Many examples show that resources and services of local governments were mainly mobilised in those areas where the leaders received governmental support, during and after elections.

9.2.3 CBO-market collaboration

The private sector, as a major agent of the market, has been involved in the governance mechanism since the late 1970s when partnerships between the public and private sector began (O'Toole, 2003). Since then, public-private partnerships (PPP) and voluntary cooperation between GOs, and NGOs sectors for public service efficacy have been used (Rondinelli, 2003). In Nepal, the idea of the comprehensive privatisation program was promoted under a neoliberal economic policy from the late 1980s (NDF, 2004). This created opportunities for the private sector to invest in the health and education sectors, transportation (domestic airlines and land transportation), hydropower, telecommunications, financial sectors, processing industries, electronic and paper-based media, and information-based technology within the governance framework (NPC, 2007). In this regard, the Nepalese government introduced a white paper in 1991, to provide a balanced approach and access to the private sector that formed part of governance strengthening and promoting efficiency and equity of service delivery (Paudel, 2009).

Nonetheless, the relationship between state and market for many years remained fundamentally antagonistic and fraught with structural complexities. In the study area, the association between the private sector and groups with different interests, purposes and modes could not supplement basic services. However, the inability of the government to offer basic services in the rural communities and public discontent with the service delivery system, quality and working coverage of SLAs' and local governments' services, and the 'engagement culture' for commission and corruption, kept open the door for private sector participation. Empirical findings indicate that the role of the private sector has been significantly instrumental in BSDS. Examples are small scale market enterprises such as private schools, private medical centres, local business, cooperatives, skills-based

entrepreneurships, private banks and financial institutions, agro-vets, local transport services, cottage industries, and other income generating activities.

Hughes (1998) asserts that the private sector is characterised by autonomy, social control, direct and easy access, personal supervision, face to face dealing, less hierarchy and no bureaucratic hurdles. In general, the quality, accessibility, and reliability of these private services were of a fairly high standard. Experiences illustrate that these enterprises were more competitive, output oriented, self-regulating, of strong managerial capacity, compliant with quality assurance norms, and equipped with new technology and specialised skills. However, a number of issues indicate that many private sector providers were apathetic insofar as the process of governance was concerned, which discouraged the communities. The little chance of affordability, less cost-effectiveness, and lack of public accountability of the services indicates that the private sector served only a small and wealthy segment of the population.

Table 9.7 shows the issues of private sector at the community level.

Table 9.7: CBO perceptions of private sectors in BSDS

	PSO's interest only for profit	Unfair competition	PPP is a complex mechanism for partnerships	Inadequate policies and legal arrangements for PPP	PSO are not interested for partnerships	Total count of groups
No. of involved groups	93	91	84	81	79	110
Percent	84.55	82.73	76.36	73.64	71.82	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17
 Note: See Appendix 8.5 for details

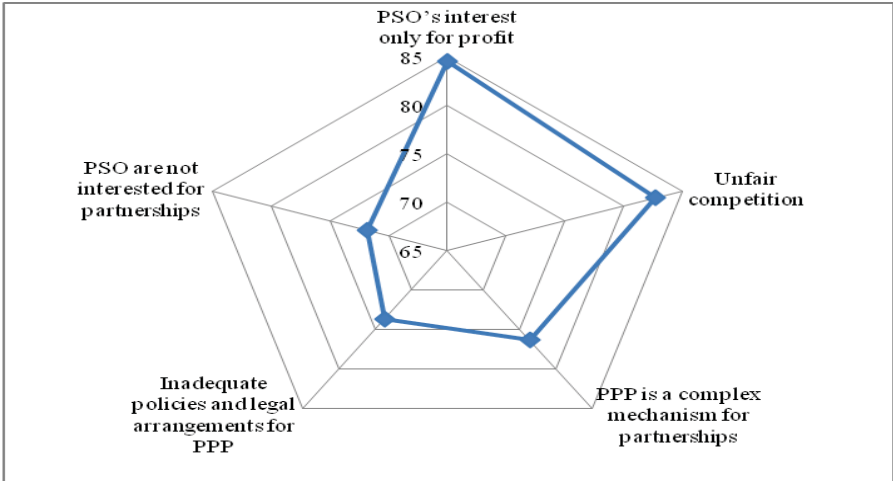


Figure 9.3: CBO perceptions of private sectors in BSDS (Figure shows in Percent)

Table 9.7 shows CBO perceptions of private sectors in BSDS in which many CBO groups felt that there were several partnership issues remaining between the private sector and the community, as far as basic service delivery was concerned. The information further reveals that the private sector services were very expensive; black market oriented, and had no mechanism for price controls. The effective and quality private sector services were urban-centred and developed regulatory structures that caused delays in service delivery. There was no transparency, they were accountable to none and had unrealistic and contradictory motives, which created problems for partnerships.

Regarding individual issues (Table 9.7), 84.55 percent of groups formed the opinion that the private sector organisations were only interested in individual profit, and 82.73 percent felt they were involved in unfair competition. 76.36 percent regarded the PPP as too complex for people to understand, and 73.64 percent thought that the policies and legal arrangements were inadequate for successful PPP. 71.82 percent were of the opinion that the private sectors were not interested in forming partnerships.

The overall response shows that unequal CBOs - private sector relations stirred up communal disharmony and conflict, as well as eroding community feeling and weakening the community institutional system. This led to a scarcity of services in the rural communities and widened the divide between local communities and the private sector. The following pieces of evidence show the weaknesses of the private sector in partnerships with community. First, private sector services were not properly registered and legitimised and were more expensive than government services. Secondly, there was no competition and this led to a monopoly of the services, too many pre-conditions and formalities, and the imposition of reservation policies on the local communities. Lastly, the private sector was highly fragmented, elite controlled, and worked in isolation, none of which favoured rural enterprises.

9.2.4 Inter-CBO collaboration

CBOs as organised entities of civil society are considered relatively independent, more dynamic and different to political organisations, and they mainly cover the social aspects of life (Dahal, 2001). The role of CBOs is necessarily important in empowering and helping people in exercising their democratic rights (Johnson, 2001). Experience shows the engagement of CBOs in educating and empowering broader segments of the community, introducing best democratic practice and their efficient replication, and enhancing the confidence, connectedness and capabilities of poor and marginal communities, is quite effective. According to the empirical findings, the strong monitoring and watchdog activities of CBOs promoted strong downward accountability in BSDS. This encouraged communities to be a part of BSDS, and created a friendly environment for other stakeholders to engage more closely with communities.

Experiences also indicate that the development interventions of different actors at the community level caused many ‘development synergies’, which made the achievement of positive development outputs possible, expanded service availability and established alliances with communities. Women’s organisations, CFUGs, parent-teacher associations, and other peripheral groups play a significant role in the political landscape of the communities, leading to better services in the health and sanitation sectors, building a strong base for social capital and strengthening interpersonal networks at the grassroots level.

However, findings indicate that functional links among the CBO groups were apparently very weak. The reasons for this were the rapid formation of groups without realistic consideration of community needs, inequitable balance of resource supply and demand, and a lack of management capacity in some groups. Many CBOs in rural parts relied on close associations with donors for resources, which created a patronage syndrome and was one of the major reasons for the loss of autonomy. Similarly, many communities were polarised by the local

power structure, economic class differences, social castes and ethnicity that led to weak functional linkages between CBO groups. Table 9.8 shows the inter-CBOs' collaborations in the study area.

Table 9.8: Inter-CBO collaborations in basic service delivery system

	Experience sharing	Joint group effort	Information and communication sharing	Shared in services	Resources sharing	Total count
No. of involved groups	69	65	63	62	40	110
Percent	62.73	59.09	57.27	56.36	36.36	

Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17
 Note: See Appendix 8.6 for details

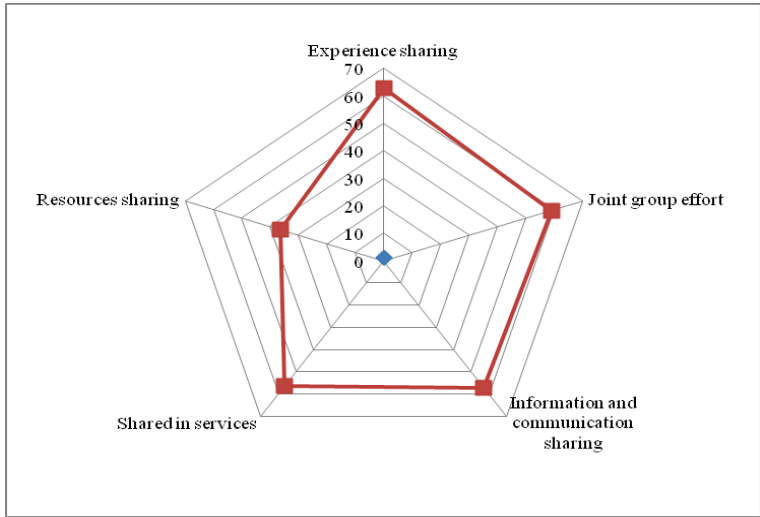


Figure 9.4: Inter CBO collaborations in BSDS (Figure shows in Percent)

The figures in Table 9.8 show that the inter-collaboration of CBOs at the community level was weak. However, the disaggregate information of the CBO group activities shows 62.73 percent of communities shared their experiences and best practices among themselves, followed by 59.09 percent that made joint group efforts and 57.27 percent were engaged in information and communication sharing. The information further shows that 56.36 percent of communities and CBOs shared their services system. The least successful relationship was in the area of resource sharing (36.36%).

Empirical findings show that inter-collaboration of CBOs enhanced the capability of women, the poor and marginal community sectors. Entrepreneurs emerged from these groups, sharing

their ideas and a consciousness and confidence was developed in the community service system. There was an increase of downward accountability in development agencies and service quality and frequency of delivery improved. An increase in the number of people-based pressure groups, community dialogue and greater opportunities for building social capital, harmony and cohesiveness was apparent. People sought solutions to community problems at the local level. Such practices enhanced good community governance and democratic practice.

In addition, CBO networks promoted local feeling and opinion related to the service mechanism, ensured the engagement of marginal groups in decision making and addressed structural causes of inequality. Accordingly, previously disadvantaged community sectors became effective in community inter-relationships. This gave the communities greater choice; they became more independent and developed the capacity to decide on their own development agenda. These relationships enhanced knowledge, skills and ideas necessary for addressing community issues and reinforcing relations with other players.

In the study area, many CBOs either worked in isolation or were functionally inactive due to resource constraints, as well as the low range of activity coverage and absence of group collaboration in the service mechanism. Evidence also demonstrates that some CBO groups were more focused on their own regulatory functioning, rather than the service delivery mechanism. These were more bureaucratic and upwardly accountable. Similarly, many groups expressed scepticism in the community service system in the hope of gaining additional external support. Government encouragement to involve the CBOs without identifying their goals, and a plan of action, also reduced integration and efficiency. Further reasons for the isolation of communities were over-dependency on resource agencies and, in certain groups, low capacity and a lack of resources, skills, knowledge, networks and relationships. This allowed for the ascendancy of certain groups enabling them to snatch

power and run institutions bureaucratically. Despite tremendous efforts, building collaboration among the CBOs at the community level has been a complex process, due to the prevailing hierarchical power structure.

9.3 Actors' collaboration for effective governance

Community governance is a major shift of institutional efficiency, which interconnects community actors politically, socially, and economically in the service delivery mechanism (Barker, 1970; Laffin, 2009). Empirical findings suggest that collaboration between CBOs and other actors, in the study area, was developed with only a few groups capable of influencing the governance agenda at the community level. However, experience shows that gaps in the terms of reference (ToR) were caused by various factors. These were lack of capacity, legitimatisation, conflicting policies and poor governance practices. Nevertheless, the broad-based relationships between actors, and their strong commitment, produced a new form of collective results and developed new directions for advanced collaboration within the 'polycentric terrain' (Rhodes, 1997b: xii). This combines the different modes of governance mechanism such as hierarchic, market and network within a single domain.

The growth of multi-agency associations at the community level empowered community actors, improved community access to the service functions, changed the conventional structure of partnerships, increased partnerships in local decision-making system, and added gravity to local agendas. Experiences indicate that after the enactment of LSGA and community mobilisation programs in the study area, interactions and cooperation among partners significantly increased. These led to the development of a horizontal relationship with the state, market and communities, strengthened local democracy and the influence of other actors, in government policies. Empirical results also point out that multi-actor relationships produced a number of choices in dispute resolution between resources and agents, as well as between policies and actions. Many best practices and synergies in the

drinking water supply and sanitation services, income generating activities, irrigation, credit savings, natural resource management activities, and parent-teacher committees proved the validity of multi-actors relationships. Table 9.9 shows the inter-relationships of community actors in the study area.

Table 9.9: Correlation of actors in basic service delivery system at the community level

	Community	Central government	Local government	Market	CBOs/NGOs
Community	1	0.634**	0.693**	-0.025	0.715**
Central government	0.634**	1	0.205*	0.060	0.239**
Local government	0.693**	0.205*	1	-0.137	0.523**
Market	-0.025	0.060	-0.137	1	-0.007
CBOs/NGOs	0.715**	0.239**	0.523**	-0.007	1

** . Correlation is significant at the 0.01 level (1-tailed).
 * . Correlation is significant at the 0.05 level (1-tailed).

Table 9.9 shows the actor interactions, degree of inter-relationships, and the degree of association through correlation analysis. The results show that the communities had significant positive correlations with the central government, local government and CBOs/NGOs. However, the correlation with the market is negative. The degree of correlation shows that community associations with CBOs were highest, followed by local governments and the central government. There were a number of factors behind the strong correlations between actors at the community level. The first is accessibility, in which community people expressed their need for easy access in sharing their problems, seeking solutions, and receiving services. More complexities and fewer benefits from the service mechanism made them reluctant to engage themselves. It is further evident that the service mechanism of the private sector was very complex; less community welfare oriented, and lacked public accountability. The negative correlation indicates a lack of interest by the people. The second factor behind the strong correlation was resource-sharing in recent years by the SLAs, VDCs,

DDC, and community contributions⁴⁶ in rural road construction, drinking water supply, sanitation schemes, school building construction, community leadership development in community-based social mobilisation activities, ownership in community owned infrastructure and social issue-based activities, management in individual and community-based enterprises, forest resource management and cooperative management activities.

Thirdly, service delivery through innovative institutional mechanisms at the community level, not only empowered the community and gave people voice, indigenous knowledge, and skills for resource mobilisation, but also created a friendly environment and encouraged trust between political parties, local government, sectoral line agencies, donor agencies, civil society, NGOs and CBOs, which is essential for cooperation in the process of basic community service delivery. Fourthly, most of the local communities initiated capital formation through saving credit schemes that enabled them to be independent and to overcome the vicious cycle of poverty. The village people themselves collected money from minimal savings and mobilised it in the internal credit system. This process had the two-fold benefit of minimising the financial crisis in the community and initiating many rural-based enterprises that directly contributed to the national agenda for poverty reduction. The final factor behind the strong correlation includes the initiatives from the devolution⁴⁷ agenda to consolidate the development process under the single umbrella of the local government system, focusing on poverty alleviation within a well-organised structure at the community level.

⁴⁶ The community led development activities under the coordination of the District Drinking Water Supply and Sanitation Office, District Health Office, local government, NGOs, community-based associations and local people were very successful in upgrading the defecation system to a community-led total sanitation system. The tangible achievement of the association is 100% HHs coverage by the toilet and sanitation system (Source: Field survey February – April, 2011)

⁴⁷ In Nepal, the devolution of forest management, primary and secondary level education, primary health, agriculture and livestock, and postal services from the central level to community level, and the decentralisation of many powers and authorities from central to local government, such as policy formulation, planning programming, resource generation and mobilisation, has created ownership in service provision and increased accountability to the people.

Numerous factors, however, diminished relationships between actors in the study area. These were: the supply-driven policies and compartmentalised expected outcomes, the lack of capacity of the service delivery system, weak democratic processes, absence of transparency in the working culture, exclusion of socially and economically deprived groups, elite capture, resource dependency, scepticism, the ‘give and take’ culture of the actors, and above all a profit-seeking rather than a service-oriented attitude, mainly in the remote areas.

Dahal (2010a) laments that development practices at the community level in Nepal have been under ineffective governance, a transitional political economy and weakened organisational structure that has resulted in exclusion and unequal resource distributions, at the bottom of the pyramid. Much empirical evidence also demonstrates that associations and collaboration were weak, and did not meet public needs and expectations. There were allegations about collaborations being dominated by political motives or contracting agents. The procrastinating attitude of leadership sometimes forced actors to act in isolation of the collaborative network. However, the growth of community governance and the commitment of actors to deploy it to change the prevailing BSDS towards a pro-community bias have reinforced the relationships of communities and their institutions, with other actors.

9.4 Concluding comments

In Nepal, poverty alleviation has been one of the major items on the national agenda since the 1950s. Towards this end, national government, development agencies, and policy makers have made several endeavours to develop an inclusive service system, through strengthening the central-local relationship with direct budgetary support, good governance and improved services’ delivery. This has supported local communities in a number ways. First, it created an enabling environment through effective devolution of power and authority at the community level. Secondly, communities and their institutions were turned into vehicles of service delivery. Thirdly, government action such as CBO legitimisation, ensuring resources

and building partnerships for development projects, have created a safety net for the community service system. Lastly, the government focused on a mixed approach (supply and demand), and a performance-based conditional grant system to encourage, empower and enhance the local communities.

However, the pattern of collaboration between central and local government and CBOs remained hierarchical. The government has been a super-structure in transforming the diverse forms of services that led to a more trickle-down, supply-driven mechanism. Although the government attempted to change structural functions, decentralise power, provide good governance and establish cooperation between the state and civil society, after the period of democratic innovation, these were still insufficient to protect community rights in the basic service system. Many examples show that the power structure neither addressed the community needs and demands, nor prioritised the improvement of governance. In this respect, the policies and legal provisions and understanding merely paid lip-service, and proved to be nothing more than the grandiose propaganda of bureaucrats, politicians, technocrats and donor agencies.

Similarly, the vertical accountability of the SLAs, increasing influence of outsiders in the service mechanism, under-utilisation of resources by community level user committees, and resource manipulation by local elites and political cadres, led not only to exclusion at the community level, but also to loss of accountability and responsibility at the community level. In the CBO - private sector relationship, the evidence shows that the private sector bodies were apathetic towards governance, thereby discouraging communities, eroding community feelings and weakening the community institutional system. In contrast, CBOs inter-collaboration improved the capability of women, the poor and marginal communities; increased downward accountability in the development agencies; raised the service quality and frequency of delivery; increased community dialogue, social capital, and social

cohesiveness; and encouraged people to seek solutions to community problems at the local level. Such practices enhanced effective community governance and democratic practice. Nonetheless, it would be naïve to argue that this alone, would bring the necessary improvements in the service system and contribute sufficiently to community access to the service mechanism.

The next chapter discusses factors of community governance for basic service delivery.

CHAPTER – 10

Factors of Community Governance for Basic Service Delivery

10. Introduction

Community governance is a process of institutional effectiveness at the community level, which is achieved by formally and informally constituted institutional forces, such as neighbourhood management, partnership arrangements, and community empowerment (Connelly 2011; 2006). This process supports local communities in developing a corporate identity, organisational culture and management through a responsible and accountable community service system. In Nepal, the impact of governance at the community level shows expansion of effective and equitable service distribution, local resource management, and economic and social empowerment through community based enterprises and social actions. These, to some extent, build social capital, help maintain accountability, eliminate social discrimination, and address development activities.

However, many communities are disordered or informally organised, having low technical, human and resource capacity, a high degree of exclusion, economic vulnerability, lacking access to services and resources, and thus prone to elite capture. In these, community governance has been influenced by factors such as institutional crisis and poor government performance, power-structured and unaccountable leadership, lack of transparency and interest representation in decision-making and functional activities, and rampant corruption. Commins (2007) systematically lists a wide range of factors such as economic/social exclusion, economic differentiation, information asymmetry, socio-economic disparity, and the denial of political inclusion, all of which have affected community governance and downgraded service delivery in Nepal.

Following the functional collaboration of CBO in basic service delivery and community governance, this chapter describes the specific factors, which induce effective community governance in basic service delivery system (BSDS). In the first section, it explores the variables for effective community governance. Section two identifies the model of analysis for determining effectiveness of service delivery. The third section examines the inducing factors and their influences on community governance for effective service delivery. The final section provides concluding comments regarding the factors of community governance and their practice, for effective basic service delivery in Nepal.

10.1 Variables of effective community governance

Variables are the logical set of attributes, which explain the cause and effect relationships of the experiment or modelling (Bollen, 2012). At the community level, many experiences indicate that the numbers of micro-level variables including availability of resources, institutional constraints, and policy environment are playing a crucial role in determining governance efficiency. Thapa (2010) argues that the complex bureaucratic structure, elite-dominated community system, hierarchic power structure, and limited access of the people's participation in decision making, made all efforts at improving community governance unproductive and unwieldy.

In Nepal, numerous factors have acutely affected effective governance at the community level. These include the conventional institutional arrangements and their structure, fragmented and centralised decision-making system at the centre, disorganised and poor collaboration and lack of coordination between development actors such as central/local government and NGOs, and the capture of huge resources and opportunities at the local level by particular groups (Khanal, 2006b). At the community level, the practice of governance shows the variance between CBO groups. Academics, professionals and institutions have elaborated on the issues and provided explanations for governance effectiveness and

ineffectiveness at the community level. Some of these explanations are vague and fail to focus on specific factors or address the issues coherently.

In this study, the ‘effectiveness’ of community governance was based on the efficient functions of several variables, such as inclusive participation (X_1); empowerment of people (X_2); transparency and accountability (X_3); enabling environment (X_4); practice of local democracy (X_5); service effectiveness (X_6); service integrity (X_7); social capital development (X_8); institution building (X_9); community mobilisation (X_{10}); planning, implementation, and monitoring (X_{11}); and coordination, linkage and partnership development (X_{12}). These variables were the causes or agents that define or limit the effectiveness of governance or actions of the organisations. At the community level, their degree of impact was determined by their relevance, accuracy, credibility, quality, integrity, timeliness, coherence, accessibility and cost efficiency.

10.2 Model of analysis for determining the effectiveness of service delivery

To identify the effectiveness of community governance, a multiple linear regression model was administered, to analyse the inducing factors of governance for effective service delivery. In this, governance effectiveness has been identified with the dependent variable (Y). This was affected by the different sets of independent variables (X_1, \dots, X_{12}) (*See Appendix 6.11/6.12*).

10.2.1 Relationships of the variables

The relationships between variables show that the dependent variable (Y) (deploying community governance) is highly influenced by independent variables ($X_1 \dots X_{12}$) and their operations. Hence, the ‘dependent variable’ represents the output or effect of the actions, whilst the ‘independent variables’ represent the inputs or causes. In the present analysis, there were two types of relationships among the variables. These were positive and negative

relationships. Significant relationships were measured if these were more than 95%. Table 10.1 shows the results of inter-correlations of all predictor variables (*See Appendix 10.1*).

Table 10.1: The matrix of inter-correlations of all predictor variables (Pearson correlation method)

	Y	(X ₁)	(X ₂)	(X ₃)	(X ₄)	(X ₅)	(X ₆)	(X ₇)	(X ₈)	(X ₉)	(X ₁₀)	(X ₁₁)	(X ₁₂)
Y	1												
(X ₁)	0.080	1											
(X ₂)	0.016	0.014	1										
(X ₃)	0.073	0.091	0.189*	1									
(X ₄)	0.006	-0.024	-0.184	-0.019	1								
(X ₅)	0.022	-0.003	-0.045	-0.082	0.015	1							
(X ₆)	0.152	0.042	0.079	0.004	-0.009	0.106	1						
(X ₇)	-0.081	0.237*	0.119	-0.032	-0.141	0.025	0.093	1					
(X ₈)	-0.109	-0.142	-0.072	0.061	0.135	-0.139	0.242*	0.039	1				
(X ₉)	-0.167	-0.125	-0.147	-0.003	0.232*	-0.048	-0.044	-0.106	0.053	1			
(X ₁₀)	-0.223*	-0.196*	-0.047	-0.065	-0.019	0.199*	0.086	-0.038	0.207*	0.081	1		
(X ₁₁)	-0.044	-0.095	0.024	0.090	0.238*	-0.062	0.132	0.132	0.191*	0.188*	0.040	1	.
(X ₁₂)	-0.067	-0.064	-0.027	-0.113	-0.072	0.047	0.180	0.211*	0.017	0.084	0.176	0.201	1

*. Correlation is significant at the 0.05 level (2-tailed).

Table 10.1 presents the positive inter-correlation dependent and independent variables. The result shows positive correlation of community governance was found with inclusive participation (X₁) empowerment (X₂), transparency and accountability (X₃), enabling environment (X₄), local democracy (X₅), and service effectiveness (X₆). This indicates that the CBOs were very conscious of the need to achieve positive outcomes in these areas. However, a positive correlation, without a significant result, indicates that more effort is still required to reinforce the community governance. Poor recognition of governance concepts and absence of its good practice, lack of formal identity and autonomy of CBOs maintaining their original identities, lack of transparency in project implementation and monitoring, poor social accountability, irrational public hearings, public audits and citizen report cards, a futile political situation, little concern about budgets and programs for the poor and remote areas, and suspect records, agenda, and documentation, contributed to the less than significant performance and below competent capacity of CBOs.

Although the government proposed the Good Governance Act in 2006, to support the objectives, policies and principles of the existing local self-governance system through mobilisation of local communities with the support of respective central line ministries and local government, inter-sectoral coordination and collaboration, meaningful priority to a bottom-up approach, and bureaucratic and political commitment for effective implementation, remained in crisis.

Similarly, negative inter-correlation shows that CBOs were either less capable of undertaking such activities or were influenced to address the issues, by relying on other factors. The result shows the negative correlation of governance with another six determinants, namely service integrity (X_7), social capital (X_8), institution building (X_9), community mobilisation (X_{10}), planning, implementation and monitoring (X_{11}), and coordination, linkage, partnership development (X_{12}). Among these, the most significant negative correlation was found with community mobilisation activities (X_{10}). The empirical information indicates that the negative correlation was the outcome of ill-feeling, frustration and dissatisfaction of communities with the CBOs and their structural problems, such as upward accountability and dependency on government and donor agencies. Many participants commented that the operation of the Local Self-Governance Act (LSGA) and sectoral Acts, created many redundancies and confusions at the community level. Negative practices not only failed to represent community feelings, but also eroded the community-owned indigenous practices, cooperation and collaborations, community existence, and communitarian values. Consequently, community governance deteriorated at the grassroots level, in the longer term. On this issue, a former VDC chairperson's comment is notable:

In 1997, two Ministry of Local Development staff arrived at the DDC office for stakeholder consultations on the Local Self-Governance Act. A short and informal program was conducted with only sectoral line agencies, District Development Committee staffs and representatives, and a few available Village Development Committees chairpersons. I argued how, without consultation of communities and eliciting their views, can LSGA become inclusive and able to address community issues *X.C.iv.12*.

However, the positive aspects of LSGA and sectoral acts created a significant opportunity for power devolution from the national to sub-national level. Nevertheless, weak capacity at the sub-national level and the complexity of devolution policies led to devolved power being captured by powerful and well-organised interest groups. The reality shows that the legislation, regulations and policies were not inclusive and, not only did they fail to effectively transfer the centre's power to the local level, but they entrenched the centre's political interests in the name of decentralisation.

Empirical findings show that the lack commitment of the centre, power-abuse and acute influence of political and local elites eroded community confidence and created communication gaps at the grassroots level. Many participants expressed the view that the leadership, in most of the groups, was not serious about conducting group meetings, sharing information, educating and communicating with members, and there was community apathy regarding dispute mediation, negotiations in development programs and local resource mobilisation. Thus, general members were reluctant to participate in the group activities. The reasons for this unwillingness were failure to meet their expectations by CBO group, and systematic exclusion of local communities by development agencies.

10.2.2 Prediction of the model

To examine the relationship between two or more independent variables (X) and a dependent variable (Y), a multiple linear regression model was employed, by fitting a linear equation to experimental figures. In this model, every value of the independent variables is related with a value of the dependent variable. The table 10.2 presents the relationships between the dependent and independent variables in governance effectiveness, through a regression analysis model.

Table: 10.2: Summary of the model

Model	R	(R) ²	Adjusted (R) ²	Std. Error of the Estimate
1	0.381 ^a	0.145	0.012	0.688
2	0.381 ^b	0.145	0.025	0.683
3	0.381 ^c	0.145	0.037	0.679
4	0.380 ^d	0.144	0.048	0.675
5	0.378 ^e	0.143	0.058	0.672
6	0.376 ^f	0.141	0.068	0.668
7	0.373 ^g	0.139	0.077	0.665
8	0.371 ^h	0.138	0.086	0.662
9	0.363 ⁱ	0.132	0.091	0.660
10	0.330 ^j	0.109	0.078	0.665
11	0.292 ^k	0.085	0.064	0.669
12	0.247 ^l	0.061	0.051	0.674

Note⁴⁸:

According to Table 10.2, *R* (correlation coefficient) denotes the degree of relationship between twelve independent variables, and the dependent variable through multiple regression analysis (See details in Appendix 10.2). It shows the unadjusted multiple *R* is 0.381 and the unadjusted value of $(R)^2$ is 0.145. This indicates a 14 percent variance of the dependent variable. Similarly, the figure of adjusted $(R)^2$ of 0.012 shows there was a greater difference between $(R)^2$ and adjusted $(R)^2$, which was less than 1. The table 10.2 further explains both *R* and $(R)^2$ values increased from X_{12} to X_1 . This indicates that the functional results of variables were statistically significant and all variables indicated their reasonable

⁴⁸ a. Predictors: (Constant), Coordination, linkage, Partnership development , Social Capital, Institution Building, Transparency and Accountability, Inclusive participation, Local democracy, Empowerment, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity, Enabling Environment
b. Predictors: (Constant), Social Capital, Institution Building, Transparency and Accountability, Inclusive participation, Local democracy, Empowerment, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity, Enabling Environment
c. Predictors: (Constant), Social Capital, Institution Building, Inclusive participation, Local democracy, Empowerment, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity, Enabling Environment
d. Predictors: (Constant), Social Capital, Institution Building, Inclusive participation, Local democracy, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity, Enabling Environment
e. Predictors: (Constant), Social Capital, Institution Building, Local democracy, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity, Enabling Environment
f. Predictors: (Constant), Institution Building, Local democracy, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity, Enabling Environment
g. Predictors: (Constant), Institution Building, Local democracy, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity
h. Predictors: (Constant), Institution Building, Local democracy, Service Effectiveness, Community Mobilisation, Service integrity
i. Predictors: (Constant), Institution Building, Service Effectiveness, Community Mobilisation, Service integrity
j. Predictors: (Constant), Service Effectiveness, Community Mobilisation, Service integrity
k. Predictors: (Constant), Service Effectiveness, Community Mobilisation
l. Predictors: (Constant), Community Mobilisation
m. Dependent Variable: Ensuring Community Governance

descriptive control in the models. The overall result shows the practice of governance at the community level to be very poor, as induced from the sets of factors. Similarly, Table 10.3 shows the ANOVA (analysis of variance) (See Appendix 10.3) test, to calculate the variability levels within a regression model.

Table 10.3: ANOVA of the regression model

Model	Sum of Squares (SS)	Degree of Freedom (df)	Mean Square Regression (MSR)	F- ratio	Significance (P)
1 Regression	6.198	12	0.517	1.092	0.379 ^a
Residual	36.424	77	0.473		
Total	42.622	89			

Table 10.3 explains the regression and residual analysis of different properties. The residual is the difference between the observed value of the predicted value (the residual) and the dependent variable. If the sum of the residuals is greater than 0, the data set is non-linear, which supports the non-linear random pattern of residuals model. According to the results the residual for the sum of square (SS) is 36.424, which represents a non-linear random pattern. Thus, the practice and effectiveness of the CBOs indicates a failure to deliver community basic services and poor community governance. Healey (2011: 214) explains that “the degree of freedom corresponds to the number of coefficients estimated minus 1”. Table 10.4 shows there are 13 coefficients (dependent and independent variables), in which the model remains 13-1=12 degrees of freedom. The error of degrees of freedom is 77 (The DF total minus the DF model, 89-12=77). The Sig. value is greater than 0.05 in each coefficient. This indicates there is a statistically significant difference between variables.

The P-value is normally compared to the alpha (α) level (α remains 0.05). Berenson and Levine (1998: 394) illustrate that “If the P-value is greater than or equal to α , the null hypothesis is not rejected whereas, if the P-value is smaller than α , the null hypothesis is rejected.” Hence the hypothesis ‘practice of community governance’ is highly influenced by

set of independent variables. Table 10.4 indicates that the P-value is greater than α level, which means the independent variables were reliably predicted to the dependent variable.

Table 10.4: Coefficients of independent variables included in the regression model # 1

Model	Unstandardised		Standardised <i>Beta</i> Coefficients	<i>t</i> (Tolerance)	Sig. (<i>P</i>)	95% Confidence Interval for B		Collinearity Statistics	
	<i>Beta</i> (Coefficient)	<i>Std. Error</i>				Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	3.873	0.802		4.832	0.000	2.277	5.469		
(X ₁)	-0.023	0.061	-0.042	-0.376	0.708	-0.144	0.098	0.871	1.149
(X ₂)	-0.022	0.074	-0.035	-0.301	0.764	-0.169	0.124	0.847	1.181
(X ₃)	0.000	0.089	-0.001	-0.009	0.993	-0.178	0.176	0.908	1.101
(X ₄)	0.030	0.071	0.052	0.427	0.671	-0.112	0.173	0.759	1.318
(X ₅)	0.040	0.082	0.055	0.489	0.627	-0.123	0.203	0.862	1.160
(X ₆)	0.114	0.074	0.171	1.529	.130	-0.034	0.262	0.891	1.122
(X ₇)	-0.103	0.084	-0.142	-1.218	0.227	-0.271	0.065	0.821	1.218
(X ₈)	-0.035	0.079	-0.053	-0.441	0.661	-0.193	0.123	0.778	1.286
(X ₉)	-0.131	0.094	-0.158	-1.403	0.165	-0.318	0.055	0.874	1.145
(X ₁₀)	-0.251	0.111	-0.264	-2.254	0.027	-0.472	-0.029	0.810	1.234
(X ₁₁)	-0.037	0.088	-0.050	-0.426	0.672	-0.213	0.138	0.812	1.232
(X ₁₂)	0.000	0.096	0.000	0.003	0.998	-0.192	0.192	0.824	1.214

According to Table 10.4 the beta coefficient (See details in Appendix 10.4) shows there was a positive relationship between the dependent variable and the independent variables, such as in the cases of enabling environment (X₄); practice of local democracy (X₅); and service effectiveness (X₆), whereas there were negative relationships for inclusive participation (X₁); empowerment of people (X₂); service integrity (X₇); social capital development (X₈); institution building (X₉); community mobilisation (X₁₀); and planning, implementation, monitoring and evaluation system (X₁₁). No relationship was found with transparency and accountability (X₃) and coordination, linkage, partnership development (X₁₂).

The unstandardised Beta-coefficient shows the overall relationships between dependent and independent variables were positive ($B = 3.873$), whereas the individual relationship varied. For the models 1, 2, 7, 8, 9, 10, and 11, the coefficient was negative. So, for every unit increase in these models, the dependent variable was predicted to be lower in the same units. This was significantly different to 0. Similarly, models 4, 5, and 6, the coefficient (parameter

estimate) was positive, which indicates that for every unit increase in these models, the dependent variable was predicted to be higher in the same units. Likewise, model 12 had no relationships. Figure 10.1 and 10.2 show the histogram, and normal P-P plot of the residuals.

Figure 10.1: Histogram

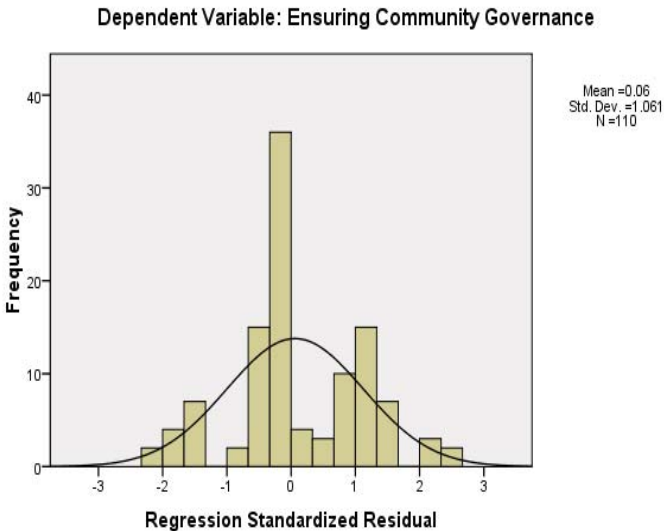
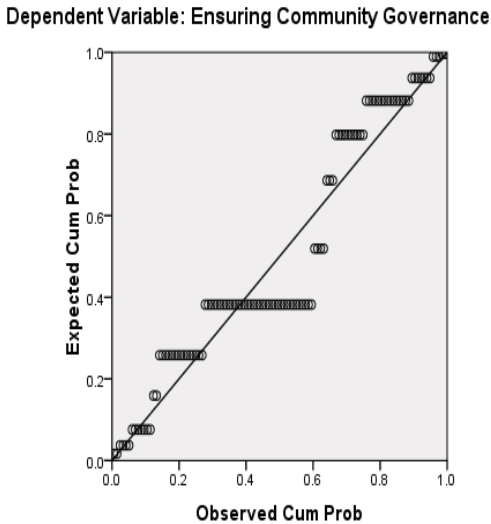


Figure 10.2:
Normal P-P Plot of Regression Standardized Residual



The 45-degree angle represents the normal probability line and the dots or boxes represent the actual practice of community governance at grassroots level. Based on these realities, the crisis of community governance at the community level could be grouped into three possible practical variations. First, many CBOs did not adopt governance indicators in their development efforts. Secondly, the governance crisis existed but some CBOs were engaged in the service delivery system. Thirdly, the governance crisis was a major obstacle in the working culture of all CBOs. To put an end to these problems, it was crucial that a number of reforms were introduced to revitalise the delivery capacity and quality of governance at the community level.

The above analysis indicates that service delivery and governance at the community level in Nepal is weak, unaccountable and unresponsive. Experiences point out that neoliberal practice

could not reach the communities because of its primary focus on the privatisation, denationalisation and deregulation. The lack of political and bureaucratic commitment, over-regulatory and non-professional bureaucracy, sluggish economic growth, weak rule of law and rampant corruption, and deterioration of accountability and responsibility bestowed more benefits of neoliberalism to the rural elites as they had access to education, communication and information, and built their own capacity to capture the services. These issues served to deter the community from active engagement in the governance practice.

10.3 Inducing factors of community governance in BSDS

Despite many positive outcomes of poverty reduction in Nepal, numerous factors are still essential for compliance with the governance variables. Empirical findings point out that CBOs faced many constraints at the local level: inadequate resources, scarcity of knowledge and skills, absence of legitimisation, and unsupportive enabling environment (policy and legal arrangements), which undermined their capability. Further constraints included: the paternalistic role of development facilitators, prescriptive functions, manipulation of actions and achievements, selective participation, bias regarding 'hard' issues, conflicts between interest and beneficiary groups, allocation of space for the local elites, unnecessary pressures for immediate results, an excess of bureaucratic processes, and the lack of public interest in participation. These factors contributed in a negative manner on the levels of effectiveness of community governance.

10.3.1 Institutional mechanism

The institutional failure of CBOs was caused by the lack of appropriate and legitimised institutional structure, poor institutional efficiency, absence of vision, mission and guiding principles, lack of enabling environment, community hierarchical structure, the centralised decision-making system, and reluctance to strengthen community institutions. Experiences

indicate that such factors resulted in poor governance, which contributes to upward accountability.

In the study area, a concerted initiative in decentralisation was commenced in 1977 through the implementation of the RIRD (Rondinelli, 1983). This project focused on the concept of partnership between the central government and grassroots communities to deliver basic services at the grassroots. In this, communities were re-enforced to build new informal institutions as service facilitators at that level. This joint effort, however, neglected the indigenous community-based system and permitted the rural elites in the power structure to pay even less attention to legitimisation and participation of local communities, captured all possible alternatives, created a monopoly in the service system, and destroyed public motivation in institutional development.

Experiences further indicate that BSDS arrangements such as in extension services, education and health were determined by political elites. They engaged unnecessarily in the BSDS and utilised the system according to their needs. Evidence shows their actions were either illegal or had no useful purpose for the communities. Edmunds and Wollenberg (2001) report that the local elites in Nepal are an inbuilt system of society having substantial influence on local institutions and communities in project selection, implementation and harnessing resources. Most of the resourceful CBOs, such as CFUGs, mother groups, school management committees, and drinking water consumer committees were captured by the elites. In these projects, the community voice mechanism, downward accountability, and pro-poor concept were largely rejected. Gauli and Hauser (2009) agree that the Nepalese Community Forestry Program (CFP) was criticised for being dominated by elites who provided greater benefits to the better-off, than those provided to the poor. Regarding the importance of CBO assistance to group members, one participant commented:

The forest user groups are not language friendly; their executive positions are occupied by 'Hune Khane Haru' (elites). They do not give equal opportunities to all members, and most of the benefits are grabbed by them... *X.C.i.20*

The direct involvement of political persons and the feudal elite not only influenced the power structure, but also resulted in the manipulation of rules and regulation, systems and procedures, resources and programs, and functional activities. A number of examples show that elite domination occurred in four stages. First, their entry was as facilitators, supporters and enablers. They intentionally involved themselves in the people's institutions. Secondly, they gradually captured the groups' social capital and decision-making processes. Thirdly, they began to capture the physical assets particularly natural resources, cooperative-generated finances and government and donor funds. Finally, they utilised these for their political benefit. This cycle of events was the prime reason for the poor institutional mechanism that undermined the community governance process.

Evidence further indicates that elite exploitation led to the demise of many CBO groups and paralysed others. With the elites in control, programs and services were only allocated to the middle and upper economic and social classes, while the remote communities were left with sub-standard essential service facilities. Many people claimed that due to isolation, poverty, powerlessness, and remoteness, the state and non-state partners were reluctant to visit remote places. Chambers (2006) argues that the attitudinal crisis and facility-oriented mentality of the development agencies, and other motivational factors limited service access in remote areas. Some claim that government and NGOs staff appeared to be tourists, in the remote areas. There a closely bonded relationship developed between service actors (state and non-state) and local elites and they captured the services and made them less accessible, more complex and badly compromised in terms of quality. This collusion created a scarcity of resources and a problem in accessibility for the poor and marginal groups. Thus, the delivery of services in

these areas, and the formulation and preservation of voluntary community organisations, became a bigger challenge for community governance.

Several factors caused this chaotic situation and made the people's institutions ineffectual. First, the isolated actions of the government and lack of incentive of non-government sectors discouraged community indigenous governance practices. Only certain sectors and classes, at the expense of the larger sections of the population, benefited. Secondly, it promoted a dependency syndrome. For example, community dependency on leadership and the latter's on the developing agencies, caused institutional decay and dysfunctionality, and inclined the leadership towards corruption

Post-1990, the new democratic government reformed many policies under the framework of neoliberalism, through decentralisation and by introducing governance and pleading with stakeholders to become involved in the process of privatisation, denationalisation and deregulation, as well as assisting in overcoming institutional vulnerability, social disintegration, poverty, unemployment, inequality, dependency, deprivation, and marginalisation. To enable this development, local governments were upgraded to 'development coordinators' at the intermediate and grassroots level. However, unstructured and undefined job descriptions, and insufficient policy guidelines of local government failed to meet the national interest in governance. Experiences indicate that such guidelines were not only politicised, but also converted local government into a regulative institution of the central government. The lack of capacity of the local leaderships and vested interest of central government to capture the institutional power of LGs, made these institutions more bureaucratic, lethargic and unaccountable. At the same time, LGs began to control and regulate the people's institutions, rather than facilitating and coordinating them. Under pressure from political leaders and local elites, only a few CBOs were appreciated as local government partners. The empirical evidence reveals that such CBO groups did not address

the people's expectations. One participant described his experience of the decay in accountability of CBOs at the community level:

Legally, each CBO deploys 33 percent women and 10 presents *Dalit*, ethnic minorities and marginal group participation in the local user committees. However, the local government gives responsibility to the political parties to form user committees in place of local users. In general, they nominate the local party members for key positions. In many instances, representatives in key position do not belong to user groups. *X.B.iv.17.1*

Many respondents expressed their view that these symptoms meant politicisation of the BSDS, and the transformation of CBO groups from institutions of governance to political vehicles. They further stated that the group leaders did not pay attention to the members' interests, nor did not hear members' grumblings and grievances, nor follow the institutional rules and regulations. Most of the CBO groups' activities lacked documentation. They were reluctant to uphold group policies, rule and regulations or had no policies and programs; they bypassed a public auditing and public hearing system, regular group meetings, and neglected the people's participation. Their problems with legitimacy meant they could not approach district level development agencies for technical and funding support. One participant raised a question concerning leadership negligence in governance practice:

I don't know whether the group secretary has documented the group agendas and decision or not? When group meetings begin, the group chair and secretary announce the agenda orally. After some discussion, they close the meeting and offer snacks. The funding agencies are also not interested in monitoring, checking and auditing the extent of their support. However, we cannot question their activities *X.B.ii.17.2*

This view may suggest that CBOs' accountability is inclined towards the elites, political leaders, bureaucrats and resourceful NGOs. In fact, CBOs have tended to become not only citizen-unfriendly, lethargic and unaccountable to the communities, but also unethical, inefficient, and resource and service manipulators. The regular group meetings, interactions, and assembly gatherings were generally ignored. When members raised questions about group actions, leaders warned them with sullen faces. One participant shared his experience that:

If we disagree with them, they just wait for time. When they find our weaknesses, they try to trap us, so that we do not want to publicly expose our disagreements.... *X.Bi.1.4*

Matunhu (2011) argues that the major deficiency in developing countries is absence of a clear policy framework and a commitment to implement it. This makes for community difficulties in accessing services. At the same time, government bureaucrats, donor technocrats, and political elites often undermine community participation and their institutional roles in participatory development. In addressing the above situation, the following comment of a participant is pertinent:

Meaningful participation in CBO group meetings is an illusion. Several reasons can be mentioned. First, lack of information sharing and communication and elite domination in service delivery. Secondly, lack of confidence, knowledge, skills and capacity of local communities; they are not much interested in participating to group activities. Finally, if the leadership has not adopted the basic norms of governance, an enabling environment will not be created for people's participation. Services are accessible only to *Hune Khane haru lai* (elites). *X.A. iii.2*

After the restoration of democracy in 1990, the government focussed on social mobilisation-based programs to create awareness, enhance community capacity and increase community participation in decision making, so that poverty reduction endeavours could receive a sustainable framework at the community level. Examples demonstrate that the social mobilisation approach helped transform rural livelihoods through improved community health and sanitation behaviour that lowered the maternal and child mortality rate, increased school enrolments and improved access to market facilities for agricultural products, reduced influence of middle-men in determining the prices of commodities, and an increased annual per family income. To achieve this, both a holistic and target-based approach was used according to community needs. However, ambiguous agreements between the government and donors, an inequitable policy for group formalisation, inappropriate power devolution, autonomy, and the legitimisation process contributed much unevenness in CBO groups. One participant explained that:

The government has divided the community into *Hune Khane Samuha* (wealthy group), and *Herne Samuha* (group without benefits). If CFUGs mobilise the forest resources, why cannot CODGs and other CBOs receive the autonomy to mobilise other resources, such as water *Dhunga, Gitti, Baluwa* (natural stone, boulders and sands)? ***X.C.iii.14.3***

The high priority accorded to CFUGs created not only misgivings at the community level, but also affected both short and long term accountability. Short term accountability links directly with community action such as resource management, social accountability, credit savings schemes, drinking water supply system, irrigation system, parent-teacher associations, user committees, and health action committees. These become less functional due to the lack of long term accountability, if policy actions and governance show inherent bias. The institutional mechanism was therefore influenced by partiality that created doubts about government actions. Another participant expressed his view that:

The centralised autonomy and local power dynamics deter most of the CFUGs from satisfying public expectations. The high value of timber and forest resources is under the control of local elites and illegal forest loggers. We often see that the illegal logging practice is supported by the political parties, District Forest Office, police, and local administration ***X.Bi.13.3***

After the enactment of LSGA in 1999, the participatory planning process enriched the delivery system to some degree. However, due to the excessive influence of local political actors, there could be no miraculous change at the community level. By contrast, the planning process became a bargaining instrument for political leaders and a means of building relationships and attracting donor programs, with which to line their pockets. During the in depth interviews, many respondents argued that LSGA, and the Forest Master Plan could not become consensual documents because they granted power only to bureaucrats, political persons, and technically-wise elites, who could define their approach according to their expected benefits. The same respondents alluded to the fact that the system has promoted rampant corruption in the service system. The following opinion of a *Dalit* participant gives some idea of institutional decay at the community level.

In 2004, we received a toilet construction project from the DDC. In order to launch the project, we met DDC *Hakim* (Chief) who informed us that the allocated budget was 300,000 NRs under the Pro-Poor category. When the money was released, the DDC accountant approached for us 15 percent and the technician claimed another 15 percent. Without their full commission, they refused to sanction the money. Besides this, the local CPN-M leader claimed 10,000 NRs for their system. In this way, we received only 200, 000 NRs for a 300,000 NRs project. **X.A.iii.21**

10.3.2 Socio-economic structure

Social factors such as attitude, legacy, ethnicity, family status, economic class, and awareness level and locality play a key role in effective community governance. The empirical evidence shows that the community social structure in the study area has been constituted in three dimensions. First, it has instituted the caste system which governs people's attitude, culture and social stratification. Secondly, society is ruled by the patrimonial system, which is related to legacy, culture and practices. Thirdly, social values are dominated by materialism. This stratifies the whole of society and affects people's confidence, relationships and practices. The community experience demonstrates that illiteracy and lack of wealth produce exclusion and humiliation among community members. The following expression is extremely valid in addressing the community problem:

We don't know why always *Tharu* and *Dalits* are afflicted by poverty, exclusion and sudden deaths. I think the unexpected deaths are not only due to chronic diseases, but also lack of awareness and accessibility to opportunities, and bargaining capabilities. If we are educated, we could demand of the government to protect our lives from unexpected deaths... **X.B.ii.1.1**

Many experiences show that social structure legitimises the social organisation. However, three distinct characteristics - patron-client relationships, structural legacy, and social and economic exclusion contribute directly to poor community governance. In the study area, CBOs were mobilised by the hierarchy, local power structure, resource politics, and donors' intentions. This has not only created ambiguities for CBOs, but also encouraged the elites to jeopardise the BSDS. The following argument from a participant from the marginal *Tharu* community is worth noting:

The head positions of the groups are captured by *Jamindar* (local political leaders and elites). They are not conscious of our voices and concerns. They do not inform us about major decisions. We don't know the financial transactions, incomes, and expenditures. Similarly, they do not distribute benefits, and other opportunities, equally among all members.**X.B.i.14.2**

Upreti and Müller-Böker (2010) report that these sort of practices are part of the structural legacy of the feudal system that led weaker segments of society to lose interest in local democracy, governance, and the effective implementation of programs and actions. Experiences demonstrate that the feudal system not only overlooked the information but also abolished the access of deprived and weaker people to the service mechanism and discouraged them from contacting the service centres.

Although the provision of Nepalese Constitution of 2007 provided democracy for all diverse groups and channels to express their views openly, as well as to declare their identities and rights as citizens, leadership has remained largely confined to males and the so-called higher castes in society. Many participants stated that democratic practice at the community level had ceased to be inclusive. There were several reasons for this. First, the people themselves were not ready to participate in this process due to their lack of awareness and inadequate orientation. Secondly, conspiracies and unfair actions of the political parties and development partners deflated less powerful sectors of communities. Thirdly, the decentralisation of policy formulation and reformulation process from central to local was very technocratic, mechanised and overly formalised. Fourthly, CBO groups were less capable. The reforms which were introduced invariably functioned in a 'trickle down' manner, leading to a win or lose situation at the community level. In this context, the view of a female participant is relevant:

Despite rigorous facilitation of CBOs and development agencies, we are still facing discrimination, which can be seen in gender, caste groups, and among siblings. We do not have decision making authority at HHs and the community level; no space for income and expenditure activities; and other social functions. We cannot send our daughters to English boarding schools. These discriminatory practices have created not only classes in the communities, but also make us losers... X.C.i.9.3

Many participants declared that only people who have voices, power, and wealth could articulate the issues and convince the development partners, so that they could get the chance to participate in different groups activities and benefit from them. Young (1993) argues that this practice excludes many community people and organisations from the community building system, democratic practice, and overall governance process.

10.3.3 Power, politics and interest

At the community level, all CBO groups, executive leadership and key members were politically connected, or their actions were intricately associated with individual interests and hidden agendas. These vested interests meant that they no longer acted as agents of social change, but rather as politically motivated actors. Titeca (2006) argues that such types of political vehicles are patronising, exclusionary and particularistic. Stiefel and Wolfe (1994) have coined a term ‘difference in rationalities’, to describe conflicting interests of the partners. They further point out that varied interests persist in CBO engagement at the grassroots level. The empirical evidence also points out that most CBOs did not share a common interest with the people, nor a common vision or objective. Such characteristics were facilitated by political and feudal groups. In the light of such criticisms, one participant described her experience:

CFUGs cover only chairperson and secretary, which normally represent the middle class *Tatha Bathas* (social elites) families. So we do not have any expectation from these. As poor *Dalits* and *Tharus*, we are not in a position to have access to executive committees and decision making; neither do we have any information about group activities. Sometimes, we try to express our dissatisfaction, but who cares about the poor? ***X.B.i.14***

Another participant expressed his view that such actions resulted in CBOs being less inclusive and paying little attention to policies, guidelines and legal provisions. He said that power retaining attitude in many groups caused the decay of community governance, democracy and empowerment agendas and eroded the social cohesiveness at the community level. In addressing these issues, the following statement of a participant is relevant:

According to the guidelines, each group should conduct their own assembly meetings and set up new executive committees every two years. However, I have never seen the leadership transformation process in many CBO groups. Generally, leadership positions, programs and budgets, for the next tenure, are decided by key persons, local politicians representative of the Forest Office and FECOFUN.*X.C.i.16*

Participants expressed their views about their hopes and dreams of the possibilities of better health and education services, improved income opportunities and a more comfortable livelihood. However, the prescriptive policies and regulations of NGOs, donors and the government forced them towards modernisation, westernisation and marketisation. These impositions created undue hurdles and unnecessary pressures for the community to move away from community-owned indigenous system to a forced and fabricated framework. The empirical findings further indicate that the pre-conditions of development agencies for matching funds, the formulation of parallel institutions, and denial of the existent coordination and levels of governance, led to the decline of community interest in their institutions, as well as their participation in planning and implementation. This created many distortions and institutional deficiencies at the community level and led to increasing dependency of communities and lack of sustainability of the BSDS, in the long term. The following opinion of a participant shows the institutional crisis at the community level:

The growing involvement of external agencies such as donor funded programs and NGOs, line agencies, the private sector and political leaders, without common shared vision at the community level, have created negative impacts. The repetition of activities in hardware and software programs such as income generation, increasing awareness, explorations of market linkages, resource mobilisation, and technology promotions have created many complexities. We are not sure whether they are technically supporting us, or splitting our groups *X.C.i.11*.

The frequency of interactions among the community actors became extremely low. This lack of interaction and communication meant that while CBO groups become dependent on supporting agencies and their resources, members received the tag of a single agency. The explanations of general members show that this type of affiliation was of value to the leadership, whereas the general members received minimal benefit from the service opportunities. Similarly, many developing agencies encouraged the people to be part of

community program and supported all kinds of public demands and addressed community needs. While doing this, however, they discouraged the community from building relationships with other developing agencies. This developing agency behaviour created dependency, and disrupted coordination and linkages in development. The following experience of a participant is significant:

Since 1998, we received all kinds of financial and technical support for group mobilisation, micro financing, and skills and infrastructure development from the VDP. We did not contact other agencies for such support. In 2007, the program was phased out and all support was stopped. Now, we are in the pre-1998 era. We do not know how to contact other agencies and have no capacity to continue our endeavours. If we are able to approach other agencies, they simply decline our proposals. *X.C.iii.15*

Likewise, there were several areas of conflict of interest between general members and the executive board, which destroyed community governance and institutional efficiency at the community level. According to empirical evidence, the reasons for these conflicts of interest centred on resources and their mobilisation, skills and knowledge, project selection and implementation, and leadership. One member of a CFUG's expression is particularly interesting:

Without our approval, the executive committees of CFUGs decided to charge higher prices for use of forest products. As poor *Dalit* and *Tharu* people, we cannot pay higher prices for the basic forest products, whilst the rich and elites can easily pay and collect huge amounts of forest products and sell them in the market at a high price. In this situation, one may ask: how are the CFUGs supporting the poor people and how is our participation worthwhile for community governance? *X.C.i. 12.2*

Similarly, the following comment also shows the high level of conflict between CBOs and community groups:

In project selection, our priority goes for school building and rural culvert construction, raising social awareness, income generating programs, and mobilising micro credit for the ultra-poor; whereas executive members have always been denying our proposals. They propose the construction of irrigation canals, graveling roads, and providing salaries to school teachers, which give them more benefit than us. Although we have large disagreement regarding their proposals, they get projects approved by the group... *X.C.i.11.6*

This process hinders community members' ability to organise and they have difficulty in actively involving themselves in identification of problems, planning, decision making and action, to meet their needs and resources, with or without support of government or NGOs. In contrast, some believe that BSDS is the prime responsibility of the government and its functionaries. The people thought the government could, or should, deliver basic services such as basic infrastructure and social and physical amenities to the communities. However, the government functionaries advocate that the state has devolved many powers, functions and resources to the community level. They further claim that communities were not sufficiently self-oriented, and that CBOs were not fully capable of receiving this power and authority. Hence most of the powers, authorities and resources were captured by the local elites. However, one participant refers to his experience with government officials in regard to community involvement as follows:

The government staffs are unresponsive, behaving as adversaries of the people. They keep the political elites in the centre and us on the periphery. They think that only politicians and elites can maintain power at the community level through their hierarchical connections, and that they don't need to face the people. More important, their negative attitude suggests that the community demands are 'unnecessary complexities and a burden'... *X.B.iii.9*

In the study area, there was serious dispute among the service organisations about their existence and reputation; therefore these organisations were not interested in cooperating or forming linkages. There was no strategic alliance established among the development agencies, nor a structured framework of CBO groups developed to mobilise the service functions. One participant explained that politics was the reason for the lack of cooperation:

I have been an executive representative in CFUGs, CODGs, WDGOs, agriculture and livestock groups, irrigation groups and cooperatives. In this context, I tried to integrate the various groups in a single CBO body for effective community action. The villagers supported me, but the development agencies did not. They informed me that if such a decision were taken, they would transfer their resources to other places. This type of hidden and unfair competition is the reason for CBO fragility and inefficiency...*X.C.iii.3.1*

In Nepal, there has been a serious absence of local authority in local government for more than a decade. This vacuum has led to misuse and misallocation of development resources, and misguided community governance, democratic practices and leadership of the local bodies, at the grassroots level. CBOs are regarded as the best institutional instrument, to fill the decision making and implementation gap at the grassroots level. However, their lack of capacity, cultural engagement with the external powers, resource constraints, and conflict of sectoral interests, led to inefficient CBO operations. At the same time, the government decided to form the all-party mechanism as an interim arrangement to fill this vacuum, and carry on service delivery and development work at the local government level. However, the trend shows that existing political mechanisms were not only unaccountable and impenetrable by the people, but that they also encouraged unprecedented corruption and irregularities in the local bodies. This behaviour encouraged partiality and exclusion at the community level. One group representative expressed this view:

We know that local government collects revenues, allocates resources, implements development projects, delivers basic public services and finally monitors and evaluates the use of resources to ensure access and better quality service at the grassroots. However, we have not yet received any support from the local bodies, as there are no elected representatives to hear our voices. The government staff and nominated political persons have strong relationships. They allocate resources and assign services, only for their personal interests or preferred areas... *X.A.iii.7.2*

These actions of the government created manifold difficulties and challenges for CBO groups, especially those that were marginalised. Thus, the continued absence of elected leadership jeopardised community governance at the grassroots, and as a consequence of reduced social accountability, further exposed public funds to misuse and corruption.

10.3.4 Capacity constraint in community organisations

In the study area, the poor faced several constraints in accessing education, health, mobility, safe drinking water, and other essential services due to the poverty, and many community organisations faced difficulties in providing these basic services. In order to address this,

service organisations gave priority to enhancing the managerial and organisational capacities of local institutions through an effective BSDS. In Nepal, the government has adopted a 'participatory' approach since the Eighth Five Year Plan (1992-1997), which enlisted the people's participation in the process of service delivery (Pandit et al., 2007). This broadened the scope of CBOs as the major instrument for service delivery at the community level.

However, empirical finding shows that CBOs could not prove their honesty and efficiency in effective service delivery and execution of service functions. For example, the government has annually increased the volume of grants for local development, in which local bodies are recognised as development coordinators for program formulation and resource delivery. However, lack of capacity and the powerful influence of political parties meant that the local bodies were unable to reach the community itself, or manage resources in a satisfactory way. At the same time, communities themselves were not identifying problems, managing and utilising the budgetary allocations, and presenting positive results. There is empirical evidence showing that the annual budget in most local government units was frozen, due to lack of capacity of CBOs to utilise the budget constructively and in a timely manner.

The findings further show the lack of CBO ability in facilitation, interaction and communication. This had several implications for the community regarding their access to basic services. Firstly, there was a greater inequity in sharing the benefits; there were great differences in the amount of time it took to form the various CBO groups. Some were constituted almost immediately, but others took years. Most CBOs were categorised as founder members or new members, based on their entry. The founder members usually received more opportunities, while new members received the minimum. In this respect, CBOs failed to support all members equally. A member of a CFUG from the *Dalit* community expressed his view thus:

In CFUG management, our contributions are equal to those of other members. However, our late involvement in the CFUGs has restricted us from receiving equal benefits. Without equal distribution of benefits to the socially excluded *Dalit* communities, how can they ensure good community governance in group activities? *X.C.i.6*

Secondly, the LSGA provisioned 33 percent women's and 10 percent *Dalit* and ethnic minority participation in decision making. An allocation of 10 percent of resources for women's welfare programs, and another 10 percent for *Dalit* and ethnic groups, from the local government and sectoral line agencies' annual budget was provided for. Owing to a lack of capacity and awareness in proposal submission, project identification and cost estimation, these groups' participation was not effective and resources were not managed efficiently, which led these resources ending up in the hands of the elites. A female participant's observation is relevant here:

Our 33 percent participation in the less important executive positions (joint secretary and some members) is a mere formality and is insignificant in terms of exercising power. In major decision making, such positions are not influential. We argue that without access to key posts on executive committees, we cannot enhance our capacity, transfer our knowledge to other women, and handle the community service system... *X.B.i.2*

Thirdly, the rural areas were most in need of infrastructure and rural communities demanded that infrastructure projects receive priority. However, when the resources to implement the projects arrived, many groups, as well as members, did not have the vision or confidence to drive the projects. The outcome of this was that many local elites took decisions to manage projects, on behalf of the communities. Fourthly, most of the leadership positions in the groups were occupied by school teachers, ex-local government leaders, unemployed educated youths and the rural feudal elite. There were many instances of these elites grabbing the benefits meant for the illiterate, or those lacking an understanding of their entitlements, as the former made the CFUGs more bureaucratic, centralised and elite guided, for this purpose. Further, the elites, who grabbed power and resources, lacked the knowledge and information necessary for innovation, which forced them to depend on the District Forest Office and FECOFUN, and thus they limit themselves to sectoral agendas or political issues.

10.3.5 Resource constraints in community organisations

Most of the CBOs in the study area faced a scarcity of resources, which made them more dependent on government organisations or outsiders, particularly donors and NGOs. These organisations and their officials generally displayed a paternalistic attitude, which ignored the democratic process and full participation of communities. Experiences point out that they not only rejected the participatory decision making system in their support system, but also imposed a dependency in BSDS. Malla (2001) argues that this attitude created domination and a patronising client relationship in decision making, and manipulated information and communication that deprived classes of their access to services. The following statement of a participant is relevant in this matter:

All people of this village are *Dalits*, who are illiterate and lack awareness about their position and rights in the community. They do not have resources, ideas, and connection to receive the basic services and uphold citizen rights. They are mobilised by peripheral elites, who come to them only for their business, and mobilise them to their benefit. *X.A.iii 15.1*

In order to deliver equitable services to a community, it is imperative to allocate the necessary physical assets or funding resources, required to improve the service system and encourage public participation. In the study area, community service delivery was the responsibility of central governments, community organisations or private enterprises. This was insufficient, ineffective and sporadic, due to the top-down approach of central government or the profit-oriented motives of CBOs and the private sector. However, some examples show that multi-actor collaborations made significant improvements on the CBOs' lack of incentives, inadequate funds and absence of technical expertise. Addressing the issue of the government's reluctance and lack of awareness and coordination, in the community service system in poor areas, a participant explained:

Many times, we visited the government offices to share our problems and issues, but found hardly anyone there. Mostly, they were out of the district, attending workshops, training or busy with meetings, etc. If we were able to find them in their offices, they used bureaucratic language, which we could not understand. Now, we are confused whether they are delivering the services to the people and committed to downward accountability, or something else.
X.A.iii.15.2

A *Dalit* participant had this to say:

We are poor, illiterate and not aware about the legislative process, and we are excluded from the services, resources and benefits of the state mechanism. But, it does not mean that we are not interested in becoming part of system. However, who realises our presence and listens to our voices? *X.A.iii.9.1*

Apart from these problems, the legitimisation process provides a significant starting point for the institutionalisation of CBO groups, so that they can receive the resources and establish partnerships with development agencies. Experiences indicate that legitimisation of CBOs, in the study area, was not only a process for legal recognition, but also the instrument for social accountability, institutional capability and guarantee of resources. The absence of formal legitimacy of the CODGs and WDGs meant they did not receive any funding support from the sectoral line agencies. On this issue, one participant made the following point:

Generally, the line agencies are not interested in working with informal CBO groups due to legal complexities. If they work jointly or deliver the resources through our channel, they will have faced several legal difficulties such as *Beruju* (advance) and charges for disobedience⁴⁹ ...
X.C.ii.5

Some experiences demonstrate that the partnerships between resource agencies and CBOs in many cases brought much prosperity and resolved many uncertainties. For example, the partnership with communities for school management, drinking water supply schemes, irrigation projects such as Chiregard Irrigation Project, and the number of public-private partnership projects for forest products, agricultural products, such as ginger production in Pawannagar and Shantinagar VDCs, all were able to mobilise local resources at the community level. Although these projects enabled the local communities and their

⁴⁹ Last year, we had partnerships with the irrigation office, and the work was highly successful. Out of the partnership, resources (both in kind and cash) were mobilised and more than 650 hectares of cultivated lands in Wards 1, 2, and 3 were irrigated, but this year they have not taken any interest in the joint work. Later, we came to know that the reason was the negative audit report, which indicated that the partnerships with non-formalised entities were in violation of government rules and regulations... *X.C.ii.25*

institutions to make themselves self-reliant, the imperfect market network, influence of elites and middle-men, as well as technical and financial constraints, still created problems at the community level.

In late 2000, the government promoted an approach of ‘sectoral devolution’ for agriculture, livestock, education, health and postal service, to increase the communities’ stake, improve service delivery and enhance community governance at the grassroots level, and fill the gap between communities and their practice of democracy. At the same time, the government encouraged the people, mainly from the marginal sectors and community based institutions, to become involved in the policy design process, through a range of planned mechanisms such as participatory planning, implementation and monitoring. This indicates that government priority was to encourage the local communities in identifying needs, formulating plans and programs and implementing them, to provide accessibility, sustainability and ownership, in terms of the service delivery mechanism. However, lack of resource allocation to community projects from the central government, and political influence in local government, resulted in a low level of trust in local communities.

10.4 Concluding comments

Community governance, in the study area, involves not only the maintenance of democratic practices and public access to the basic service delivery system, but also enhances the capacity of communities and their actors to sustain service delivery. Although many groups at the community level were engaged in the multi-layer issues, a number of micro and macro level factors caused them to move focus, from specific to polycentric issues. The result of negative inter-correlation of six variables indicates CBO structural problems, such as upward accountability, dependency on local elites, government and donor agencies; institutional crisis in CBO groups; socio-economic hierarchies in communities, misuse of resources and manipulation of service delivery.

These factors influenced the effectiveness of community governance in many ways. First, the communities were discouraged to participate in this process due to their lack of awareness, and inadequate orientation. Secondly, conspiracies and unfair actions were imposed by development partners. Thirdly, the policy formulation and reformulation process from local to central was technocratic, mechanised and over-formalised. Fourthly, CBO groups were less capable, and lastly, group leaders were politically connected or their actions were intricately associated with individual interests, or hidden agendas.

After 1990, local government was upgraded to serve as development coordinators at the intermediate and grassroots levels. LSGA was promulgated, and further strengthened by Good Governance Act 2006, to support the objectives, policies, and principles of the existing local self-governance system through mobilisation of local communities. However, CBOs were directly affected by many factors, such as institutional policies, socio-economic structure, power politics and interest, capacity, and resource constraints in community organisations. These created a complex, confused and incapable decision making process, which affected the basic service delivery system.

The next chapter summarises the findings of research and provides the conclusion and recommendation for effective community governance and basic service delivery.

CHAPTER - 11

Conclusions

11. Introduction

In Nepal, the basic community service delivery system (BSDS) had been regulatory, top-down and elite controlled, leading to services which were weak and ineffective, and served to reinforce the existing poverty of communities. In the late 1970s, the worldwide trend of shifting from government to governance reinforced the development of new strategies to uplift the community livelihood system. Following the previous chapters, this chapter summarises the findings of research and provides comments and recommendation for effective basic service delivery and community governance.

In addressing the principal research issue - How is community governance effectively deployed in enhancing basic service delivery system (BSDS) at the grassroots level in Nepal? – the study explored the weaknesses of, and possible measures to improve the basic service delivery and community governance at the conceptual and empirical levels at the grassroots level, using a mixed method approach that combined quantitative and qualitative research techniques. This approach was supportive in examining the practice of community governance in BSDS, at the lowest level in Nepal (see Chapter 6). Other methods were adopted to assess service delivery tools, the patterns of community governance and the role community institutions play. To rate the efficiency of BSDS and review the policies relevant to community support in Nepal, governance theory was applied as the guiding principle *vis-à-vis* BSDS. This helped in analysing the structure and role of CBOs in basic social service delivery, assessing their capability in performing this task at the grassroots level, examining

the collaborations of stakeholders in basic service delivery mechanisms, and identifying factors for inducing effective community governance for operational BSDS.

11.1 The findings of the study

Nepalese society is characterised by diversity, heterogeneity and an intense desire for social prosperity. However, the development practices point out that many communities are impoverished due to exclusion, lack of an enabling environment and democratic deficiencies. These were the consequences of a reluctance and lack of capacity of the government, bureaucratic centralisation and the feudal legacy ingrained in the social and political power structures. Although democracy was established in 1950, fundamental democratic principles such as accountability, self-reliance and right of access to basic to services continued to be lacking. The state mechanisms remained embryonic and were so upwardly accountable that they did not permit for any departure from the traditional practices of governance. In addition, an autocratic political regime, a feudal and patriarchal society, and the absence of effective liberal economic policies, limited the scope for governance and effectiveness of basic services delivery (Chapter 4).

Experiences indicate that factors such as exclusion, poor governance and institutional crisis for service delivery at the grassroots, left Nepal facing a serious crisis of political, economic, and social transformation. These factors created many ambiguities in the service delivery mechanism, distorted economic and social structures, and perpetuated chronic poverty at the grassroots level. Exclusion in Nepalese society arose from social attitudes, the legacy of the feudal system, inequitable economic distribution, ethnic and geographic diversity, and complex power structures. In many communities, exclusion occurred from the actions by the privileged against underprivileged people, groups or communities, the distribution of local resources, lack of opportunities, and limited scope for participation. These processes

dominated the socio-economic landscape of Nepal, creating structural constraints that facilitated political oppression, increased poverty, and regional disparities (Chapter 4).

In the *Panchayat* period, efforts were made to counter suppression and exclusion through the legal process of '*Muluki Ain*' in 1963. Nonetheless, weak implementation of legal actions, government dishonesty, and local elite domination on the political system, led to ineffectiveness of development initiatives and the provision of services at the local level. However, the development of a multiparty democracy and a new constitution in the 1990s appeared to provide the people with ample opportunities for expressing grievances. In 2007, the constitutional process also afforded equal rights to all citizens, and prohibited all types of discrimination based on sex, caste, race, religion, and ethnicity. However, six decades of governmental intervention in development failed to breakdown traditional patron-client relationships, due to lack of capacity to design alternative policies and institutional processes. The traditional power structures of society and external vested interests continued to increase the gap between the economically better-off and the rest of the nation, and similarly between the more accessible and lesser accessible areas.

Like exclusion, poor governance has been a major cause of service delivery inequality in Nepal. High levels of corruption and mismanagement of resources, weak institutional procedures, and dishonesty in effective program implementation, led to failures in creating an effective BSDS. However, the democratic movement of the 1990s opened an avenue for the local people to realise their hopes and aspirations. A number of initiatives were taken to establish governance through institutional mechanisms. These included the Decentralisation Policy (1990), Local Government Act (1992), Social Welfare Council Act (1992), Forest Act (1993), Local Governance Act (1999), and other sectoral acts and regulations (1992 to date), Poverty Reduction Strategy Paper (2002), Good Governance Act (2006), the Millennium Development Goals (MDGs) strategy (2003) and the follow-up of the Rio Agenda (2012).

These were advanced to combat poverty and enhance effective service delivery, based on several indicators of governance (Appendix 6.11 and 6.12). The results of these initiatives indicate considerable achievement in service delivery. Despite these efforts, the new political leadership, ruling under the guise of democracy, have served the people of Nepal poorly.

The Nepalese experience demonstrates that governance at the community level has been promoted by the local people, on the one hand by their collective action, which achieved certain rights for them along with responsibilities. On the other, it further empowered the state (political system, economic policies) as well as strengthened social forces, allowed marginalized groups to raise their voices and demands and mobilized them for upholding political rights. However, deficiencies arose from an unethical political culture which was inherited from centuries-long feudal and dictatorial political system (see chapter 4), which allowed powerful and privileged groups, especially the social elites, easy access to service delivery, whereas marginal and underprivileged sectors continued to lag behind.

Historically, the *Rana* and *Panchayat* regimes created hierarchical dependencies in all spheres of the society. These eroded democratic institutional building mechanisms and saw greater interference in development initiatives. As a result of social exclusion, poor governance, and absence of basic public services, large sections of the population were forced to move, mainly from rural areas, in search of better living conditions and more favourable opportunities. This created a negative social and economic impact. These long absences of people from their home communities had a negative effect on resource mobilisation, economic activity, and local social welfare (chapter 4).

To overturn these negative factors, the antipathy of the new regime and a lack of knowledge and skills in local communities, a broad consensus was obtained to transform government to governance, provide equal access to service delivery and incorporate adequate social protection for marginal and vulnerable groups. Two major components were necessary to

eliminate community marginalisation: the initial policy and legislative processes and the consequent implementation of these policies through programs. To implement the agenda, the government remained continuously committed to the essential shift from a centralised, top-down command-and-control system to a participatory process at the local community level (Chapter 5).

In Nepal, organised BSDS was initiated early in the 1950s, through the Tribhuvan Integrated Rural Development Program (TIRDP), Societies Registration Act (1959), and Integrated Rural Development Program (IRDP), which included the Small Farmers Development Program (SFDP) and the Productive Loan Development Program (PLDP). In the 1970s and 1980s, the Basic Needs Approach (BNA) was implemented to combat poverty through savings and credit programs, community infrastructure development, capacity building, and extension services (Chapter 2). However, these programs underwent changes with time, due to widening inequalities between groups in society, traditional administrative structures and uncertainties pertaining to the economic prospects of subordinate groups (Chapter 5).

In addressing this failure, the government changed its development priority towards 'self-reliance' and 'participatory development' under a 'people-centric' concept. At the same time, the government formally applied the Structural Adjustment Program (SAP) under the framework of a neoliberal policy regime, to curtail public expenditure and promulgate market relationships involving social, economic and political forces. Many interventions were made to reform the economy, such as allowing the private sector greater access in economic and social activities, by minimising the role of the state. In addition to these, a policy of decentralisation was endorsed to devolve some powers, functions, authority and resources from the central to local levels. However, reality shows that the neoliberal process was either controlled by central government officials, or by political leaders, and the inability of

neoliberalism to accept new universal concepts, such as ‘social’ and ‘community’, paralysed community relationships because of unfair market competition and dominance.

Since the 1990s, to reduce poverty through effective and equitable delivery of basic services, the government formulated a number of sectoral policies and strategies. These demonstrate the government’s intention of improving accessibility to services and delivering them directly to the people. By and large, the government tried to establish a functional relationship with multi-level stakeholders to scale-up services at the grassroots. In this process, the government channelled resources through a governance framework. However, the lack of formal regulations, weak linkages between local governments (LGs), sectoral line agencies (SLAs), civil society, donors and NGOs/CBOs, as well as the lack of adequate legal provisions, Acts and policies and the effective implementation of these, failed to address problems of BSDS and ensure downward accountability.

Apart from these weaknesses, restructuring initiatives failed largely due to their inability to generate employment and provide direct assistance to marginal sections of the communities. Heavy dependence on foreign aid and a comparatively limited effort in mobilising domestic resources, contributed to a failure in basic service delivery, while current sectoral programs in primary education, basic health care facilities, clean drinking water, improved sanitation, and local infrastructure development were not developed with due attention to social realities. It was evident that the majority of these services were unable to become fully functional, due to inadequate funding, lack of trained human resources, staff absenteeism, and the enduring shortage of community-based programs. Other contributory factors included institutional fragmentation and limited sectoral coordination, decentralisation controlled by local authorities, weak monitoring, and lack of information (Chapter 5).

Nepal today is a pluralist society, but the formation of groups involving marginal sectors of the population, within the system of governance and decision-making has been one of the

greatest challenges. Some observations indicate that only a limited number of local elites and political and civil society actors have received the benefits of democracy and development, and still dominate the community participatory process.

The study explored the issues surrounding community governance at the grassroots level for effective service delivery in Nepal. In terms of the study area, the role of CBOs was recognised in 1977, through the implementation of the Rapti Integrated Rural Development Program (RIRDP), which encouraged the collective action of local communities, to bring about social transformation and economic advancement. Empirical evidence indicates that the informal growth of CBOs, and their understanding of community governance and service delivery, encouraged local communities to organise themselves into groups and develop a range of skills, knowledge and collaborative relationships (Chapter 7). The greatest achievements of these organisations were uniting the local people into different groups, encouraging them to perform their functional roles, influencing decisions, mobilising local resources, being closely involved in effectively ameliorating poverty - mainly in remote areas and marginal communities, and contributing to institutionalising democracy and governance at the local level. This participation enabled local people to identify their real needs, integrate local knowledge and transform themselves into collective thinking and acting entities. In this process, CBOs developed collective leadership, abandoned social partiality, discrimination and exclusionism, and ensured a participatory process.

These initiatives provided a congenial environment for communities and their institutions to work towards community-based institutional development, to implement development activities, help build social capital, bolster inclusive people's participation by empowerment, strengthen local democracy by inculcating transparency and accountability norms, create an enabling environment, and ensure service integrity. To achieve these components, the government developed a national economic framework under the broad policy of

decentralisation (Chapter 7). This policy encouraged community stakeholders to improve the relationship between government, private sector and communities, and transform conventional service systems into governance mechanisms. It has been reported that the service delivery system improved with the reduction of the poverty rate from 42 to 25 percent in 2010 (NPC, 2012).

Despite these prolonged efforts, the status of communities could not be satisfactorily transformed. The findings of this research indicate that the capability of the communities and their institutions was 'weak to moderate' and that they were engaged in more general issues (Chapter 8). Here, the fundamental goal of these institutions was to make local communities self-reliant, strengthen governance by empowering them raise their voice through an organised framework, participate in decision making, and improve community access to basic services. Experience points out that the formation process of CBOs, in the study area, was mainly a sponsored activity. These sponsored CBOs were highly power-structured, patronage-based, mainly concerned with resources, and upwardly accountable. They were largely influenced by political agendas, and demonstrated little concern with volunteerism and social movements. They benefited only elites, political leaders, and service agencies, who occupied key controlling positions; whereas communities and their institutions remained a peripheral concern. Although stakeholder relationships created a new form of collective action and association to develop new strategic directions for addressing general issues, these created confusion in the local community and among CBO groups. Communities then became reluctant to be involved in the participatory process.

Findings of this study indicate that the stronger and more capable CBOs developed a number of links with local government, the private sector, government line agencies and NGOs in such matters as organisational structure, knowledge and skills, and resource funding. This enlarged the CBO role in service delivery (Chapter 9). The findings further indicate that the

government served as a super-structure in transforming services, and produced a trickle-down, supply-driven effect. However, the structural functions of government changed in the wake of democratic innovations, to a greater or lesser degree. Some actors were keen to protect the rights of the people, relating to basic services, decentralisation and good governance, as well as establishing cooperation between the state and civil society. In the 1990s, much legislation was amended that helped create an enabling environment for CBO-local government, CBO-private sector, and inter-CBO collaborations. This supported the transformation of the policy process at the community level, helped develop and enact capacity enhancement packages, and increased inter-dependency at the community level.

However, the central government and local bodies initiated community based projects that did not ensure the inclusiveness of the people. This resulted in local government and sectoral line agencies becoming more regulatory and centralised, systematically defeating every innovative step at the community level. Similarly, the CBO-private sector relationship shows that the private sector was apathetic towards governance. This discouraged communities, eroded community feeling, and weakened the community institutional system.

By contrast, inter-CBO collaboration was more positive and enhanced the capability of women, the poor and marginal communities. This collaboration also increased downward accountability, expanded community dialogues, built social capital and sought to attain social cohesiveness, and gave the people opportunities to seek solutions to community problems at the local level. Some factors weakened relationships among the actors. These were the supply-driven policies and more compartmentalised outcomes, the lack of capacity of the service delivery system, indifference towards the democratic process, collaborations between actors based on give and take principles, and above all a profit seeking rather than a service ethos. Apart from these factors, denial of resources to marginal and voiceless groups and unstable political and economic performance also affected the rate of community

transformation, functional roles, capability development, resource mobilisation, and linking communities with external actors.

To rectify this, the decentralisation policy initiated the transfer of central government functions to alternative service providers such as local bodies, the private sector and civil society, including CBOs. Under this policy, the role of government was gradually changed from execution to facilitation and from ruling to enabling. However, this altered system still failed to address the service delivery problems due to upward accountability, private sector immaturity, donor-oriented civil society, and the government's lack of trust in local communities. This significantly affected local community participation in decision making, project prioritisation, designing capacity development packages, and ensuring quality of community services. This process not only created a wide gap between supply and demand in governance, but also reduced community enthusiasm and levels of participation at the sub-national level. Thus, community level governance system faced chronic problems due to the underlying failure to remove the existing attitudes of a rigid political hierarchy and associated feudal legacy.

However, some experiences demonstrated that full autonomy of CBOs, mostly in the case of community forestry user groups (CFUGs), provided an opportunity for them to play a more effective role in community governance. There is a basis to involve local communities in decision making by identifying common problems, seeking solutions and contributing more energy, ideas, skills and resources. Self-initiated actions created opportunities and provided feedback to improve community planning, budgeting, programming, and decision-making process. Similarly, collaboration between stakeholders supported more effective community governance, including collaboration in planning, implementation, resource mobilisation, and reducing community disputes and problems.

Nonetheless, weak institutional mechanisms, influence of patriarchal socio-economic structures, power politics and vested interests, lack of resource management and service mobilisation capacity, and absence of facilitating policies and legislation, generated a capability rating of weak to moderate for the CBOs relevant to their characteristics, activities, and functions, both from within and external to their organisations. The leadership of many groups was captured by political leaders or local elites, who violated CBO rules, regulations, policies and programs. For example, most of the infrastructure projects at the community level were implemented by non-beneficiary or non-user groups. This process excluded local communities from mainstream service operations, as resources were now controlled by politicians or local elites for individual purposes. From this point of view, CBOs were not part of the problems of ineffective BSDS or a factor in poverty reduction in Nepal. Rather these problems were due to the existing social system, government policies and regulations, politicised bureaucracy and the unethical market. To overcome these issues and increase community service delivery efficiency, community governance has shown its importance in policy-making.

11.2 Contribution of the research

The government of Nepal initiated a number of efforts to improve the service delivery system over a prolonged period. However, the livelihood structure of many rural communities still remains unchanged and they have not really benefited from these initiatives. In the study area, the communities were affected by hierarchical power structures, undue influence of local elites, uncoordinated actions of development partners and lack of community control mechanisms. Communities were not only been deprived of basic services, but also affected by governance malfunction, and an imperfectly designed structure of jurisdiction. The basic reason for this was that governance from macro to micro level, and central to grassroots level, was approached using similar frameworks; whereas issues, agendas and needs vary

enormously from central to grassroots level. In practice the study explored the idea of community governance based on theoretical foundations and empirical observations. It attempted to view the whole process from both central level control mechanisms and the macro planning system, and from the view of the local people of the grassroots communities.

Thus the study has significant in both theoretical and practical discourse. Theoretically, from a macro perspective, it contributes to the growth a body of literature on institutional mechanism, governance process and service delivery system, of usefulness for policy makers, non-government organisations and research bodies in exploring further issues in governance. The theory of governance was used in this study to explore and understand the Nepalese situation, and identify new dimensions relevant to service delivery mechanisms at the grassroots level. By describing roles and factors that improve attributes of governance, the research has added knowledge on how stakeholders can make a further contribution to community governance. The theoretical explanations and practical contextualisation of community governance highlighted the reality of outcomes in areas, such as participation, social capital, and central-local relationships, showing how to integrate these for more effective service delivery. Experiences indicate that these outcomes of community governance not only increase the potential for effective basic service delivery, but also define the framework for further study.

The practical contribution of this study is useful at the micro, grassroots level. This contributes to the practical discourse in the modalities of design and implementation of the service delivery system, as it critically analysed the roles and capabilities of CBOs in basic service delivery. These analyses are valid in formulating further strategies to overcome marginalisation, deprivation and exclusion of communities and removing hierarchical controls for community regulation, in favour of a local people-based power structure. The study also explored the reasons behind CBO strengths and weaknesses, and examined their deteriorating

capability in relation to the existing institutional mechanism, socio-economic structure, power politics and interests, and capacity and resource constraints. In addressing these issues, the outcomes provided by this research are worthwhile in constituting greater stakeholder participation in collective decision-making, resource sharing as well as institutionalising community governance.

11.3 The way forward

The objective of this section is to develop an acceptable community governance model for effective service delivery, based on the underlying concepts emerging from the empirical observations and findings, as well as related literature not necessarily covered in this study. CBOs, in Nepal, have great value as locally constituted organisations with a greater degree of responsibility in articulating community problems, motivating them for meaningful participation, advocating and lobbying on issues in service delivery, linking and networking - all these towards the establishment of a local democratic culture. These types of responsibilities reinforce community identity, honour the community's historical development, and facilitate solidarity, all of which contribute towards the establishment of community governance in the long term.

Many of these qualities and characteristics can be developed, through the enactment of effective public policies and a robust commitment to implement them. Thus, government has the major role in the scale-up of resources and policy-based assistance. Historically in Nepal, numerous policies and programs were designed for the delivery of basic services. However, their slow pace in enabling resource mobilisation, and project implementation and management, was not unimpressive at the grassroots level. Thus, efficient government performance necessitated the reformulation of their roles in building more responsible CBOs, for more effective service delivery.

This study presents the position of governance in service delivery at the community level in Nepal, which was affected by an array of factors such as exclusion, lack of enabling environment, and deficiencies in the democratic process. These have impacted on institutional efficiency, governance mechanisms and the effectiveness of service delivery at the macro level. At meso and micro levels, the role and responsibilities of the community based institutions in service delivery, functional capacity, and in creating a facilitating environment for community governance were limited. Hence, this study explores the inherent essentials of BSDS based on some selected CBOs in five VDCs of the Dang district Nepal.

In Nepal, CBOs as agents of change were not truly valued by government and non-government stakeholders and not adequately reflected in terms of related policy needs. Although some categories of CBOs were regulated by the governance approach of social mobilisation, reality shows that they are still controlled by governmental bureaucracy or local elitist aristocracy. Thus, this study explored the issues of service delivery through a critical review of CBO roles and capabilities, collaboration with stakeholders, and the agenda for facilitating basic community service delivery. However, the attitude of development agencies - 'everywhere CBOs, but nowhere CBOs' - undermined their contribution in BSDS.

The following model of community governance is proposed for effective basic service delivery system (BSDS) in Nepal, based on the existing literature and empirical findings of this study.

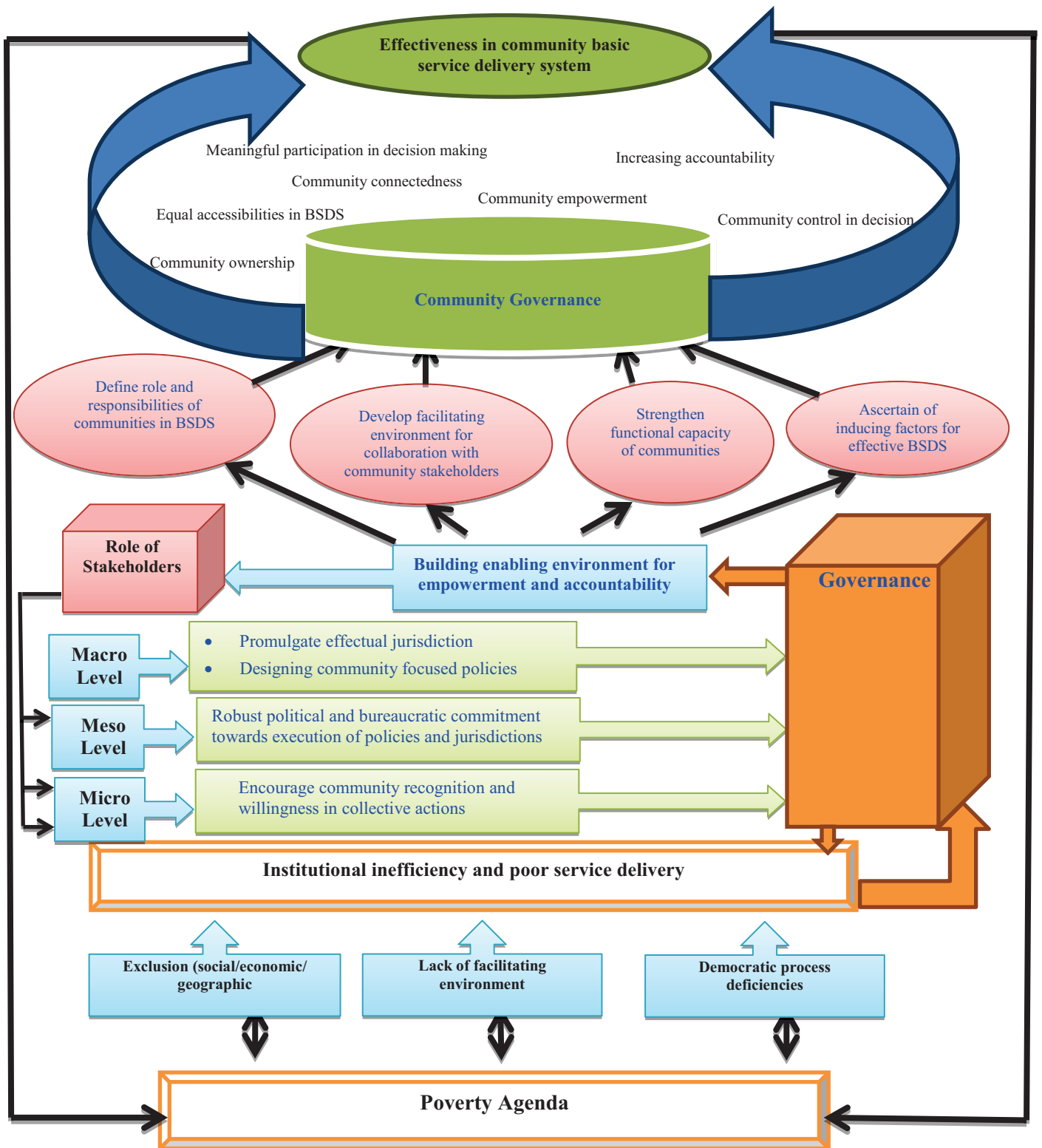


Figure 11.1: Model of community governance for effective basic service delivery system

Figure 11.1 shows the model of community governance for effective BSDS, which was designed from the experience of participatory interactions and discussions with different communities. In this study, the principal issues were viewed in relation to the poverty agenda. Poverty, according to the findings, was aggravated by a number of micro and macro level factors, resulting in further social, economic and geographic exclusion, lack of facilitating environment, and democratic deficiency. Many ambiguities and inconsistencies were highlighted, the most overwhelming of which were the institutional inefficiency and weak delivery of services at community level. To address these problems various strategies may be developed using the community governance model.

To address the poverty agenda and facilitate change in the community livelihood system through effective BSDS and community governance, the commitment of stakeholders from micro, meso, and macro levels is imperative in the promulgation of effectual jurisdictions, designing community focused policies, robust political and bureaucratic commitment towards their execution, and the co-operation of communities in collective action. These pre-conditions can enable stakeholders to act against institutional inefficiency and weak delivery of basic services. Governance as a cross-cutting component counteracts institutional inefficiency and weak service delivery, by requiring effective action by and accountability of stakeholders. Findings indicate that some CBOs were formally legitimised giving them autonomy to manage local forest resources, through collaboration with other service organisations. Some encouraged their local communities, as service users, to become involved in CBO groups through a range of contributory and deliberative mechanisms. To effect enactment of these mechanisms, local bodies assisted these CBOs, by the execution of policies of inclusion and meaningful participation in BSDS. This shows the levels of trust necessary in communities, and demonstrates that development of service delivery strategies is based on inherent community rights.

Figure 11.1 further depicts that empowerment with accountability in the service system, endows community control and strengthens community governance at grassroots level. The overall process of establishing community governance demands that service providers revisit their actions and formulate new policies and programs, by acknowledging and redefining the role and responsibilities of communities and their institutions in BSDS; thus creating a facilitating environment for collaboration with community stakeholders, strengthening functional capacity of communities and their institutions, and recognising needs and community factors demanding further BSDS development. The model further indicates that new modes of policy and program components are essential for effective community governance in service delivery. Effective community governance requires that service providers revisit and reformulate their BSDS policy, to facilitate meaningful participation of communities in decision making, enhance accountability, empower communities, give ownership to communities, and ensure socio-economic equality in the service delivery system. Development of these aspects will ultimately address the poverty agenda.

This model can become a novel community governance strategy, for more effective BSDS at the grassroots in Nepal, or elsewhere. The expected outcomes of incorporating this model as a strategy would be increased community control over the BSDS, and the establishment of additional strategic alliances between community stakeholders. The community governance model captures the multiple key elements, as essential pre-conditions for strong community governance.

11.3.1 Promulgation of effectual jurisdictions

Effectual jurisdiction designs appropriate legal frameworks for institutions to develop political, managerial and administrative processes, and responsive BSDS. Despite irrefutable principles, many CBO groups in the study area were not formally registered in terms of prevailing jurisdiction. This deterred communities from participating in decision making

relevant to service delivery plans and programs, facilitating opportunities for information sharing and building formal partnerships between service agencies and communities. To address these issues, effectual jurisdiction should be seen as a means of formal legitimisation that bestows authenticity and confidence in power-sharing processes such as decision making, democratic exercises, social accountability, and relationships between communities and service organisations.

11.3.2 Designing community focused policies

Community-focused policies can reduce the dependency of local communities and their institutions on patron-based organisations. These enable communities to become more self-reliant in decision making, mobilise local resources, and implement service mechanism strategies. In Nepal, macro-economic policy reform emphasised economic liberalisation, through the involvement of a large portion of the private sector in the economy, and a reduction in the role of government. This process changed some traditional aspects of social life. However, growing economic and political fragility with a consequent widening of poverty, a reduction in agricultural subsidies, market immaturity, and ineptitude in governance leading to population unrest, created a crisis in employment and basic service access at community level. This forced changes in the community structures and further widened the economic and social gap.

During this period, policies and legislation formulated to improve basic service delivery at the micro level were poorly executed, which failed to eliminate social and economic disparities. The inalienable basic rights of communities to services such as health, education, the right to freedom of cultural expression and human dignity, were virtually denied. In this context, a major thrust of community-oriented policy must be a participatory approach in the formulation of inclusive policies that lead to more accessible, equitable, and sustainable BSDS.

11.3.3 Robust political and bureaucratic commitment

Historical developments in Nepal show that politicians and bureaucrats have generally been involved in policy formulation and implementation, allowing them to propagate policy agendas to their advantage. In the area of jurisdiction, Nepalese politicians and the bureaucracy were the prime players dealing with the poverty agenda, but proved to be less skilled, corrupt, irresponsible in accountability, unresponsive to the needs of the people, and thereby manipulative of BSDS for their own purposes and gains.

In recent years, many communities have been transformed through the expansion of their roles and range of services. They have become more informed and, as such, community expectations have increased. This reinforces the community's need to make further inroads in the decision making process, and increase their capacity for demanding and bargaining with central and intermediary levels of government. Many CBO groups were engaged as community representatives to implement a more democratic process. However, many of them suffered from scarcity of resources and insufficient technical skills, permitting central agencies to impose their decisions on them, or manipulate the process. In this context, honest political, bureaucratic and local leadership and commitment would be more instrumental in enabling the CBOs, to be more responsible and successful in transforming the service delivery system. The findings of this research indicate that, in many cases, the attitude and actions of community leadership, and its composition and administrative style are not citizen-friendly, and their election through democratic centralism supported a closed and non-inclusive structure.

11.3.4 Extracting community willingness in collective action

The shift from government to governance has created enormous opportunities and greater empowerment for the marginalised sections in the community, in terms of participation in decision making and service delivery. Findings indicate that many communities in Nepal are now fairly well organised into formal or informal groups. In many cases, this transformation has made them capable of offering inputs in policy formulation, and designing more realistic plans for service delivery. They are also in a better position to bolster democratic practices and make useful contributions in forums and collaborative activities. They have empowered members of the community, to play a more significant role in service delivery at the grassroots level.

Unfortunately, most of the CBOs were still controlled by political parties or local elites, whose influence created complications such as reducing community willingness to participate in decision making, in social capital development and other empowerment activities, and negatively impacted on BSDS operations. Most CBO planning and service delivery mechanisms were observed to be neither participatory nor democratic. Although there was broader participation and power was more or less equally distributed in some communities, CBO leadership and decision making continue to be controlled by outsiders. Such control made CBOs paternalistic, or overturned collective action, reduced public contribution and caused the deterioration of personal and institutional capacity for service delivery.

Thus, the challenge is to increase the demands of users, and reduce the powers of suppliers and elitist groups, in the community power structures. These structures can only benefit from the operational capabilities of new players from the community, and yield a win-win outcome in basic service delivery at the lowest level, and improve community governance.

11.4 Areas for future research

While carrying out research for this study, numerous issues were raised concerning effective community governance. Some insights from the research indicate that further investigation is required to gain a better understanding of the overall value of the research. Many issues and scenarios were explored regarding the effectiveness of community governance, some of which fell outside the scope of the present research, and need to be addressed through further research.

11.4.1 Combining social values of community governance with neoliberalism

Social values, which describe social relationships, social influences, social justice, social attitudes and social changes, are produced by communities through participation, social capital and networking. In Nepal, neoliberal policies reduced government expenditure through the devolution of power and resources from central to local level, and expanded the scope of the private sector. However, all of these restructuring initiatives were largely impracticable and failed; due to insufficient attention paid to grassroots communities and marginalised sectors. The crucial factor was that the poorer communities were economically deprived and could not compete with large private sector organisations. To overcome this situation, community governance can help encourage the participation of local communities, transform local institutions to internalise the community power structure, and establish links among development partners involved in service delivery. Thus, a further study measuring the impact of the social values of community governance on neoliberal policy for better BSDS would be useful.

11.4.2 Transforming agendas from the macro to the local level

The study found that local communities and their institutions were closely associated with specific macro scale social agendas such as watershed management issues, allocation of water

resources, the impact of mega projects such as hydro-electricity, and the effect of climate change, wherever communities were affected by such issues. Evidence shows that the severity of impact at the community level outweighed the benefits. The study revealed that community engagement facilitates an understanding of macro-scale agendas, and localises these in the context of the particular community. In Nepal, the issues, agendas and impact of prescribed macro scale programs were hard to localise in particular communities. Thus, a further study on transforming agendas from macro scale to the local level could be valid.

11.5 Concluding comments

Community governance is an emerging model for basic service delivery mechanism at grassroots level. The concept usually refers to community participation in, and control and management of public matters. This thesis has provided some insights into governance practices in BSDS in Nepal. Historically, the service delivery systems of successive regimes were centralised, top-down structured, and supplier driven. A succession of past governments formulated policies and regulations that did not take into account effectual jurisdictions, downward accountability, de-bureaucratized execution of policies, and willingness to include grassroots communities in collective actions. The absence of these not only affected BSDS, but also created crises in community governance.

This study has highlighted the need to support the engagement of all community players in decision making and managing service provision. Additionally, it highlights a direction for further research, which could focus on major process components. If rural societies in countries like Nepal do not deploy community governance tools in service delivery, they will face crises in the future.

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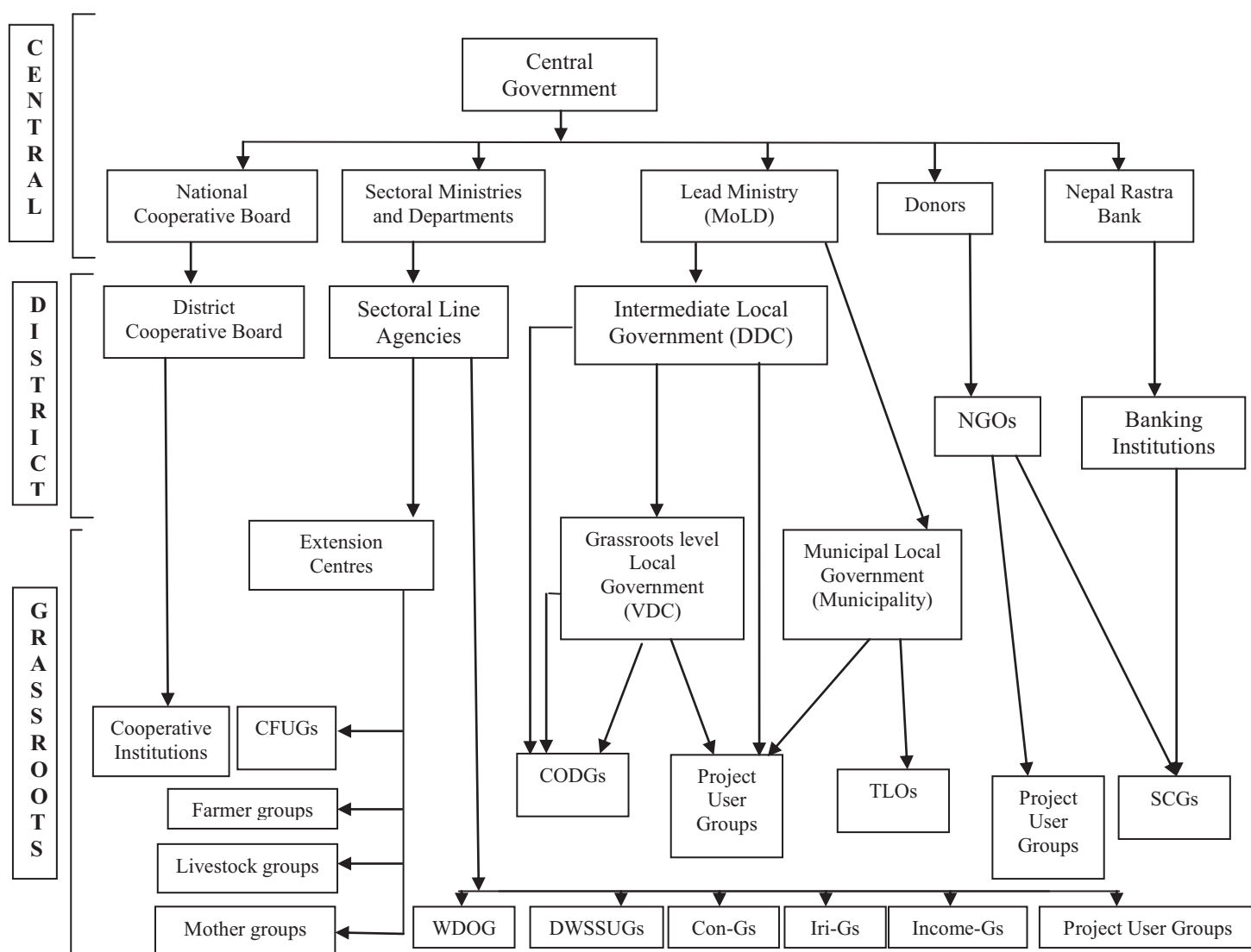
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Appendix 5.1: Structure of basic community service delivery system in Nepal



Note: MoLD = Ministry of Local Development,

VDC = Village Development Committee

CFUGs = Community Forestry User Groups

WDOGs = Women Development Organisation Groups, DWSSUGs = Drinking Water Supply and Sanitation User Groups

Con-Gs = Conservation Groups

DDC = District Development Committee,

NGOs = Non-Government Organisations

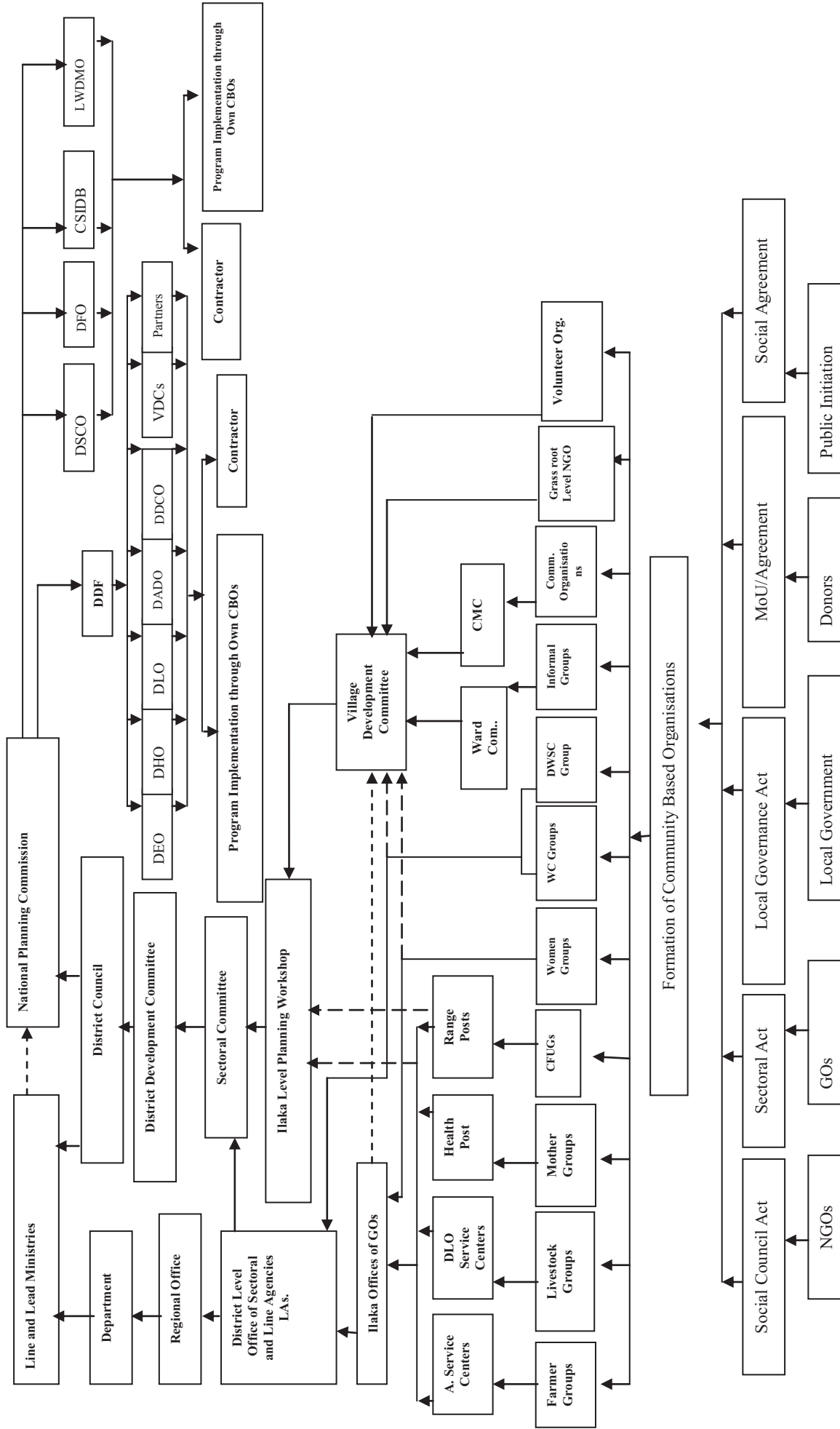
CODGs = Community Organisation Development Groups

Iri-Gs = Irrigation groups

Income-Gs = Income Generating Groups

Source: Empirical Observation, (February-April, 2011)

Appendix 5.2: Existing program formulation and service delivery system at the grassroots level in Nepal



Source: Local Governance Act, 1999,

Appendix 6.1: VDC population of study area

	No. of HHs	No. of Total Population	% of Male	% of Female	Literacy
Goltakuri	1213	6351	48.31	51.69	53.5
Hekuli	1834	10520	51.09	48.91	57.3
Shreegaun	1586	7934	48.79	51.21	72.3
Pawannagar	2079	9938	49.23	50.77	53.5
Shantinagar	2309	10640	48.60	51.40	60.3
	9021	45383	49.20	50.80	59.38

Source: VDC Population (pp. 1-49). Kathmandu Nepal: Nepal Association of VDCs in Nepal, 2008

Appendix 6.2: Poverty status of study area

	No. of HHs	Literacy	Ultra poor	Poor	Medium	Well off
Goltakuri	1213	53.5	44.32	31.68	21.54	2.46
Hekuli	1834	57.3	29.43	24.33	31.86	14.38
Shreegaun	1586	72.3	31.85	22.64	32.84	12.67
Pawannagar	2079	53.5	34.08	29.27	24.71	11.94
Shantinagar	2309	60.3	31.54	24.88	34.24	9.34
	9021	59.38	34.24	26.56	29.04	10.16

Source: LDF/DDC, Dang, 2008

Appendix 6.3: Access of safe drinking water and sanitation of study area

	No. of HHs	% of Access in Sanitation	% of Access in Safe drinking water
Goltakuri	1213	10	22
Hekuli	1834	66	12
Shreegaun	1586	56	12
Pawannagar	2079	43	64
Shantinagar	2309	43	56
	9021	43.60	33.52

Appendix 6.4: The Questionnaires for Organisational Survey

Name of the Community Group:

VDC: Ward No. :..... Name of the Village:.....

Name of the Interviewer:..... Date of Interview:.....

1. INTRODUCTION

1.1 Since when have you been a member of this group? Date:

1.2 Who among your family members are involved in community activities?

- Only male Only Female Selected numbers of male and female
 All male and female Youth Others (Specify)

1.3 What has been the reason for your joining community groups? (Select as many as you think appropriate)

- To participate in development activities To participate in decision making
 To enhance my leadership skills To raise social awareness
 To obtain economic benefit Others (Specify)

1.4 What are the membership criteria? (Select as many as you think appropriate)

- Regular savings Compulsory Contribution (cash and kind)
 Village residency Financial and technical support to group
 Institutional support Others (Specify)

1.5 Type of community based organisation (CBOs)

- Traditional CBOs Sectoral line agencies formed CBOs
 Local government formed CBOs INGO/NGO formed CBOs
 Club and voluntary CBOs Others (Specify)

1.6 How many households are covered in the CBO groups from your community?

- Below 25 Percent 25 – 50 Percent 50 – 75 percent
 75-100 Percent 100 percent Others (Specify)

1.7 How many members are there in your community group?

- Male: Female: Total:

1.8 Degree of representation of women and disadvantaged people in your organisation.

- Highly represented Moderately representation Less represented
 Not represented Not represented, but information supplied to a few Others (Specify)

1.9 Is your group/organisation registered? Yes No . If yes, with whom;

- CDO office Local Government Sectoral Line agencies
 INGO/NGOs Among the Community Others (Specify)

If not, why?.....

2. ROLE AND RESPONSIBILITY OF COMMUNITY BASED ORGANISATIONS IN BASIC SERVICE DELIVERY SYSTEM (BSDS)

2.1 What are the roles and responsibilities of CBOs in BSDS? (Select as many as you think appropriate)

- Institution building activities
- Building Social Capital (Social change)
- Empowerment
- Create enabling environment
- Ensuring service integrity
- mobilising people for community development
- Bolstering inclusive people's participation
- Transparency and accountability
- Strengthening local democracy
- Others (Specify)

2.2 In your view, what types of institution building activities are undertaken by your community group? (Select as many as you think appropriate)

- Formulation of rule, regulations and, policies
- Establishment of community power structure
- Adopting democracy in service activities
- Building collaboration with stakeholders
- Social Accountability
- Others (Specify)

2.3 How CBOs are mobilising people for community development? (Select as many as you think appropriate)

- Create social awareness
- Conduct participatory bottom-up Package
- Natural resource management
- Integrate community development activities
- Economic resource mobilisation activities
- Others (Specify)

2.4 What types of social capital have been developed after the enactment of CBOs at the community level? (Select as many as you think appropriate)

- Association of people in CBO groups
- Develop social harmony
- Social network and relationships
- Collective action in BSDS
- Trust & reciprocity in CBOs' action
- Others (Specify)

2.5 How CBOs enable to bolster the inclusive people's participation at the community level? (Select as many as you think appropriate)

- Benefit sharing
- Planning process
- Leadership selection
- Organisation structure and decision making
- Resource management and mobilisation
- Others (Specify)

2.6 How CBOs enable to Empowerment of communities at the community level? (Select as many as you think appropriate)

- Social empowerment
- Institutional transformation
- Political empowerment
- Community transformation
- Economic empowerment
- Others (Specify)

2.7 How CBOs maintain the transparency and accountability in their actions at the community level? (Select as many as you think appropriate)

- Establishment of social intelligence system
- Information and communication flow system
- Regular assembly meeting
- Completion of financial audit system
- Conduct public hearing and social audit
- Others (Specify)

2.8 How CBOs are created enabling environment to increase the public access to BSDS at the community level? (Select as many as you think appropriate)

- Strictly adopted rule of law
- Formally legitimacy
- Create conducive environment in practicing policies, rules, and regulations
- Getting organisational autonomy
- Conduct reward and punishment system

Others (Specify)

2.9 How CBOs have ensured to strengthen local democracy in their actions at the community level?
(Select as many as you think appropriate)

- Access to all people in CBO groups Practice for social justice
 Equal access in leaderships Access to all members in BSDS
 Freedom to raise voice mechanism Others (Specify)

2.10 How CBOs have ensured service integrity in their actions at the community level? (Select as many as you think appropriate)

- Acts from the below Responsive leaderships
 Impartiality and neutrality in service delivery Policy and rule formulation
 Responsive organisation group Others (Specify)

2.11 Do you have any collaboration with the development actors? Yes/No

If yes, which are of them? (Select as many as you think appropriate)

- Central Government Local Government Private Sectors
 Donors NGOs/CBOs Others (Specify)

2.12 What types of collaboration has been made with central government) (Select as many as you think appropriate)

- Deliver autonomy of BSDS Shift government to governance
 Establishment of formal partnership Reduce hierarchy
 Integrity or straightforward service system Others (Specify)

2.13 What types of collaboration has been made with local government? (Select as many as you think appropriate)

- Participatory planning and implementation Community mobilisation and governance
 Service providers and facilitators Act as watch-dog group
 Resource collaboration with communities Others (Specify)

2.14 What types of collaboration has been made with CBOs/NGOs? (Select as many as you think appropriate)

- Experience sharing Joint group effort Information and communication sharing
 Shared in services Resources sharing Others (Specify)

2.15 How development stakeholders deliver their services at the community level? (Select as many as you think appropriate)

- Directly to the people Through CBO groups
 Response to GO and I/NGO recommendation Response to Community demand
 Response to local elite & political party demands Other (specify)

2.16 Is the existing bottom up service delivery system efficient? Yes /No

2.16.1 If yes, how it ensures effective service delivery?

- Legally accepted Reflects genuine community needs
 Enables stakeholder coordination Communities considered as major partners
 Enables proper utilization of resources Other (Specify)

2.16.2 If no, what are the shortcomings of the existing system? (Select as many as you think appropriate)

- It has legal loopholes More complex to implement (Top down approach)

3. COLABORATION IN THE SERVICE DELIVERY MECHANISM

3.1 Have any collaboration and linkages programs established by your group with state and non-state stakeholders? Y /N

3.1.1 If yes, who is the major stakeholder for coordination and linkages?

- Local government Sectoral line agencies Civil society groups/ Political Parties
 INGOs/NGOs Private Sectors Other (Specify)

3.1.2 If yes, why CBOs are collaborating with state and non-state stakeholders? (Select as many as you think appropriate)

- For exploration of community issues Resources sharing for making synergy
 Leading development at the community level
 Raising voice of the community to create strong pressure
 Contributing to development with consolidated effort Other (Specify)

3.1.3 If yes, what type of outcome has been achieved by grassroots level stakeholders? (Select as many as you think appropriate)

- Establishment of synergy among stakeholders Addressing local issues properly
 Increasing public participation in community development Facilitating democratic practices
 People becoming more responsible and lead development work Others (Specify)

3.1.4 If yes, what type of collaboration has been established with central government agencies? (Select as many as you think appropriate)

- Deliver autonomy of basic services Shift government to governance
 Establishment of formal partnership Reduce hierarchy
 Integrity or straightforward service system Others (Specify)

3.1.5 If yes, what type of collaboration has been established with local government agencies?

- Participatory planning and implementation Community mobilisation and governance
 Service providers and facilitators Act as watch-dog group
 Resource collaboration with communities Others (Specify)

3.1.6 If yes, what type of collaboration has been established with the private sector in service delivery mechanism? Y /N

If yes, what type of activities are private sector organisations involved in? (Select as many as you think appropriate)

- Resource mobilisation Project implementation and management
 Enterprises development Explore of the market facilities
 Capacity development activities of stakeholders Other (Specify)

3.1.7 If no, what are the problems to involve the private sectors (PSs)in community service system? (Select as many as you think appropriate)

- PSs's interest only for profit Unfair competition
 PPP is a complex mechanism for partnerships
 Inadequate policies and legal arrangements for PPP
 PSs are not interested for partnerships Other (Specify)

3.1.8 If not, how is the private sector encouraged to get involved in community service delivery?

(Give reason).....

3.1.9 If yes, what type of inter-collaboration has been established between CBO groups? (Select as many as you think appropriate)

- Experience sharing Joint group effort

- Information and communication sharing
- Resources sharing

- Shared in services
- Other (Specify)

4. GOVERNANCE

4.1 How CBOs ensures community level governance in their functional activities? (Select as many as you think appropriate)

- Inclusive participation
- Empowerment of people
- Transparency and Accountability
- Enabling environment
- Practice of Local Democracy
- Service delivery effectiveness
- Service integrity
- Social Capital development
- Institution building
- Community mobilisation
- Planning, Implementation, Monitoring and Evaluation System
- Coordination, linkage, Partnership development

4.2 Do all members participate in the decision making process? Yes /No

4.2.1 If yes, for what purpose? (Select as many as you think appropriate)

- Planning, implementation, monitoring and evaluation
- Improving Group dynamics
- Learning about the community and groups
- Sharing knowledge and skills
- Resource mobilisation, management and benefit sharing
- others (Specify)

If not, why? (Select as many as you think appropriate)

- They are not properly informed
- No equal role and performance for all members
- No opportunities for benefit sharing
- The process mainly influenced by the local elite
- They are only asked for contribution (monetary, labour, etc.)
- Other (Specify)

4.2.2 How does your group ensure transparency of their activities? (Select as many as you think appropriate)

- Regular public auditing and hearing
- Disseminating information through public notices
- Sharing information in regular meetings
- Reporting all activities through the media
- Making public all activities according to the member's demand
- Other (Specify)

If no, why they have not adopted transparency and accountability measures?

Give reason.....

4.2.3 After organizing into a group, has social capital developed among the group members? (Y/N), If yes, how is this evident at the community level? (Select as many as you think appropriate)

- Increased social interactions
- Increased individual and group dynamism
- Increased collective thinking
- Respect for others' views
- Increased social mutuality
- Other (Specify)

4.2.4 How CBOs ensure inclusive democratic system at the grassroots level?

- Include all local people in the decision making process
- Participation of all HHs in decision making
- Developed strong transparent mechanism
- CBOs adopted a listening & feedback culture
- People's self-participation in all group activities & taking decisions
- Other (Specify)

4.2.5 How CBOs conduct the community mobilisation activities at the community level? (Select as many as you think appropriate)

- Conduct social awareness program at the community level
- Lobby state and non-state stakeholders
- Develop partnership with broad based stakeholders including local people

- Ensure to institutionalize all types of good social practices at the grassroots level
- Meet the requirements of development agencies Others (Specify)

4.2.6 What efforts have been done to make effective service delivery? (Select as many as you think appropriate)

- Establishment of strong social networks and linkage
- Supportive role to access to services
- Supportive role to establish a trustworthy & reciprocity environment for group members
- Supportive role to create access opportunities for all group members
- Creation of a democratic working culture in CBOs Other (Specify)

5. ENABLING ENVIRONMENT

5.1 Are existing policies and legal practices effective enough to support community services properly?
Yes /No (Select as many as you think appropriate)

5.1.1 If yes, how these practices are supported to the community services?

- Creating enabling environment to implement the bottom up practices
- Formulating supportive legislations and regulations
- Adopting decentralized and inclusive governance policies
- Making strong political & bureaucratic commitment
- Developing effective partnerships among the stakeholders Other (Specify)

5.1.2 If not, why legal practices and policies are unable to support the community services effectively?

- Policies & practices are contradictory Policies & legal practices are not properly exercised
- Policies & legal practices are based on top down approach
- Stakeholders are not accountable to implement the legal practices and policies
- Civil society indifference Other (Specify)

Appendix 6.6.2: Numbers and level of respondents for face to face interview

S.No	Types of Respondents	Number of Respondents
A.	Local level respondents	
A.1	Chairs CBO groups	4
A.2	Secretaries of CBO groups	3
A.3	VDC level local government officials	3
A.4	Local leader of political parties	3
A.5	Officials in charge of extension service centres	3
A.6	NGO workers	4
	Sub-total	20
B.	District and National level respondents	
B.1	Ex-chairpersons of district development committees	2
B.2	Chief of line agencies	4
B.3	Private sector representatives at central level	1
B.4	Private sector representatives at district level	1
B.5	Development activists	2
B.6	District level NGO representatives	2
B.7	Ministerial officials	5
B.8	Representative of local government associations (ADDCN)	2
B.9	Representative of local government associations (NAVIN)	1
	Sub-total	20
	Total	40

Appendix 6.7: Indicators to analyse the role of CBOs' in basic service delivery system

CBO Role	Elaboration of variables	Defined Indicators
1. Building community institutions	Community institution building is a process of political, social, and economic change that endows community institutions an efficient culture and mission; creates an enabling environment and social accountability; and develops catalytic leaderships and guiding principles (Beck & Laeven, 2006; 157).	<ul style="list-style-type: none"> • Formulation of rule, regulations and, policies • Building collaboration with stakeholders • Establishment of community power structure • Adopting democracy in service activities • Social Accountability
2. Mobilising communities for local development	Community mobilisation is a process of political, social, and economic empowerment whereby the individual or a group of people are self-mobilised by the strong community feeling and ideology. It is a practice of bringing people together for the purpose of determining community issues and getting solutions through participatory dialogue, negotiation and community consciousness (Fainstein, 1999: 252; Helling et al., 2005: 6).	<ul style="list-style-type: none"> • Create social awareness • Integrate community development activities • Conduct participatory bottom-up Package • Economic resource mobilisation activities • Natural resource management
3. Building social capital	Social capital is an effective output of trust and relationships. At community level, it denotes the associations, trust and reciprocity between individuals and within communities, which improves community confidence, heightens community participation, enhances wellbeing, reduces malpractices, and economic prosperity (Putland et al., 2009: 1).	<ul style="list-style-type: none"> • Association of people in CBO groups • Collective action in BSDS • Develop social harmony • Trust & reciprocity in CBOs' action • Social network and relationships

4. Bolstering inclusive people's participation	Participation is an organised effort to increase the control over and access to resources and regulative institutions in society on the part of individual citizens, groups and movements (2003a: 11).	<ul style="list-style-type: none"> • Benefit sharing • Leadership selection • Resource management and mobilisation • Planning process • Organisation structure and decision making
5. Empowerment of communities	Empowerment has intrinsic value at the individual and collective level can be achieved through economic, social, and political processes (Oladipo, 2010: 120). Empowerment endows access to information and resources, having a range of choices beyond yes or no, exercise of "voice" and "exit", feeling an individual or group sense of efficacy, and mobilizing like-minded others for common goals (2005: 219).	<ul style="list-style-type: none"> • Social empowerment • Political empowerment • Economic empowerment • Institutional transformation • Community transformation
6. Applying transparency and accountability	Transparency refers to an openness, which is a set of policies, practices, and procedures that allow citizens to have accessibility to and information about services. Likewise, accountability includes the rights and responsibilities, exists between people and the institutions that affect their lives, including governments, civil society and market actors.	<ul style="list-style-type: none"> • Establishment of social intelligence system • Completion of financial audit system • Information and communication flow system • Conduct public hearing and social audit • Regular assembly meeting
7. Creating enabling environment	<ul style="list-style-type: none"> • Enabling environment encompasses policies, legal provisions, coordination and linkages, forums and networking, societal norms and values, and power relations. 	<ul style="list-style-type: none"> • Adopted rule of law • Organisational autonomy • Legitimacy • Conduct reward and punishment system • Conducive policies, rules, and regulations
8. Strengthening local democracy	<ul style="list-style-type: none"> • Democracy ensures participation and representation of all sections of the population in all levels of decision-making processes at community level. It promotes local diversity and helps to eliminate inter and intra-community disputes. 	<ul style="list-style-type: none"> • Access to all people in CBO groups • Practice for social justice • Equal access in leaderships • Access to all members in BSDS • Freedom to raise voice mechanism
9. Ensuring service integrity	<ul style="list-style-type: none"> • Integrity confirms consistency of actions, values, methods, principles, and outcomes. In the governance framework, integrity comes from honesty, truthfulness, and ethics, which determine the accuracy, diversity, competency, sensitivity, and responsiveness of the local actors in service mechanism. 	<ul style="list-style-type: none"> • Acts from the below • Responsive leaderships • Impartiality and neutrality in service delivery • Policy and rule formulation • Responsive organisation group

Appendix 6.8: Indicators to assess the CBO functional capability

Domain		Interpretation of the Domains
1. Organisational development	1.1	Develop organisation rule, regulation, guidelines, and Constitution
	1.2	Provision of executive leaderships
	1.3	100 percent HHS coverage into community group
	1.4	Conduct group meeting as per the organisations regulation
	1.5	Participatory decision making process
	1.6	Group meeting is conducted with systematic process and agenda
	1.7	Documentation of agendas and decisions
	1.8	Regular general assembly meeting
	1.9	Increasing leadership of all group members
	1.10	Formal legitimization of organisation by prevailing law
2. Economic Resource mobilisation	2.1	Regular funding support by different agencies as per MoU
	2.2	Generate and manage the local resources as per regulation
	2.3	Mobilize resources in community development activities
	2.4	Consolidate the development agencies' resources for community development
	2.5	Growing communities' purchasing and consumption capacity
	2.6	Increasing trend of resource sharing among the agencies' activities
	2.7	100 percent resources delivery
	2.8	Conducting regular audit and compliance audit reports
	2.9	Establishment of community based enterprises
	2.10	Changing pattern of income generation
3. Community Mobilisation	3.1	Increasing leadership capacity of women and marginal communities'
	3.2	Expanding numbers of members from women and marginal communities and increasing their access to service mechanism
	3.3	Increasing ownership of the communities in the development activities
	3.4	Increasing perception of people from individual to collective action
	3.5	Increasing public concern to the public services
	3.6	Increasing effectiveness of the group activities for community development and service mechanism
	3.7	Effectiveness in collective actions in problem identification, local resource mobilisation and getting solutions
	3.8	Formation and effective operation of social pressure groups
	3.9	Activities against the untouchability, gender and social discrimination
	3.10	Increasing satisfaction of group members in group activities
4. Planning, implementation, and monitoring	4.1	Institutionalize the participatory planning and monitoring process
	4.2	All group members are participated in planning process
	4.3	Projects selection is based on demand driven at the settlements level
	4.4	All projects are implemented by group members and communities
	4.5	Projects are completed within the deadline
	4.6	Availability of self-public contribution as per the service provision
	4.7	Regular documentation of annual plans and programs
	4.8	Adopted Public and social audit in all projects
	4.9	Monitor the group activities by organized monitoring and evaluation committee
	4.10	Involve local people in M/E activities
5. Coordination, linkages, and networking	5.1	Coordination with other groups during planning, implementation and resource mobilisation
	5.2	Coordination with grassroots level local government and other development agencies during planning and implementation
	5.3	Partnerships with private sectors in community development activities
	5.4	Coordination with civil society organisations in knowledge and skill based activities
	5.5	Involvement in networking forums

	5.6	Develop public accountability in development partners for community development activities and service delivery
	5.7	Develop horizontal and vertical relationships with development agencies
	5.8	Increasing networks and partnerships of group with different agencies
	5.9	Increasing social and economic interaction with CBOs and other development agencies
	5.10	Increasing resource sharing attitude of development partners for community development and service delivery
6. Community governance	6.1	All information are sharing with group members and communities
	6.2	Develop two way communication between the members and the leaderships
	6.3	Make public formulated plans, programs and budget
	6.4	Make public the project achievement and expenditure status
	6.5	Circulation of executive body's decisions to all group members
	6.6	Enabling environment to participate all HHs in group activities
	6.7	Maintaining Social Accountability
	6.8	CBO groups are inclusive
	6.9	All members have equal freedom to practice their customs traditions, and raise their voices
	6.10	Leadership handed over after the termination of executive body
7. Social contribution	7.1	Cooperation, and reciprocity among the community members
	7.2	Information, knowledge and skill sharing in communities
	7.3	Volunteer contribution in community services
	7.4	Increasing school enrolment from the marginal communities
	7.5	Increasing public consciousness in health and sanitation
	7.6	Stopped domestic violence
	7.7	Decreasing intensity of social mal-practices (Alcoholic and gambling)
	7.8	Enabling environment to women and marginal communities to involve in decision making process
	7.9	Increasing social responsibilities in group members
	7.10	Initiations of social activities

Appendix 6.9: Weighted average index technique

$$I = \sum F_i W_i / N$$

Where,

I = Weighted Average Index (WAI), F_i = Frequency of responses to a particular statement, W_i = Weightage of statement, and N = Total number of responses (Dueñas et al., 1996).

The indices employed in the data analysis are summarized hereunder;

$$WAI = (F_1 W_1 + F_2 W_2 + F_3 W_3 + F_4 W_4) / N$$

WAI = Weightage Average Index

Where, $N = F_1 + F_2 + F_3 + F_4$

F_i = Functions (1 = performed activities under specified categories; 0 = not performed) and,
N = Number of functions under the particular categories.

Based on WAI values, the CBOs functional capacity were categorized as:

Efficient capability = above 0.75;

Moderate capability = 0.51 – 0.75;

Weak capability = 0.25 – 0.50; and

Vulnerable = Less than 0.25.

Appendix 6.10: Indicators for the collaboration of actors in basic service delivery system

CBOs - Central government collaboration	<ul style="list-style-type: none"> Deliver autonomy of BSDS Shift government to governance Establishment of formal partnership Reduce hierarchy Integrity or straightforward service system
CBOs–local government collaborations	<ul style="list-style-type: none"> Participatory planning and implementation Community mobilisation and governance Service providers and facilitators Act as watch-dog group Resource collaboration with communities
CBOs- CBO/NGO collaborations	<ul style="list-style-type: none"> Experience sharing Joint group effort Information and communication sharing Shared in services Resources sharing

Appendix 6.11: Identification of dependent variables

Dependent variables	Specification
Adoption of governance practice in community basic service delivery mechanism (Y)	<ul style="list-style-type: none"> • Inclusive participation • Effective transparency and accountability • Rule of law and enabling environment • Acts from the below • Legitimacy and autonomy

Appendix 6.12: Identification of independent variables

Variables	Specification
Inclusive participation (X_1)	<ul style="list-style-type: none"> • Benefit sharing • Leadership selection • Resource mobilisation and management • Decision making process • Inclusive participation in the organisational membership
Empowerment of people (X_2)	<ul style="list-style-type: none"> • Social empowerment • Political empowerment • Economic empowerment • Organisational change • Community Transformation
Transparency and Accountability (X_3)	<ul style="list-style-type: none"> • Establishment of social intelligence system • Completion of financial audit system • Information and communication flow system • Conduct public and social audit • Regular assembly's meeting
Enabling environment (X_4)	<ul style="list-style-type: none"> • Adopted rule of law • Organisational autonomy • Legitimacy • Reward and punishment system • Conducive government policies, rule, and regulation
Practice of Local Democracy (X_5)	<ul style="list-style-type: none"> • Access to all members in organisation system • Social justice mechanism • Equal access in leaderships • Access to all members in service mechanism • Freedom to voice raising mechanism
Service effectiveness (X_6)	<ul style="list-style-type: none"> • Impartiality and integrity of services • Sustainability • Increasing public ownership • Increasing service quality • Increasing citizens' satisfaction
Service integrity (X_7)	<ul style="list-style-type: none"> • Acts from the below • Responsive leaderships • Impartiality and neutrality in policy and regulation • Responsive organisation group
Social Capital development (X_8)	<ul style="list-style-type: none"> • Increasing social cooperation, relationships and cohesiveness among the group members • Increasing trust of local people in CBOs service mechanism • Increasing social and economic interaction among the CBO groups • Supporting social action and changed the perception of people from individual to collective action • Establishment of social norms, values in service mechanism
Institution building (X_9)	<ul style="list-style-type: none"> • Creating an enabling environment to all HHs in participation • Social Accountability • Supporting people as catalytic agent • Building relationships and collaboration with stakeholders • Act as representative of development agencies
Community mobilisation(X_{10})	<ul style="list-style-type: none"> • Participatory bottom-up planning, implementation and monitoring process • Economic resource mobilisation activities • Community empowerment and governance activities • Transparency and Information access • Consult with political persons and feudal elites in the decision making process
Planning, Implementation, Monitoring and Evaluation System (X_{11})	<ul style="list-style-type: none"> • Institutionalize the participatory planning and monitoring process • Projects selection is based on demand driven at the settlements level • Community services are owned and managed by local people

	<ul style="list-style-type: none"> Members participation in planning, implementation and monitoring process Self-public contribution for the services as per the provision
Coordination, linkage, Partnership development (X_{12})	<ul style="list-style-type: none"> Coordination with local government Coordination with other and other development agencies Coordination with civil society, NGOs and INGOs Involvement in networking forums Partnerships with private sectors in community development activities

Source: Field Survey, (February – April, 2011)

Appendix 7.1.1: Coverage of HHs by CBO groups in the study area

HHs Coverage	Goltakuri	Hekuli	Shanti Nagar	Pawan Nagar	Shree Gaun	Total/Average
Total HHs*	931	1407	1772	1595	1217	6922
Precent of CFUGs Coverage**	100	94.84	100	91.88	88.94	95.13
Precent of CODGs Coverage***	84.23	71.48	79.34	81.94	71.78	77.75
Precent of WDOGs Coverage****	42.08	36.97	31.99	41.07	28.76	36.17

Source: * District Profile, 2010, DDC Dang;

** District Forest Office, Dang, 2010

*** Local Development Office/DDC Dang, 2010;

**** Women Development Office, Dang, 2010

Appendix 7.1.2: Number of CBO groups formulated by different agencies in study area

Supporting agencies	Types of group	Number of groups	%	%
Supported by Local Governments	Community Organisation Development Groups	72	30.00	30
Supported by Sectoral line agencies	Community Forestry User Groups	44	18.33	50.83
	Women Development Organisation Groups	36	15.00	
	Watershed Conservation Groups	8	3.33	
	Farmers groups	18	7.50	
	Livestock groups	16	6.67	
Traditional Practice	Traditional groups	21	8.75	8.75
NGO support	NGO groups	16	6.67	6.67
Volunteer groups	Clubs	9	3.75	3.75
Total		240	100.00	100.00

Appendix 7.2: Structure of CBOs in basic social service delivery mechanism⁵⁰

		Legitimized by the government regulation	Legitimized by the cooperative mechanism	Informally legitimized by local government policy	Informally formulated by sectoral policies	Legitimized by NGO mechanism	Total count
CFUGs	Count	31	6	0	0	11	
	Percent	100	19.35	0	0	35.48	31
CODGs	Count	0	14	53	0	23	53
	Percent	0	26.42	100	0	43.4	
WDGOs	Count	0	15	26	26	6	26
	Percent	0	57.69	100	100	23.08	
Total Count		31	35	79	26	40	110
Percent		28.18	31.82	71.82	23.64	36.36	

Source: HHs Survey (February-April, 2011); Output table produced by SPSS Ver. 17

⁵⁰ The structure of CBOs in the study area was guided by CBOs' legitimization process, which was legitimized by two different processes. These were formal legitimization through central government regulations, and cooperative mechanism; and informal legitimization such as local government, sectoral line agencies' policy, NGO mechanism.

Appendix 7.3: Roles of CBOs in institution building activities

		Formulation of rule, regulations and, policies	Building collaboration with stakeholders	Establishment of community power structure	Adopting democracy in service activities	Social Accountability	Average	Total count
CFUGs	Count	29	19	19	19	16		31
	Percent	93.55	61.29	61.29	61.29	51.61	65.81	
CODGs	Count	47	48	36	29	39		53
	Percent	88.68	90.57	67.92	54.72	73.58	75.09	
WDGOs	Count	22	11	17	17	9		26
	Percent	84.62	42.31	65.38	65.38	34.62	58.46	
Total Count		98	78	72	65	64		110
Percent		89.09	70.91	65.45	59.09	58.18	68.55	

Source: HHs Survey (February-April, 2011); Output table produced by SPSS Ver. 17

Appendix 7.4: Mobilising communities for community driven development

		Create social awareness	Integrate community development activities	Conduct participatory bottom-up Package	Economic resource mobilisation activities	Natural resource management	Average (%)	Total count
CFUGs	Count	26	23	29	31	31		31
	Percent	83.87	74.19	93.55	100.00	100.00	90.32	
CODGs	Count	53	49	41	40	22		53
	Percent	100	92.45	77.36	75.47	41.51	77.36	
WDGOs	Count	25	17	16	11	9		26
	Percent	96.15	65.38	61.54	42.31	34.62	60.00	
Total Count		104	89	86	82	62		110
Percent		94.55	80.91	78.18	74.55	56.36	76.91	

Source: HHs Survey (February-April, 2011); Output table produced by SPSS Ver. 17

Appendix 7.5: Building social capital at the community level

		Association of people in CBO groups	Collective action in BSDS	Develop social harmony	Trust & reciprocity in CBOs' action	Social network and relationships	Average (%)	Total count
CFUGs	Count	27	29	29	28	29		31
	Percent	87.10	93.55	93.55	90.32	93.55	91.61	
CODGs	Count	49	46	49	42	31		53
	Percent	92.45	86.79	92.45	79.25	58.49	81.89	
WDGOs	Count	22	21	14	12	11		26
	Percent	84.62	80.77	53.85	46.15	42.31	61.54	
Total Count		98	96	92	82	71		110
Percent		89.09	87.27	83.64	74.55	64.55	79.82	

Source: HHs Survey (February-April, 2011); Output table produced by SPSS Ver. 17

Appendix 7.6: Inclusive participation of people in BSDS

		Benefit sharing	Leadership selection	Resource management and mobilisation	Planning process	Organisation structure and decision making	Average (%)	Total count
CFUGs	Count	21	21	22	16	17		31
	Percent	67.74	67.74	70.97	51.61	54.84	62.58	
CODGs	Count	34	36	34	31	31		53
	Percent	64.15	67.92	64.15	58.49	58.49	62.64	
WDGOs	Count	18	14	11	17	14		26
	Percent	69.23	53.85	42.31	65.38	53.85	56.92	
Total	Count	73	71	67	64	62		110
	Percent	66.36	64.55	60.91	58.18	56.36	61.27	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17

Appendix 7.7: Empowerment of communities through CBO activities

		Social empowerment	Political empowerment	Economic empowerment	Institutional transformation	Community transformation	Average (%)	Total count
CFUGs	Count	21	16	17	21	14		31
	Percent	80.77	61.54	65.38	80.77	53.85	68.46	
CODGs	Count	53	38	19	34	28		53
	Percent	100.00	71.70	35.85	64.15	52.83	64.91	
WDGOs	Count	26	20	14	18	13		26
	Percent	100.00	76.92	53.85	69.23	50.00	70.00	
Total	Count	100	74	50	73	55		110
	Percent	90.91	67.27	45.45	66.36	50.00	64.00	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17

Appendix 7.8: Transparency and accountability CBOs in BSDS

		Establishment of social intelligence system	Completion of financial audit system	Information and communication flow system	Conduct public hearing and social audit	Regular assembly meeting	Average (%)	Total count
CFUGs	Count	9	21	14	11	19		31
	Percent	29.03	67.74	45.16	35.48	61.29	47.74	
CODGs	Count	49	33	24	7	9		53
	Percent	92.45	62.26	45.28	13.21	16.98	46.04	
WDGOs	Count	23	20	11	5	1		26
	Percent	88.46	76.92	42.31	19.23	3.85	46.15	
Total	Count	81	74	49	23	29		110
	Percent	73.64	67.27	44.55	20.91	26.36	46.55	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17

Appendix 7.9: Enabling environment for basic service delivery mechanism

		Adopted rule of law	Organisational autonomy	Legitimacy	Conduct reward and punishment system	Conducive policies, rules, and regulations	Average (%)	Total count
CFUGs	Count	23	31	31	8	22		31
	Percent	74.19	100.00	100.00	25.81	70.97	74.19	
CODGs	Count	42	5	6	30	9		53
	Percent	79.25	9.43	11.32	56.60	16.98	34.72	
WDGOs	Count	9	12	10	9	10		26
	Percent	34.62	46.15	38.46	34.62	38.46	38.46	
Total	Count	74	48	47	47	41		
	Percent	67.27	43.64	42.73	42.73	37.27	46.73	

Source: Field Survey, (February – April, 2011; Output table produced by SPSS Ver. 17)

Appendix 7.10: Practice of local democracy in the CBO groups

		Access to all people in CBO groups	Practice for social justice	Equal access in leaderships	Access to all members in BSDS	Freedom to raise voice mechanism	Average (%)	Total count
CFUGs	Count	27	18	19	22	14		31
	Percent	87.10	58.06	61.29	70.97	45.16	64.52	
CODGs	Count	51	37	40	27	35		53
	Percent	96.23	69.81	75.47	50.94	66.04	71.70	
WDGOs	Count	13	16	10	17	12		26
	Percent	50.00	61.54	38.46	65.38	46.15	52.31	
Total	Count	91	71	69	66	61		110
	Percent	82.73	64.55	62.73	60.00	55.45	65.09	

Source: Field Survey, (February – April, 2011; Output table produced by SPSS Ver. 17)

Appendix 7.11: Service integrity of the CBOs delivered services

		Acts from the below	Responsive leaderships	Impartiality and neutrality	Policy and rule formulation	Responsive organisation group	Average (%)	Total count
CFUGs	Count	11	18	14	26	15		31
	percent	35.48	58.06	45.16	83.87	48.39	54.19	
CODGs	Count	46	34	33	19	19		53
	percent	86.79	64.15	62.26	35.85	35.85	56.98	
WDGOs	Count	17	13	16	11	17		26
	percent	65.38	50.00	61.54	42.31	65.38	56.92	
Total	Count	74	65	63	56	51		110
	percent	67.27	59.09	57.27	50.91	46.36	56.18	

Source: Field Survey, (February – April, 2011; Output table produced by SPSS Ver. 17)

Appendix 8.1: Determining stakeholders, interest/functions, and challenges/risks for service delivery system

S. No.	Determining Stakeholders	Interests/functions	Challenges/Risks
Key Stakeholders			
1	Community Forestry User Groups	<ul style="list-style-type: none"> • Ensured conservation and management practices of local forest resources through community based social, economic and infrastructure development. • Promoted participatory environmental governance, through participatory decision making process and fare share benefit distribution among the members. • Conducted social mobilisation based saving and credit program through income generating activities for uplifting community wellbeing status. • Institutionalized the participatory planning, implementation, monitoring, evaluation and community based governance system at the community level. • Built coordination, linkages and networks with different institutions to facilitate the basic service delivery at community level. 	<ul style="list-style-type: none"> • Increasing operational cost that becomes extra burden to the poorer households. • Growing influence of local elites and political parties, they were in the democratic practices and misused the community resources • Upsurging anti-governance activities that rendered public dissatisfaction and exclusionary activities.
2	Community Organisation Development groups	<ul style="list-style-type: none"> • Facilitated people for the economic empowerment through saving and credit mobilisation activities. • Promoted local democracy through inclusive community participation in decision making process. • Institutionalized the bottom-up participatory planning and monitoring process through community knowledge and participation. • Built networks, linkage and coordination with different state and non-state partners to address the community demands collectively. • Enhanced leading capacity of local people especially marginalised, Dalits and the women in decision making and resource mobilisation. • Facilitated local communities to build the social cohesiveness and eliminate the social malpractices through social capital development 	<ul style="list-style-type: none"> • Groups are not legally legitimized that raised the Issues of groups' sustainability. • Duplication in work owing to the conflict between local government and sectoral acts. • The groups were limited only to the local government resources.
3	Women Development groups	<ul style="list-style-type: none"> • Facilitated women to participate in the decision making process at the community levels. • Facilitated women to formulate and implement the plans and policies concerning with economic social, health and right based activities. • Facilitated women to protect their reproductive rights, and other discriminatory rights regarding inheritance, divorce and the 	<ul style="list-style-type: none"> • Women's agendas are in the exclusion. • Weak institutional mechanism with insufficient capacity at the district /community level. • Social customary values are de-facto instruments for further improvements.

		<p>persecution of abusers.</p> <ul style="list-style-type: none"> Facilitated women enhancing their status in the society through improving their position and increase access in productive resources. 	
4	Local People	<ul style="list-style-type: none"> Organized in the different CBO groups as changing agents of local communities. Self-participated in diagnosing problems, need identification, determining priorities, mobilisation of resources; planning, implementing and benefit sharing. Provided public contribution (Cash and Kind) in each development activities. 	<ul style="list-style-type: none"> Participation and contribution in different CBO groups. Increasing amount of people's contribution.
5	Local Political Parties/Elites	<ul style="list-style-type: none"> Performed a catalytic role between community and other institutions for service provisions. Facilitated communities to resolve the conflict for resources and benefit sharing and convinced them to participate planning, monitoring, and project management activities. Facilitated people as their representatives and reach their voices in concerned agencies. Sensitized to the concerned agencies about their duties and performance in service mechanism. 	<ul style="list-style-type: none"> Manipulation and Politicization in service activities. Put vested interest to capture the resources and institutions through political power. Political centralization in resources and activities.
6	Rural Cooperatives	<ul style="list-style-type: none"> Facilitated people to establish the rural based economic enterprises through saving and credit mobilisation activities. Facilitated rural poor to divert from the local money lenders' trap and contributed for rural economic independence. Equal access of all members for democratic practices, and management system. Conducted insurance activities to empower the rural economy and best means of the rural monetary crisis 	<ul style="list-style-type: none"> Lack capacity was the high risk of resources mobilisation and its sustainability Cooperatives are more urban-oriented Absence of adequate capacity development package such as training and fundamental awareness to the members.
7	Extension Service Centres (Agriculture and Livestock)	<ul style="list-style-type: none"> Performed the role to educate, communicate and disseminate the information of services to the communities for their better livelihoods. Facilitated communities in taking good decisions for their investment. Coordinated to the VDCs in the delivery of extension services. Facilitated to the farmers for participatory planning, implementation, monitoring and evaluation of extension services. Produced barefoot Human Resource at the communities' level. 	<ul style="list-style-type: none"> Low level of households' coverage and lack orientation to the farmers for the high productivity and commercialization. Inadequate linkage among research and extension, education, farmers and other stakeholders. Poor infra-structural development, insufficient number of extension personnel etc.
8	Community Health Centres	<ul style="list-style-type: none"> Provided improved basic and preventive health services to the communities and rightly addressed to the maternal, neonatal, and child health; family planning, and other infectious diseases. 	<ul style="list-style-type: none"> Resources constraints, human resources scarcity and low coverage of services.
9	Forest Range posts	<ul style="list-style-type: none"> Performed the changing role of facilitator 	<ul style="list-style-type: none"> Client-patronage

		<p>in place of traditional role of forest policing and protection.</p> <ul style="list-style-type: none"> • Rightly responded to previous ‘institutional failure’ in resource conservation and management at the local level, • Encouraged and capacitated to the local people in forest management activities. 	<p>relationships</p> <ul style="list-style-type: none"> • Unable to major shift from traditional role of Planning, implementation and monitoring system.
10	Government Schools (Primary & High Schools)	<ul style="list-style-type: none"> • Encouraged communities to increase the school enrolment of their children and decrease dropout rate. • Provided cost effective education at the community level 	<ul style="list-style-type: none"> • Power capture of local elites and local political leaders • High risks of sustainability due to the blanket approach of management handover policy to the community. • Problem to shift behaviour traditional to innovation
11	Village Development Committees	<ul style="list-style-type: none"> • Mobilized the revenues in the local infrastructure, economic and social development services. • Built coordination with different partners to mobilize the resources in local service mechanism. • Provided administrative services to the local people as grassroots level local government. • Provided local communities financial and technical support for the effective service delivery. • Practiced and strengthened local governance system through participatory planning and monitoring process at the bottom level. • Formulated community oriented policy and strategies to enhance the service delivery. 	<ul style="list-style-type: none"> • Lack of internalization of public participation in decision making including planning, implementation, monitoring and evaluation • Lack of Autonomy and governance of people in service mechanism. • Manipulation of political parties in governance agendas
12	Private Boarding Schools	<ul style="list-style-type: none"> • Contributed to meet the government agenda in meeting the quality education from the below. • Provided education to the children through innovative based learning approach. • Contributed to improve the school education in alternative way. 	<ul style="list-style-type: none"> • Highly profit motivated and demarcated the line of economic classes in the society. • Highly expensive and hierarchical structure • Less trust of people in the institutional mechanism.
13	Private Agro-Vets, Local Retailers and Whole sellers	<ul style="list-style-type: none"> • Contributed to fulfil the gap of extension services and organized market system. • Encouraged private sectors in extension service delivery mechanism. • Easy access of community people for technical inputs. • Created employment and motivation of people in enterprises. 	<ul style="list-style-type: none"> • Risk of lack technical knowledge and skills. • Highly profit motivated and less attention to the public concerns.
14	Association of Public Transportation (Bus and Jeep	<ul style="list-style-type: none"> • Developed linkage between rural and urban centres. • Explored the market for rural based production. 	<ul style="list-style-type: none"> • No mutual understanding with communities about management system. • One way decision making mechanism of private sectors.

Primary Stakeholders			
15	District Development Committee	<ul style="list-style-type: none"> • Formulated plan, policies, programs and budgets to address the communities' demands. • Coordinated to the development stakeholders for development synergy and avoid the duplication in services. • Performed the role of main hub of the local level decentralization. • Provided financial and technical support to the local communities. • Advocacy, lobbying, and flow of information for the local governance strengthening. 	<ul style="list-style-type: none"> • Complex Bureaucracy of central and local government, and traditionally structured human resources and working modalities. • Performed more regulatory work rather than service delivery. • Lack internalization of participatory governance system such as planning, implementation, monitoring and evaluation. • Politically influenced and less access to local people in service mechanism.
16	Sectoral line agencies (Agriculture, livestock, Forest, women, Irrigation, WIHM, Education, Health, soil conservation, DWSS, Cottage and Small Industry, ADB, Nepal Electricity Authority, Nepal Telecom, District and Zonal Hospital and Road Department)	<ul style="list-style-type: none"> • Served communities as central government service delivery units. • Coordinated to the partners for service delivery. • Formulated sectoral based participatory planning, implementation, monitoring system. • Facilitated by trained human resources technically and financially to the local communities 	<ul style="list-style-type: none"> • Parallel Planning, implementation and monitoring • Accountable with line ministries not with local government • Access bureaucracy and less chance to address the bottom of segments.
17	General Government Office (District Land Revenue Office , District Land Survey Office, District Administration Office, and Police Service)	<ul style="list-style-type: none"> • Provided service to the local people as central government nodal points. • Addressed regulatory functions of the government. 	<ul style="list-style-type: none"> • Complex bureaucracy that created several gaps between public and government office.
18	Government Banks (<i>Rastriya Banijya Bank</i> and <i>Nepal Bank Limited</i>)	<ul style="list-style-type: none"> • Safely managed to the public savings that met the public credit needs. • Investment of the public saving in productive sectors. 	<ul style="list-style-type: none"> • Manipulation of the borrowers and credits. • Mostly benefit went to the middleman.
19	Private Banks and Financial Institutions	<ul style="list-style-type: none"> • Fulfilment the gap of credit at community level. • Provided attractive and competitive banking services to the customers. 	<ul style="list-style-type: none"> • High interest rates and limited access of the poor in credit. • Lack of institutional accountability to the community and appropriate linkages.
20	Private Hospitals and Clinics	<ul style="list-style-type: none"> • Fulfilment the gap of government hospital services. • Ensured high technology and innovations. • Easy and always access to people 	<ul style="list-style-type: none"> • More expensive and beyond the public capacity. • Less trust of people about the institutional mechanism
Secondary Stakeholders			
21	FECUFUN	<ul style="list-style-type: none"> • Coordinated with government agencies and other different non-government partners to establish the networks and interrelationship for 	<ul style="list-style-type: none"> • Political influence and increasing degree of political biasness. • Mostly concern went to the

		<p>forest resource mobilisation and conservation.</p> <ul style="list-style-type: none"> • Campaigning to ensure the inclusiveness, social justice, good governance and deepen democracy in FUGs and within its organisational units. • Sensitized the FUGs to remove the practical defaults of policies and laws • Encouraged to users for collective action and adopt dynamism in forest management and other development initiatives. 	<p>resources and building political institution rather than people and governance</p> <ul style="list-style-type: none"> • Increasing interest among political parties to patronize this force.
22	FNCCI	<ul style="list-style-type: none"> • Performed a catalytic role between the rural communities and business communities for enterprises development. • Reinforced business community's commitment to the community service delivery through market facilities. • Promoted public-private partnerships to mobilize the local resources 	<ul style="list-style-type: none"> • Lack interest for insignificantly counted resources. • Extremely profit motivated behaviour overlooked to the community aspiration.
23	NGOs (BASE, SEED)	<ul style="list-style-type: none"> • Played a catalytic role in fostering people's participation and empowering them for decision-making; effective service delivery and resources distribution to below. • Begin a close dialogue with people to identify their needs and awareness raising and confidence building. • Financial and technical support. 	<ul style="list-style-type: none"> • Lack of governance, poor coordination among development partners for social, economic and cultural services. • Created over expectation to the local people in government services. • Mostly worked in accessible areas.
24	District Level Media Association	<ul style="list-style-type: none"> • Disseminated information about critical social and political issues and aware the people about their right and responsibilities. • Supported disadvantaged people to raise their voices and encouraged them to actively participate in the service mechanism. 	<ul style="list-style-type: none"> • Eroding public trust due to political biasness.
25	Local Saw Mills	<ul style="list-style-type: none"> • Created market facilities for rural based natural products. • Increased efficiency for local based raw materials 	<ul style="list-style-type: none"> • Bypassed to the local communities due to the illegal relationships with forest loggers. • Mostly profit oriented that paralysed to the community members.

Source: Field Survey, (February – April, 2011)

Appendix 8.2: List of functions and responsibilities of the local government

Relating to Planning, Administration and Finance	Relating to Development	Miscellaneous
<ul style="list-style-type: none"> • Prepare annual budgets and programs; • Formulate periodical and annual plans; • Build coordination with governmental, non-governmental and donor agencies; • Impose taxes, charges, fees, levies etc.; • Establish information and record centres; and • Impose punishment to those who act in contravention of LSGA or the Rules. • Formulate and the bylaws ; • Information and communication. 	<ul style="list-style-type: none"> • Agriculture; and Land management; and Irrigation • Rural drinking water and health and sanitation; Education sports; and Social welfare, Language and culture • Hydropower; Physical development; Cottage industries; Tourism; and Transport • Social Security of women and helpless people; • Forest, Environment; soil erosion and river control 	<ul style="list-style-type: none"> • Carry out development and construction works under the prevailing law; • Develop human resources activities; • Keep records of population, houses, land, livestock; and other socio-economic databases; • Register birth, death and other personal events; • Plantation on either side of the roads and other necessary places; • Determine and manage places for keeping pinfolds and animal slaughter houses; • Update the block numbers of the houses and arrange lighting on the roads, markets, fairs and exhibitions etc • Manage unplanned settlements, supply of electricity and communication facilities; • Arrange for recreational parks, playing grounds, museums, zoos, etc.; • Carry out preventive and relief works

Adopted by LSGA 1999 and LSGAR, 2000

Appendix 8.3: CBOs - Central government collaboration for basic service delivery system

		Deliver autonomy of BSDS	Shift government to governance	Establishment of formal partnership	Reduce hierarchy	Integrity or straightforward service system	Average	Total count
CFUGs	Count	31	19	14	21	17		31
	Precent	100.00	61.29	45.16	67.74	54.84	65.81	
CODGs	Count	44	42	41	36	34		53
	Precent	83.02	79.25	77.36	67.92	64.15	74.34	
WDGOs	Count	17	17	17	9	13		26
	Precent	65.38	65.38	65.38	34.62	50.00	56.15	
Total Count		92	78	72	66	64		110
Precent		83.64	70.91	65.45	60.00	58.18	67.64	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17

Appendix 8.4: CBOs–local government collaborations for basic service delivery system

		Participatory planning and implementation	Community mobilisation and governance	Service providers and facilitators	Act as watch-dog group	Resource collaboration with communities	Average	Total count
CFUGs	Count	7	11	7	7	9		31
	Precent	22.58	35.48	22.58	22.58	29.03	26.45	
CODGs	Count	53	47	47	23	24		53
	Precent	100.00	88.68	88.68	43.40	45.28	73.21	
WDGOs	Count	21	17	9	18	7		26
	Precent	80.77	65.38	34.62	69.23	26.92	55.38	
Total Count		81	75	63	48	40		110
Precent		73.64	68.18	57.27	43.64	36.36	55.82	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17

Appendix 8.5: Issues of private sectors in basic service delivery system

		PSO's interest only for profit	Unfair competition	PPP is a complex mechanism for partnerships	Inadequate policies and legal arrangements for PPP	PSO are not interested for partnerships	Average	Total count
CFUGs	Count	28	29	26	21	24		31
	Precent	90.32	93.55	83.87	67.74	77.42	82.58	
CODGs	Count	44	41	44	43	43		53
	Precent	83.02	77.36	83.02	81.13	81.13	81.13	
WDGOs	Count	21	21	14	17	12		26
	Precent	80.77	80.77	53.85	65.38	46.15	65.38	
Total Count		93	91	84	81	79		110
Precent		84.55	82.73	76.36	73.64	71.82	77.82	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17

Appendix 8.6: CBOs- CBO/NGO collaborations in basic service delivery system

		Experience sharing	Joint group effort	Information and communication sharing	Shared in services	Resources sharing	Average	Total count
CFUGs	Count	9	9	11	17	11		31
	Precent	29.03	29.03	35.48	54.84	35.48	36.77	
CODGs	Count	36	33	33	34	22		53
	Precent	67.92	62.26	62.26	64.15	41.51	59.62	
WDGOs	Count	24	23	19	11	7		26
	Precent	92.31	88.46	73.08	42.31	26.92	64.62	
Total Count		69	65	63	62	40		110
Precent		62.73	59.09	57.27	56.36	36.36	54.36	

Source: Field Survey, (February – April, 2011); Output table produced by SPSS Ver. 17

Appendix 9.1: The 14 steps of the Participatory Planning Process in Nepal

Steps	Activities	Participants	Time-Frame
<u>First Steps</u> Receipt of directives	<ul style="list-style-type: none"> Directives and information as well as budget ceilings for the coming year received from Ministries and the NPC 	District Level Sectoral Agencies	By the mid of November
<u>Second Step</u> Review of directives	<ul style="list-style-type: none"> Analysis and review of directives, policies, guidelines and the estimated budget provided by Ministries and the NPC 	Sectoral Agencies, DDC Chairperson, Vice Chairperson and Members	By the 3rd week of November
<u>Third Step</u> Planning workshop	<ul style="list-style-type: none"> Dissemination of information on policies, objectives, program resources, activities and available budgets Distribution of project request forms and orientation on how to complete them provided to the DC members 	DDC Officials, Sectoral Agencies, Chiefs of financial institution, I/NGOs, VDC Chairpersons, Vice Chairpersons and Secretaries	By the end of November
<u>Fourth Step</u> VDC meeting	<ul style="list-style-type: none"> Analysis of programs/projects to be carried out at the ward level by the VDC 	VDCs, DDC and sectoral agencies representatives	By the 2nd week of December
<u>Fifth Step</u> Ward level planning selection workshop	<ul style="list-style-type: none"> Participatory assessment and analysis of programs Completion of forms at the ward level by communities 	Local residents, I/NGOs, User Groups, Ward Chairperson and Members	By the 3rd week of December
<u>Sixth Step</u> Ward committee meeting	<ul style="list-style-type: none"> Prioritisation of programs/projects received from the ward level 	Ward Chairperson, members, and User Groups	By the end of December
<u>Seventh Step</u> VDC meeting	<ul style="list-style-type: none"> Prepare list of programs/projects received from the settlement level Identify and finalise programs/projects Prioritise programs/projects which VDC can implement on its own and which needs outside support with estimated budget and separate those to be done from VDC and requiring support from outside. 	VDC officials and Sectoral Agencies representatives	By the 1st week of January
<u>Eighth Step</u> Village council meeting	<ul style="list-style-type: none"> Approve program/projects submitted by the wards Approve program/projects to be done through VDC resources or the VDC plan Identify program/projects which require outside support, prioritised these and forward the to the DDC 	VDC council members	By the 2nd of January
<u>Ninth Step</u> Ilaka level planning workshop	<ul style="list-style-type: none"> Prioritised sectoral programs identified by the VDCs and Municipalities and forward to the DDC's sectoral committees 	Ilaka member, VDC Chairpersons, Vice Chairpersons, Ward Chairpersons, Mayors, Deputy	By the 1st week of February

		Mayors, Heads of Sectoral Agencies, Chiefs of Financial Institutions and I/NGOs	
<u>Tenth Step</u> Sectoral planning committee meeting	<ul style="list-style-type: none"> • Prioritised program identified by <i>Ilakas</i> and forward to the DDCs • Integrated plan formulation committee 	DDCs members, I/NGOs, sectoral committee's member	2nd week of February
<u>Eleventh Step</u> Integrated plan formulation committee meeting	<ul style="list-style-type: none"> • Assess and analyse the prioritized programs/projects of the sectors. • Incorporate prioritised programs/project into sectoral committee development plans and submit the draft to the integrated plan formulation committee. 	DDC Chairperson, Vice Chairperson, Members of Parliament (MPs) from the district of sectoral committee's chief, I/NGOs	3rd week of February
<u>Twelfth Step</u> District Development Committee	<ul style="list-style-type: none"> • Assess the District Development Plan in relation to the NPC's instruction, district periodic plans, resource maps, environmental impact etc. • Distinguish program/projects to be implemented from the district from those to be implemented from the centre. • Prioritise programs/projects on sectoral or geographic basis and submit the draft plan for the approval of the District Council. 	DDC Chairperson, Vice Chairperson and members	1st week of March
<u>Thirteenth Step</u> District Council	<ul style="list-style-type: none"> • Discuss and approve the District Development Plan 	Members of District Council	By the 2nd week of March
<u>Fourteenth Step</u> Implementation of DDP	<ul style="list-style-type: none"> • Forward the District Development Plan to the MoLD and the NPC • Forward the sectoral program and project to the pectoral ministries 	NPC, MoLD and Sectoral Ministries	By the end of March

Source: (NLC, 1999)

Appendix 10.1: The matrix of inter-correlations of all predictor variables (Pearson correlation method)

	Ensuring Community Governance	Inclusive participation	Empowerment	Transparency and Accountability	Enabling Environment	Local democracy	Service Effectiveness	Service integrity	Social Capital	Institution Building	Community Mobilisation	Planning, Implementation & Monitoring	Coordination, linkage, Partnership development
Ensuring Community Governance	Correlation	.080	.016	.073	.006	.022	.152	-.081	-.109	-.167	-.223*	-.044	-.067
	Sig. (2-tailed)	.404	.871	.450	.952	.816	.113	.398	.257	.081	.019	.649	.532
Inclusive participation	N	110	110	110	110	110	110	110	110	110	110	110	90
	Correlation	1	.014	.091	-.024	-.003	.042	.237*	-.142	-.125	-.196*	-.095	-.064
Empowerment	Sig. (2-tailed)	.404	.886	.345	.802	.974	.665	.013	.140	.193	.040	.323	.546
	N	110	110	110	110	110	110	110	110	110	110	110	90
Transparency and Accountability	Correlation	.016	1	.189*	-.184	-.045	.079	.119	-.072	-.147	-.047	.024	-.027
	Sig. (2-tailed)	.871	.886	.048	.055	.639	.414	.217	.456	.127	.623	.800	.802
Enabling Environment	N	110	110	110	110	110	110	110	110	110	110	110	90
	Correlation	.073	.189*	1	-.019	-.082	.004	-.032	.061	-.003	-.065	.090	-.113
Local democracy	Sig. (2-tailed)	.450	.048	.845	.845	.392	.964	.739	.530	.976	.503	.351	.291
	N	110	110	110	110	110	110	110	110	110	110	110	90
Service Effectiveness	Correlation	.006	-.184	-.019	1	.015	-.009	-.141	.135	.232*	-.019	.238*	-.072
	Sig. (2-tailed)	.952	.055	.845	.845	.873	.922	.141	.160	.015	.842	.012	.503
Social Capital	N	110	110	110	110	110	110	110	110	110	110	110	90
	Correlation	.022	-.045	-.082	.015	1	.106	.025	-.139	-.048	.199*	-.062	.047
Service integrity	Sig. (2-tailed)	.816	.639	.392	.873	.272	.272	.791	.148	.621	.037	.517	.659
	N	110	110	110	110	110	110	110	110	110	110	110	90
Institution Building	Correlation	.152	.079	.004	-.009	.106	1	.093	.242*	-.044	.086	.132	.180
	Sig. (2-tailed)	.113	.414	.964	.922	.272	.333	.011	.649	.649	.373	.171	.089
Community Mobilisation	N	110	110	110	110	110	110	110	110	110	110	110	90
	Correlation	-.081	.237*	-.032	-.141	.025	.093	1	.039	-.106	-.038	.132	.211*
Planning, Implementation and Monitoring	Sig. (2-tailed)	.398	.013	.739	.141	.791	.333	.688	.269	.694	.171	.171	.046
	N	110	110	110	110	110	110	110	110	110	110	110	90
Coordination, linkage, Partnership development	Correlation	-.109	-.142	.061	.135	-.139	.242*	.039	1	.053	.207*	.191*	.017
	Sig. (2-tailed)	.257	.140	.530	.160	.148	.011	.688	.584	.584	.030	.046	.874
Community Mobilisation	N	110	110	110	110	110	110	110	110	110	110	110	90
	Correlation	-.167	-.125	-.003	.232*	-.048	-.044	-.106	.053	1	.081	.188*	.084
Planning, Implementation and Monitoring	Sig. (2-tailed)	.081	.193	.976	.015	.621	.649	.269	.584	.398	.398	.049	.433
	N	110	110	110	110	110	110	110	110	110	110	110	90
Coordination, linkage, Partnership development	Correlation	-.223*	-.196*	-.065	-.019	.199*	.086	-.038	.207*	.081	1	.040	.176
	Sig. (2-tailed)	.019	.040	.503	.842	.037	.373	.694	.030	.398	.681	.681	.098
Community Mobilisation	N	110	110	110	110	110	110	110	110	110	110	110	90
	Correlation	-.044	-.095	.090	.238*	-.062	.132	.132	.191*	.188*	.040	1	.201
Planning, Implementation and Monitoring	Sig. (2-tailed)	.649	.323	.351	.012	.517	.171	.171	.046	.049	.681	.057	.057
	N	110	110	110	110	110	110	110	110	110	110	110	90
Coordination, linkage, Partnership development	Correlation	-.067	-.064	-.113	-.072	.047	.180	.211*	.017	.084	.176	.201	1
	Sig. (2-tailed)	.532	.546	.291	.503	.659	.089	.046	.874	.433	.098	.057	.057
Community Mobilisation	N	90	90	90	90	90	90	90	90	90	90	90	90

*. Correlation is significant at the 0.05 level (2-tailed).

Appendix 10.2: Definition of multiple regressions

In multiple regressions, R assumes values between 0 and 1. Similarly, R^2 (coefficient of determination) is the proportion of variance of the dependent variable which has been predicted by the independent variables, and ranges from 0 to 1. The interpretation reveals if there is no relationship between the X and Y variables, the ratio of the residual variability of the Y variable is equal to 1.0 that indicates R^2 will be 0. If X and Y are perfectly related there is no residual variance and the ratio of variance would be 0.0 that indicates R^2 will be 1.

Correspondingly, the adjusted R^2 values denote the 'goodness of fit' of the line. The closer the points to the line, the better the fit, When the number of observations is small and the number of predictors is large, there will be a much greater difference between R^2 and adjusted R^2 will be much less than 1. By contrast, when the number of observations is very large compared to the number of predictors, the value of R^2 and adjusted R^2 will be much closer because the ratio will approach 1.

Appendix 10.3: ANOVA of the regression model

Model		Sum of Squares (SS) ⁵¹	Degree of Freedom (df) ⁵²	Mean Square Regression (MSR)	F- ratio	Significance (P) ⁵³
1	Regression	6.198	12	0.517	1.092	0.379 ^a
	Residual	36.424	77	0.473		
	Total	42.622	89			
2	Regression	6.198	11	0.563	1.207	0.297 ^b
	Residual	36.424	78	0.467		
	Total	42.622	89			
3	Regression	6.198	10	0.620	1.344	.222 ^c
	Residual	36.424	79	0.461		
	Total	42.622	89			
4	Regression	6.152	9	0.684	1.500	0.162 ^d
	Residual	36.470	80	0.456		
	Total	42.622	89			
5	Regression	6.087	8	0.761	1.687	0.114 ^c
	Residual	36.535	81	0.451		
	Total	42.622	89			
6	Regression	6.014	7	0.859	1.924	0.076 ^f
	Residual	36.608	82	0.446		
	Total	42.622	89			
7	Regression	5.924	6	0.987	2.233	0.048 ^g
	Residual	36.698	83	0.442		
	Total	42.622	89			
8	Regression	5.862	5	1.172	2.679	0.027 ^h
	Residual	36.761	84	0.438		

⁵¹ The sum of squares (SS) denotes the total variance (deviations), which is associated with the three sources of variance. These are total variance, model variance, and residual variance. The total variance is partitioned into the variance which can be explained by the independent variables (regression) and the variance which is not explained by the independent variables (residual).

⁵² The degree of freedom (df) generally refers to the number of independent observations, minus the number of parameters estimated (calculated the value of an independent variables).

⁵³ The Sig value determines the condition of means, which are relatively the same or significantly different from one another. If the Sig value is greater than 0.05 there is no statistically significant difference between variables. If the Sig value is less than or equal to 0.05 there is a statistically significant difference between the variables.

	Total	42.622	89			
9	Regression	5.627	4	1.407	3.232	0.016 ⁱ
	Residual	36.995	85	0.435		
	Total	42.622	89			
10	Regression	4.629	3	1.543	3.493	0.019 ^j
	Residual	37.993	86	0.442		
	Total	42.622	89			
11	Regression	3.641	2	1.820	4.063	0.021 ^k
	Residual	38.982	87	0.448		
	Total	42.622	89			
12	Regression	2.608	1	2.608	5.735	0.019 ^l
	Residual	40.015	88	0.455		
	Total	42.622	89			

Appendix 10.4: Definition of Beta Coefficient

The Beta value defines the measurement unit of standard deviation, which measures the influence of each predictor variable. The higher the Beta value the greater the impact of the predictor variable on the criterion variable. If a *Beta* coefficient is positive, then the relationship of this variable with the dependent variable is positive; if the *Beta* coefficient is negative then the relationship is negative. Similarly, if the *B* coefficient is equal to 0 then there is no relationship between the variables.

Appendix 10.5: Excluded Variables

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
2	Coordination, linkage, Partnership development	.000 ^a	.003	.998	.000	.824	1.214	.759
3	Coordination, linkage, Partnership development	.000 ^b	.004	.997	.000	.830	1.205	.760
	Transparency and Accountability	-.001 ^b	-.010	.992	-.001	.914	1.094	.769
4	Coordination, linkage, Partnership development	.004 ^c	.035	.973	.004	.838	1.194	.801
	Transparency and Accountability	-.008 ^c	-.072	.943	-.008	.952	1.050	.789
	Empowerment	-.035 ^c	-.315	.754	-.035	.888	1.126	.770
5	Coordination, linkage, Partnership development	.007 ^d	.063	.950	.007	.843	1.187	.810
	Transparency and Accountability	-.012 ^d	-.110	.912	-.012	.962	1.039	.799
	Empowerment	-.033 ^d	-.305	.761	-.034	.889	1.125	.772
	Inclusive participation	-.042 ^d	-.378	.706	-.042	.886	1.128	.806
6	Coordination, linkage, Partnership development	.010 ^e	.090	.929	.010	.846	1.182	.834
	Transparency and Accountability	-.017 ^e	-.164	.870	-.018	.980	1.021	.841
	Empowerment	-.030 ^e	-.279	.781	-.031	.892	1.120	.791
	Inclusive participation	-.037 ^e	-.337	.737	-.037	.895	1.117	.842
	Social Capital	-.046 ^e	-.403	.688	-.045	.814	1.228	.814

7	Coordination, linkage, Partnership development	.005 ^f	.042	.967	.005	.856	1.168	.856
	Transparency and Accountability	-.019 ^f	-.188	.851	-.021	.982	1.018	.923
	Empowerment	-.040 ^f	-.384	.702	-.042	.952	1.050	.918
	Inclusive participation	-.035 ^f	-.321	.749	-.035	.897	1.115	.897
	Social Capital	-.036 ^f	-.320	.750	-.035	.840	1.191	.840
	Enabling Environment	.050 ^f	.448	.655	.049	.844	1.185	.844
8	Coordination, linkage, Partnership development	-.002 ^g	-.017	.986	-.002	.878	1.140	.878
	Transparency and Accountability	-.022 ^g	-.217	.829	-.024	.988	1.012	.947
	Empowerment	-.041 ^g	-.394	.694	-.043	.953	1.050	.944
	Inclusive participation	-.032 ^g	-.295	.768	-.032	.901	1.110	.901
	Social Capital	-.040 ^g	-.363	.717	-.040	.851	1.175	.851
	Enabling Environment	.036 ^g	.334	.739	.037	.908	1.102	.908
	Planning, Implementation and Monitoring	-.040 ^g	-.377	.707	-.041	.928	1.078	.928
9	Coordination, linkage, Partnership development	.001 ^h	.014	.989	.002	.879	1.138	.879
	Transparency and Accountability	-.024 ^h	-.236	.814	-.026	.989	1.011	.973
	Empowerment	-.041 ^h	-.391	.697	-.043	.953	1.050	.953
	Inclusive participation	-.030 ^h	-.279	.781	-.030	.902	1.109	.902
	Social Capital	-.057 ^h	-.534	.595	-.058	.907	1.103	.907
	Enabling Environment	.041 ^h	.388	.699	.042	.912	1.096	.912
	Planning, Implementation and Monitoring	-.048 ^h	-.457	.649	-.050	.939	1.064	.936
	Local democracy	.076 ^h	.732	.466	.080	.948	1.055	.948
10	Coordination, linkage, Partnership development	-.019 ⁱ	-.177	.860	-.019	.894	1.119	.894
	Transparency and Accountability	-.020 ⁱ	-.192	.848	-.021	.989	1.011	.982
	Empowerment	-.021 ⁱ	-.198	.844	-.021	.968	1.033	.968
	Inclusive participation	-.020 ⁱ	-.187	.852	-.020	.905	1.105	.905
	Social Capital	-.062 ⁱ	-.578	.565	-.063	.908	1.102	.908
	Enabling Environment	.000 ⁱ	.005	.996	.001	.971	1.030	.971
	Planning, Implementation and Monitoring	-.077 ⁱ	-.749	.456	-.081	.980	1.021	.980
	Local democracy	.088 ⁱ	.845	.401	.091	.954	1.048	.954
	Institution Building	-.155 ⁱ	-	1.514	-.162	.977	1.024	.973
11	Coordination, linkage, Partnership development	-.053 ^j	-.499	.619	-.054	.940	1.064	.940
	Transparency and Accountability	-.016 ^j	-.157	.876	-.017	.990	1.010	.987
	Empowerment	-.042 ^j	-.410	.683	-.044	.989	1.011	.988
	Inclusive participation	-.055 ^j	-.527	.599	-.057	.957	1.044	.955
	Social Capital	-.065 ^j	-.601	.549	-.065	.908	1.101	.908
	Enabling Environment	.021 ^j	.203	.840	.022	.989	1.011	.987
	Planning, Implementation and Monitoring	-.090 ^j	-.872	.385	-.094	.988	1.013	.985
	Local democracy	.104 ^j	.997	.322	.107	.965	1.036	.965

	Institution Building	-.131 ^j	- 1.281	.203	-.137	.995	1.005	.993
	Service integrity	-.153 ^j	- 1.496	.138	-.159	.992	1.008	.992
12	Coordination, linkage, Partnership development	-.024 ^k	-.227	.821	-.024	.969	1.032	.969
	Transparency and Accountability	-.014 ^k	-.131	.896	-.014	.990	1.010	.990
	Empowerment	-.027 ^k	-.263	.794	-.028	.998	1.002	.998
	Inclusive participation	-.054 ^k	-.511	.611	-.055	.957	1.044	.957
	Social Capital	-.030 ^k	-.283	.778	-.030	.946	1.057	.946
	Enabling Environment	.019 ^k	.183	.855	.020	.989	1.011	.989
	Planning, Implementation and Monitoring	-.072 ^k	-.694	.490	-.074	1.000	1.000	1.000
	Local democracy	.113 ^k	1.073	.286	.114	.968	1.033	.968
	Institution Building	-.141 ^k	- 1.370	.174	-.145	.999	1.001	.999
	Service integrity	-.143 ^k	- 1.393	.167	-.148	.995	1.005	.995
	Service Effectiveness	.156 ^k	1.518	.133	.161	.997	1.003	.997

a. Predictors in the Model: (Constant), Social Capital, Institution Building, Transparency and Accountability, Inclusive participation, Local democracy, Empowerment, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity, Enabling Environment

b. Predictors in the Model: (Constant), Social Capital, Institution Building, Inclusive participation, Local democracy, Empowerment, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity, Enabling Environment

c. Predictors in the Model: (Constant), Social Capital, Institution Building, Inclusive participation, Local democracy, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity, Enabling Environment

d. Predictors in the Model: (Constant), Social Capital, Institution Building, Local democracy, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity, Enabling Environment

e. Predictors in the Model: (Constant), Institution Building, Local democracy, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity, Enabling Environment

f. Predictors in the Model: (Constant), Institution Building, Local democracy, Service Effectiveness, Planning, Implementation and Monitoring, Community Mobilisation, Service integrity

g. Predictors in the Model: (Constant), Institution Building, Local democracy, Service Effectiveness, Community Mobilisation, Service integrity

h. Predictors in the Model: (Constant), Institution Building, Service Effectiveness, Community Mobilisation, Service integrity

i. Predictors in the Model: (Constant), Service Effectiveness, Community Mobilisation, Service integrity

j. Predictors in the Model: (Constant), Service Effectiveness, Community Mobilisation

k. Predictors in the Model: (Constant), Community Mobilisation

l. Dependent Variable: Ensuring Community Governance