

**Pattern and Process of Governance in a  
government organization and Community Based  
User groups in Dhumkibas Village Development  
Committee in Nawalparasi District in Nepal**

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## **Abstract**

Literatures abound regarding governance of government organizations and community based organizations or civil society organizations. Governance has been studied applying many theoretical frameworks. Most of these inquiries have concentrated on national level institutions and phenomena. The governance problem at the local level have been limited to assessing governance of Local Government Institutions based on some pre fixed management indicators such as frequency of attendance, participation in the AGM etc. While these indicators speak volume about how governance functions are executed, they do not speak of the perspective of the persons who executes these governance functions. The level of ownership espoused by members in an institution determines how governance functions are executed.

This study inquires about governance in a local government organization, Village Development Committee and all community based user groups falling within the political and administrative boundaries of the VDC. At the local level the democratic problem posed by networks of institutions involved in governance seems easier to identify or solve than the democratic challenge at the regional or national level. So this study concentrates in the lowest administrative level of the government, a village Development committee. The study concentrates on finding relevant factors which explains variation of governance in a government organizations and community based user groups even when the persons who are executing governance functions are same or the institutions have overlapping memberships. Generally, at the village same group of persons are involved in executing governance functions in many institutions. This study searches for variation in governance in 2 institutions from the perspective of those persons who are governing members and who derive same benefits from these institutions.

Based on proposition of Institutionalism developed by William Richard Scott, the study develops conceptual framework which identifies factors explaining variation in governance and categorizing these factors based on whether they are related to rule-making or norm setting. Purposive sampling was applied for this qualitative inquiry in which 15 respondents who had been involved in governance of VDC and Community Based User Groups (CBUGs) were selected for conducting in-depth interviews and Focus group Discussion (FGD). The respondents were asked about the procedures of securing participation, accountability procedures and transparency in both institutional setting based on their understanding. From the narration of respondents, inferences were drawn listing factors which explain for variation in governance.

The major factors which explained for variation are the ways of rule construction and sanction imposition, decision making process, image of institutions, perceived level of trust, confrontation with bureaucrats, party politics, power relation, Intensity of member's interaction, and compliance mechanism. It can be conclusively established that there are some rule-like and norms-like factors affecting perception of governance of members who have overlapping memberships and are involved in different institution. The ways in which institutions act on the actors' perception determines an actor's involvement in the institution.

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## **LISTS OF ABBREVIATIONS**

AMIS	Agency Managed Irrigation System
B S	Bikram Samwat
CA	Constituent Assembly
CBO	Community Based Organization
CFP	Community Forestry Program
CFUGs	Community Forests User groups
CPM UML	Communist Party of Nepal- United Marxist Leninist
CPR	Common property Regime
DADO	District Agriculture Development Office
DDC	District Development Committee
DFO	District Forest Office
FCHV	Female Community Health Volunteers
FMIS	Farmers Managed Irrigation System
JTA	Junior Technical Assistant
LGIs	Local Government Institutions
LSGA	Local Self Governance Act
MoLD	Ministry of Local Development
NPC	National Planning Commission
USAID	United States Agency for International Development
VDC	Village Development Committee
WUA	Water Users Association

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## CHAPTER 1: INTRODUCTION

### 1.1 Background

Governance means different things to different people. Despite some overlaps, it has one meaning for the economists and another for political scientists. Enormous literatures have been written by these two groups on governance. There are points of convergence as well as contested points in the arguments given by the leadership of these groups. In the political discourse, governance deals with power, authority and legitimacy. The new use of governance does not point at state actors and institutions as the only relevant institutions and actors in the allocation of values (Easton, 1965). Within a single discipline of political science, the definition of governance varies. Rod Rhodes (1996) defines it in terms of inter-organizational networks in the pursuit of common goals, while Rosenau talks about governance as emergence of global governance where the global system is anarchic since there is no government reigning over all states and Goran Hyden understands governance in terms of state-society relation. The increasing use of the concept of governance can be seen as a reaction to the worldwide occurrence of rise of networks, globalization and resulting into increased fragmentation of authority of state actors and institutions.

From an institutionalism perspective, governance refers to the setting of rules, application of rules, and enforcement of rules. The common issues in governance theories are: Networks and reciprocity, Accountability, Democratic levels at different levels, state and hierarchy, under emphasis on power. The insights from governance theory are that the multiple loci of policy-making and implementation imply that democratization cannot be introduced at one level only; it involves greater openness and transparency at multiple levels (Kjaer, 2004). Increasing use of governance theories and models have led to the acknowledgement of process and actors traditionally considered outside government and series of networks established by pressure groups, civil society organizations and international organizations, alternatively called as multi-level governance or polycentric governance or tri-sector governance.

Multi level governance implies a shift from policy making process which was primarily intergovernmental to a process that involves outside agencies also. Increasingly policies are

being framed giving due consideration to the demands and voices of people who were excluded from the mainstream of policy design. Policy agendas have come from avenues beyond political party and government. Moreover, growth of interests' organization and decentralizations plans for achieving higher democracy has also changed the role of state in policy making. Multi level governance also includes relation among central governments and local governments. The mechanism for achieving multi level governance is same for both central and local governments but local governments have channels vertically extended to the central governments and horizontally to other local organizations. Governance is defined as the composite of effectiveness of institutions at the local level, whether government or else.

Governance has been variously studied and concepts of governance has been applied to all organizations whether private or government. In the field of business administration, governance is seen as separation of power among the executives and the boards (councils) which is borrowed in the theory of New Public Management. Likewise governance of community based organizations has been studied at length. Values such as participation, accountability, transparency and responsiveness and representation are considered important while defining governance at the local level. Community based organizations (CBO) do have governance function to execute. Much like the same way a government organization does. The ideals of achieving participation, being accountable and responsive are cherished in government and community organization alike. It is generally seen that some community based organizations seem to perform well in achieving governance values than the formal government organization. When governance is seen to be a rule making mechanism to be complied by members, community based organizations do effectively well in their areas of governance rather than the government organizations, even though, at the local level, the memberships of community organization overlaps with that of the government organization (Regmi, 2006).

## **1.2 Statement of the Problem**

The shift in thinking from strong central governments to local governments came after the third wave of democracy. Researches in the field of decentralization and local government led to the concept of local autonomy. Issues related to competition in market for provision of goods and services, people's participation in the local government institutions, accountability measures to

the local elected body and development planning were brought into public discourse. As a result the newly independent developing countries created local government institutions considering them to be at-arms length with local people. It was thought that this would lead to more ownership and better representations of local interest as well as increasing democracy at local levels. Nepal was no exception to this trend. From the start of 1980s it brought Acts and regulations to decentralize functions at the local level. The latest and robust effort for empowerment of the local body is the Local Self Governance Act, 1999. The LSGA espouses the case for strengthening local self-governance by maximizing people's participation in the process of governance by way of decentralization; institutionalizing the process of development by enhancing the participation of all the people in bringing out equity in development; institutional development of local bodies to exercise power and authority in formulating and implementing plans and build local leadership capable of taking decisions affecting the everyday lives and needs of the people (Dahal et al, 2001).

There is no dearth of literature concerning the local government institutions in Nepal. Most of the studies look into the legal or fiscal autonomy of these institutions and conclude that the ineffectiveness of these local government institutions is because of the lack of infrastructures, legal and fiscal autonomy. Many scholars claim that provided with such resources the local government institutions in Nepal will function effectively. Dahal et al (2001) opines that “the core of local governance in Nepal, the District Development Committees (DDCs), Village Development Committees (VDCs) and municipalities, suffers from a legitimacy crisis, as they are caught by a series of paradoxes between responsibilities and resources, between accountability and Power and between legislative framework and ground realities”.

However, these scholars have paid faint attention to the fact that the community organizations established within the political boundary of the Local Government Institutions have been operating for centuries. So much so Nepal’s community forestry programs, which involve user groups managing common forest resources, have been highlighted as the success story in the field of community development. Community Forestry Program (CFP) is flourishing in the country, nurturing democracy at the grassroots (Ojha and Pokharel 2005; Rechlin et al. 2007), despite a prolonged insurgency and political upheavals. Moreover the federations of community forestry user groups increasingly blame the central government and the National Planning

Commission (NPC), the apex planning body for ignoring their plans and programs based on local needs and priorities; stripping their power of managing community forestry, water resources, etc. by respective national acts and the authority of district offices thereby increasing a trend toward centralization (Dahal et al, 2001).

Naturally a question emerges as to why community organizations are performing well in managing their resources while the effectiveness of government organization is limited, even though the memberships in both organizations are overlapping. In a report prepared for USAID in 2006, user groups in community forestry have been found to exercise governance principles in their organizations and the report claims that these user groups are the sources of institutionalizing democratic practices at the local level, a task of a government organizations. The government of Nepal has also accepted the important contribution of these communities based organizations and actively works in partnership with these organizations. Community forestry in the mid-hills is often regarded as one of the few notable success stories in the national context of poor public sector management, improving people's livelihoods on the one hand and conserving natural landscapes on the other.

Though the current political crisis in Nepal is casting a shadow over community development efforts, there has been good progress in community forestry initiatives. It is important to note that since there are no elected officials at present in Nepal, Community forest user groups (CFUGs) currently operating are the only existing form of democratic governance in the country. Although there are important differences between a local government organization and community organizations in terms of origin, functions, and lifespan (Manor, 2004), there are similar governance functions that both organization need to execute. James Manor argues that formation of user groups results into weakening of the grassroots democracy. User groups draw citizens into consultation with governments for policy process. Considering both a government organization and community based organization as a “public organization” which is owned by the public, both can be considered as a microcosm of the state. There are some governance functions common to both these organizations.

Using institutionalism approach to governance, this study intends to compare the governance pattern and process in the user groups, a community based organization and Village

Development Committee (VDC), a local government organization. The political boundary and memberships of these organizations are overlapping providing enough grounds for comparison.

### **1.3 Objective of the study**

The objective of the research is to find out pattern and process of governance in a Community based User groups and Village Development Committees (VDC) as perceived by the governing members having a stake with these institutions. More specifically the research aims:

- To find out the process of securing participation in the Village Development Committee (VDC) and Community-based user groups as perceived by governing members performing dual role in these institutions.
- To find out Accountability patterns in the Village Development Committee (VDC) and Community-based user groups as perceived by governing members performing dual role in these institutions.
- To find out transparency procedures in Village Development Committee (VDC) and Community- based user groups as perceived by governing members performing dual role in these institutions.

### **1.4 Significance of the research**

Local government institutions are very important for the practice of democracy at the grassroots level. In case of Nepal where the local elections have not being held for more than 10 years, democracy has taken a backseat in the affairs of the formal government organizations at the local level. Run by nominated party leaders of major political parties, these local government institutions have not been able to provide services to the citizens. Parallel to this event is the proliferation of community based organizations, whose memberships include rural and poor, and they have been instrumental in institutionalizing democratic practices. Inquiry into the governance of these small scale institutions will lead to bring forth variables, hitherto, seen, in discourse related to democracy and development.

Literatures have pointed out socio-economic variables affecting participation of members at Local Government Institutions (LGIs) and User groups; while this research keeps these socio-economic variables constant to see what other factors affect participation. Taking institutionalism perspectives, this research intends to find answer to queries like why governance in one institution is perceived different than others even though a person has same affiliation with both organization and receives benefit from both organizations. Alternatively, this research seeks answer to how governance of formal VDCs is different from that of a community based user groups in the views of people who have dual memberships. The discovery could help in finding out how organizations need to be structured so that they achieved values of governance.

The proliferation of civil society members in the name of federations or associations is growing in Nepal. Millions of grassroots people are organized in community based user groups in sectors such as forest management, irrigation, drinking water and road construction. This research is significant because it looks what makes governance of these community based organizations different than that of a government organizations. This may provide important clue regarding the ways in which democracy can be structured at local level in Nepal.

### **1.5 Research Questions**

The research aims to answer following questions:

- How participation is achieved in the Village Development Committee (VDC) and Community-based user groups as perceived by governing members performing dual role in these institutions.
- How Accountability is maintained in the Village Development Committee (VDC) and Community-based user groups as perceived by governing members performing dual role in these institutions?
- How Transparency is maintained in the Village Development Committee (VDC) and Community-based user groups as perceived by governing members performing dual role in these institutions?



## **1.6 Scope of the study**

The study is intended to assess participation arrangements, accountability mechanisms and transparency methods of a Village Development Committee, a formal government organization and community based user groups. At the local level the democratic problem posed by networks of institutions involved in governance seems easier to identify or solve than the democratic challenge at the regional or national level. So this study concentrates in the lowest administrative level of the government, a village Development committee. VDCs are the lowest and the closest administrative body having functions for taking decisions regarding their priorities. Although the VDCs are divided into 9 wards which can also be taken as administrative government entities but these wards have very less governance functions which provide very less room for engagement for executives and comparison. While moving along the municipality and District Development Committee, it becomes difficult to discern the issues related to governance as clearly as would be the case in VDC because of their size and jurisdiction. The research was limited to the study of one VDC and all the user groups falling within the administrative boundary of the VDC. The research was carried out in a Dhumkibas VDC in Nawalparasi district in west Nepal.

## **1.7 Structure of the Study**

This study has been divided into five chapters. First chapter introduces the basic problem statements related to governance in the lower tiers of administrative level in Nepal. It explains the perception of governance in a Village Development Committee and all community based user groups from the perspectives of those persons who execute governance functions. There are increasing numbers of community based user groups in Nepal whose executive members are also involved in the governance of village development committee of the same areas. Parallel to this is the proliferation of writings claiming the lack of governance in the VDC. These facts are contradictory as the persons who execute governance functions in both these institutions are same. This chapter describes the various meaning of governance in political, administrative, corporate and development circles. It concludes by stating the questions related to identifying process of governance as is practiced in a VDC and CBUGs.

The second chapter reviews the literatures on governance, institutionalism and study of institutional factors which affect governance. Review of literatures pointed out that conflict,

authority structure, party politics, professional norms and trust exhibited by members in their institutions affect practices of governance. This review leads to the development of conceptual framework which is derived from the propositions of Institutionalism developed by W Richard Scott. The framework has been slightly modified than as developed by Richard Scott.

The Third chapter explains the methodology adopted in this study and the research design that is implemented. Qualitative research design is adopted for this study.

In the fourth chapter the analysis of the information so gathered has been presented. Description of institutions found within the Dhumkibas VDC has been followed by description of the process of governance in the VDC and CBUGs as perceived by the respondents.

Chapter 5 discusses the findings and the inferences that could be drawn from the narration of governance functions provided by respondents. In this chapter the factors which affect governance has been categorized into 2 groups and explanation provided for their inference.

The last chapter presents summary and conclusions of the study.

## **Chapter II: CONCEPTUAL AND LITERATURE REVIEW**

### **2.1 Background**

This chapter provides a review of existing literatures concerning study of governance from the institutionalism perspective. It draws from study of governance from the national institutions and derives facts which could be held to remain true at the local level also. Based on the inferences drawn from these studies, relevant factors affecting governance has been listed and a conceptual framework has been designed.

### **2.2 Literature Review**

There is no dearth of literature in the study of governance, taking in an institutionalism approach. Institutionalism develops an interactive approach that seeks to relate structures and actors within institutional settings. The relation of structure of government and democracy has been studied by Terry Lynn Karl. He opines that “Since the search for precondition of democracy is bound to be futile, the task is rather to develop an interactive approach that seeks to relate structural constraints to the shaping of contingent choice (Karl, 1990). The Institutionalism perspective is derived from sociological theories like ethno-methodology, phenomenology, action theory, interpretivism etc. The major thrust of these theories remain that actors perform action within certain institutional scenario. Their actions are not solely based on grand concepts like culture, ecology, economy; neither do they depend minutely upon personality. The search for reductionism is easy to carry out but difficult to rely on. The actors perform actions which are affected by institutional constraints, their cognition and social scenario. A person eats differently in a friend’s house then in a restaurant with the same group of friends. In the process of living life daily, actions are created which later are repeated and manifest themselves into institutions. Certain social structures make room for certain behavior than others. There are institutional constraints to participation in social life. For example the presence of a strong but benevolent land owner could produce different results of political change than a despotic land owner. The answers to the ways people arrange themselves in social interactions can be found in the institutional settings. The products of a social interaction are shaped by the ways actors interact with each other and their perception of the problem. Institution while offering choices also constrains behavior. Karl mentions that in countries like Chile and Venezuela, dependence upon minerals for exports made landowners sell their lands, whereby, they became part of the

commercial bourgeoisie and no longer needed the state to maintain their privileges. This meant that Chile and Venezuela were able to institutionalize democratic agreements. In this way it should be possible to demonstrate how decisions are conditioned by institutional patterns in a community.

Inquiries into the democratic governance have led to the discovery of institutional constraints. Lijphart's Consociation Democracy was a discovery after having realized the difficulties to maintain democratic governance in a society divided along caste, ethnic, religion and regional demarcations. It is some form of bargain democracy where the universal features of democracy seem to be present but there are some deviations as well. Having regular and free and fair election is a universal feature of democracy. Certain countries divided among caste and ethnic line, although practice democracy and they conduct regular election but entry into the election as contestants is institutionally or socially prohibited for some while facilitated for others. In such scenario it is but obvious that practice of democratic fundamentals depends upon the will and personal attributes of leaders rather than on the features of the system.

Nepal practiced writing constitution through Constitution Assembly (CA) in 2008. 601 members of the Constitution Assembly were elected and entrusted with the responsibility to draft a constitution within 2 years. Recent events have demonstrated that CA has been nothing more than a body of formalizing decisions rather than a body where things will be discussed and then decided. The major political parties form committee after committee to debate on important issue instead of letting the body of 601 decide. In trying to control the output of discussion, the major political parties discussed important issue outside CA giving them more power to decide because in CA each leaders vote is as important as any other members of the CA. The rationale for writing constitution through CA is lost in the process. The major decision making process remains in the will and wisdom of few leaders of major political parties rather than to a full fledged of 601 members of the CA. The strong party system in Nepal where party leader can nominate and withdraw executives to the government, has contributed to this syndrome. Thus the institution of CA practiced world over has been differently used in the context of Nepal. In here the CA is a body where decisions are approved rather than a body where issues are discussed. Although Parliamentary democracy had a rate of survival more than three times higher than that of presidential democracies as cited by Stephen and Skach (1993 cited in Kjaer 2004), these

democracies are applied in different forms dependent upon where the countries are rule by King or political parties, national Army's interest in government, presence of international institutions, status of press freedom, ethnic division among populations and character of bureaucracy.

Democratization scholars assume that civil Society to be instrumental in bringing about a democratic transition and to increase likelihood of consolidating democracy. Civil society play the role of watch-dogs, think tank and advocacy groups for holding governments accountable and making sure the governing body abides by the rules. The democratic transition in Nepal during the April Uprising in 2005 was helped by the proliferations of civil society organizations and federations of various interests groups. Effectiveness of civil society organizations is because these organizations have high degree of social capital. Robert Putnam (1994) argues that a high degree of civicness, or social capital, is essential to democratic governance. He defines social capital as 'features of social organization, such as trust, norms and networks that can improve efficiency of society by facilitating coordinated actions (Putnam, 1994:167). This means that organizations which have higher social capital will have effective governance than organizations with less social capital. Social capital affects governance. Gyden's analysis of governance through its authority, reciprocity, trust and accountability is also based upon institutionalism approach.

All these above inquiries try to link governance with rule making at the national level. Institutionalism has been used to study grand systems like parliamentary systems, international arrangements, and democratic governance. The field of study has been so grand that multitude of factors not considered in these study have affected the process. Ashok Raj Regmi's inquiry into the Famers Managed Irrigation System (FMIS) and Agency Managed Irrigation System (AMIS) discovers that FMIS are far better in self-governance than AMIS despite poor resource base and lack of managerial skills. A self organized system can be structurally better at generating positive incentives than externally organized system because the members collectively construct and govern their own systems. Lam (1998) observed that higher level of trust and rule-following behavior were observed in farmer managed Irrigation system (FMIS) then in Agency Managed Irrigation System (AMIS) in a research done in 127 irrigation projects in Nepal. In addition to this, Ostrom and Gardner (1993) found that FMIS, which is a community managed irrigation system outperforms AMIS, a government organization by a factor of 3 when it comes to

distributing much need service i.e. water to the end users in all seasons. Although much is dependent upon how the attributes of resource interact with attributes of users for successful performance but there research is needed to find out why are there such differences among working of community organization, represented by FMIS and a government organization, AMIS, even though both are guided by the vision of service deliver to as much members/citizens as possible. Furthermore Regmi (2008) writes in his post doctoral thesis that “the abilities of the group to craft rules and their willingness to monitor and enforce them can overcome the problems associated with resource endowments”. Thus process of making rules is important effect for Governance since compliance of rule is a major determinant of governance. Although Regmi has used theory of common pool resources, his explanations borrows from institutionalism as well when he agrees that the ways rules are made determines observance. The lack of leadership abilities or prior organizational history, in fact, can turn out to be more detrimental to self-organization and irrigation performance than poor initial resource endowments, ethnic differences, or even the presence of permanent irrigation infrastructure. He further writes that presence of a set of credible, commonly understood well-enforced, and agreed-upon rules further helps in generating a positive incentive system for villagers to engage in collective action.

Dahal et al (2001) observes that Good governance requires the establishment of a rule-governed system to guarantee the equitable, just and rational distribution of the advantages among all holders of interests in common. The domestic regime of Nepal, however, is enmeshed in a growing web of power woven by the domination of core (centrality of Kathmandu), social (caste system), economic (feudalism), political (patron-client network), cultural (paternalism), psychological (sense of deprivation and powerlessness among underclass) and gender (patriarchal form of society) and creating barriers for the people to realize their constitutional and human rights. These factors of monopoly are the real barriers to people’s participation in governance and development. They act as a brake on the devolution of power and responsibility, no matter how good the Constitution is and legal provisions are for the Village Development Committees, municipalities and District Development Committees --the core of local governance in Nepal.

The quality of governance depends upon the conflict level as well. The reason for conflict may be various ranging from personal resentment to inadequate resource base to institutional issues. Conflict decreases interaction and fosters negative opinion. Oakerson (1999, p.18-19) states that "governance process includes resolution of conflict among participants, as well as the maintenance of agreeable and equitable arrangements." March and Olsen (1984, p.742), in a study on organization management, conclude that empirical research seems to indicate that *"conflict is endemic and that it tends to be interminable rather than settled by prior arrangement"*. It is often overlooked that the continuous articulation of disagreement, and thus the potential of conflict, is an inherent part of the dynamics involved in the crafting of the institutional arrangements necessary for collective CPR management. Conflict may be necessary and unwanted at the same time. It is "necessary" because the decentralized, self-governance of CPRs requires the articulation of different individual preferences. It is "unwanted" because disagreement and conflict complicate collective action. Collective action is essential to escape the tragedy of the commons. The level and intensity of conflict is determined by the rules-in-use that constrain participant interaction. An institutional analysis of conflict should distinguish between operational rules, or the every-day rules that direct, guide, or constraint individual behavior, and, collective choice rules, that is, the rules that determine who is eligible to adapt the operational rules, and what the procedures are to do that. Operational rules stipulate for example what can be harvest, by whom, in what quantities, when and where? Alternatively, what activities can be developed in the CPR, where, when, and by whom? Collective choice rules set the margins for challenging operational rules.

Efforts to either suppress or eliminate potential conflict can produce a negative orientation in people's behavior and can radically affect the policies of the government. In the presence of polycentric and multi-layered structures and the heterogeneity of actors and social structures, success of governance mechanism in solving conflicts depends on how steering and regulative rules are applied to generate a common will or common goal. Well defined channels of cooperation are important for they help mediation in conflicting issues and prevent Prisoner's dilemma. Thus institutions must have mechanism installed for conflict resolutions. In the words of Kriedberg (1996, p. 125) "Intermediaries can mitigate undesired aspects of conflicts by mediation, thus facilitating communication and providing face-saving options."

Above discussions by scholars points out those studies on governance from institutionalism perspectives have been limited to the grand system analysis like parliamentary systems, International organizations and transitional democracies, without paying much attention to the local institutions. However application of institutionalism perspective in the local government system has been done, seldom. The studies relating to local governance or civil society governance have been limited to discovering variables which affect different aspects of governance in the organization, without institutional analysis. Institutionalism looks into the governance system based upon the interaction of the actors with the social structures. Thus this study attempts to use institutional perspective while comparing the pattern and process of governance, from member's perspective, in a formal government organization and community based organization to derive factors which explains for variation in governance despite having common memberships.

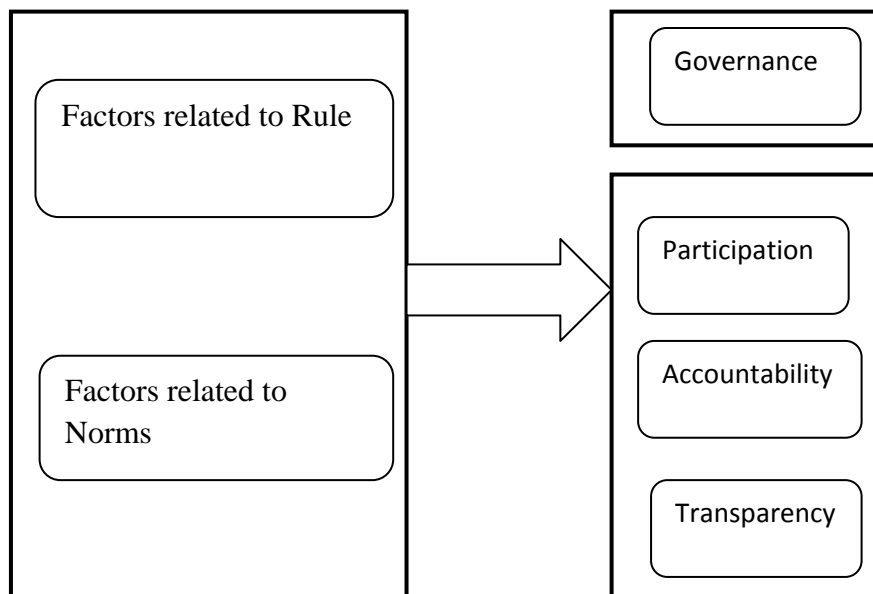
## **2.2 Conceptual Framework**

The study used institutionalism as its theoretical point of reference. Institutionalism believes that actors' interactions with each other create rules for governance which later grows to constrain the choices of individual. This study took into account the propositions of Institutionalism given by Richard Scott. Scott (2001), developed three 'pillars' of the institutional order: regulative, normative, and cultural/cognitive, based upon a documentation of how federal regulatory changes and the differentiation of medical specialties had the unintended effect of eroding the sovereignty of physicians, changing the field of medicine profoundly. His finding revealed that complexities and variety of organizational responses to laws as well as the extent to which members inside organizations helped construct laws and create regulations, shapes practices in the field. Regulative elements emphasize rule setting and sanctioning, normative elements contain an evaluative and obligatory dimension, while cultural/cognitive factors involve shared conceptions and frames through which meaning is understood. If any institution with authority to enact laws issues directives or rules regarding facilitating or constraining behavior or action, it is regulation. If a person performs an action because he thinks it is standard way to behave it is norm and if a person performs an action because he thinks everybody does this or this is the way to act then it is cognition. Organizations are comprised of diverse institutional elements, some rule-like, others normative, others borrowed from standards setters. These various features can



be at odds with one another, can be nested within one another, or apply differentially to different members of a field. A key analytical task for institutional analysis is to ascertain which factors are important in particular contexts and the extent to which the mechanisms work to reinforce the prevailing social order or undercut one another.

Taking this institutional position a conceptual framework is devised. The conceptual framework lists important factors which affect different aspects of governance namely, Participation, Accountability and Transparency. These factors are classified into Regulative, Normative and cognitive/cultural. Since the differentiation between normative factors and cognitive were difficult for this research, these have been grouped together. The definition and rationale of factors affecting governance could not agree, strictly, with the definition of regulative and normative factors as defined by Scott. So a more pragmatic categorization was created for this research and factors were categorized on the basis of whether they were related to rule making or related to social norms. The resulting conceptual framework has been featured below:



**Figure 1: Conceptual Framework**

## **Chapter III: RESEARCH METHODOLOGY**

### **3.1. Introduction**

The purpose of this study is to explore the factors that alter a person's perception of the governance. Given affiliation in two different institutions what causes perception of governance differ when the person who executes governance functions is same. The study looks into governance more as ownership of institution. To gain picture of what differentiates governance of institution when the subjects who execute the governance function is same. Specifically, the study focused on the individual's perception affect in governance. This study tries to find out factors which affect perception regarding how governance function is executed. To understand institutional factors which affect member's perception of governance by studying how the process of participation, accountability and transparency is maintained within both institutional setting, this study takes qualitative research design and methodology.

### **3.2. Research design**

Qualitative research design has been adopted for the study. Denzin and Lincoln (1994) explain that qualitative researchers use a variety of methodologies such as ethnomethodology, phenomenology, ethnography and case study to describe and interpret the layered phenomena that occur in people's lives.

A qualitative design has been selected as research method to add depth of understanding and detailed information regarding the institutional and perceptual factors influencing governance in institutions. As Sherman and Webb (1988) state, "qualitative research implies a direct concern with experience as it is lived or felt or undergone". Qualitative research focuses on a different way of knowing – one based on experience, empathy, and involvement (Rist, 1982). "Knowledge is within the meanings people make of it; knowledge is gained through people talking about their meanings; knowledge is laced with personal biases and values; knowledge is written in a personal, up-close way; and knowledge evolves, emerges, and is inextricably tied to the context in which it is studied" (Creswell, 1998).

The data collected told the story from the participant's perspective. Discovering some rule like factors while others norm like factors warranted a qualitative approach to allow for fluid

examination, flexibility, and responsiveness to changing conditions as the study progressed. The task was to study the specific and infer the general. The study is based on inductive logic rather than deductive reasoning. A qualitative study, therefore, supports what Patton (1990) explains as an effort to understand inductively and holistically the human situations and experiences in their uniqueness as part of a particular context.

A form of qualitative descriptive research, this study looks intensely at position held by an individual or small participant pool. The conclusions that are drawn are relevant only in that specific context. For this study, participants were used to gain an in-depth understanding of the situation and meaning of those involved. The respondents were performing dual role within two institutional settings but executed the same governance functions. Sanders (cited in Welsh 1981) states “Case studies help to understand the processes, events, projects, and programs and to discover context characteristics that will shed light on an issue or object.”

### **3.3 Selection of the study area**

The research was carried out in Dhumkibas VDC in Nawalparasi District in West Nepal. Dhumkibas VDC lies in the western development region along the east-west highway. The Dhumkibas VDC has one major market in ward no 5 where most of the government offices are located. Most of the activities of the VDC are related to building infrastructure, running small scale government service programs and daily administration. Since the number of activities is small, these could be studied in great detail. Moreover the governance functions in these activities could also be studied with ease. It is assumed that the variable involved in determining the process of governance would also be small which could, then, be analyzed and explained with ease. Although the VDC is connected to the national highway, it is still remote in the sense that it lacks physical infrastructure, education and drinking water facilities as compared to other adjoining VDCs. There has been an increase in the number of community based user groups in the Dhumkibas VDC. Only recently has there been community based user groups/ consumer groups formed in forests, irrigation, and agriculture development. Although some small community based development works have been carried out previously, the participation in these works were limited to very few people in the VDC. Some of the wards didn't have any representation even in the VDC meetings except Ward chairman. After 2007-2008 the trend for

inclusion has widened and most works are done through user groups formed by the VDC executives. The only records that these user groups maintain are the minutes of meetings which are also very few. The trend of involvement in community development activities has started since 2007, a recent phenomenon. This fact provides a good opportunity to compare the role of person in different institutional arrangements. Although the person disposes his/her duties as executives in both organizations yet the values such as participation, accountability and transparency are held differently in community based user groups and the VDC. There are 8 organized community based user groups who are involved in the management of forests, irrigation and drinking water. Additionally some 3 savings and credit groups are also working. Since the VDC is an administrative boundary, all members involved in the governance of VDC through participation in the VDC Council are also members of one of these community based user groups i.e. the memberships are overlapping providing grounds for comparison of aspects of governance.

### **3.4 Sampling Procedure**

In qualitative research, sample sizes are typically small and the participants are purposefully selected for their ability to provide detailed information on the topic studied. As Patton (1990) suggests, purposeful sampling provides “information rich cases for study in depth”. The following purposeful sampling criteria were employed.

1. Participants must be in the executive positions in any of the CBUGs and also involved in the council like meetings of the VDC
2. Participants must hold important posts like president, vice president, secretary or treasure or advisor in the respective CBUGs
3. Length of the engagement in the governance of VDC and Community based User Groups. All of the 12 respondents interviewed had been elected as VDC council members and they had participated in meetings of the VDC as “invitees” and members of political mechanism.
4. Participants were selected from following institutional settings:

**Table 3.1: Institutional Affiliations and portfolio of respondents**

Institutional settings	Position	Numbers
VDC	VDC Secretary	1
Community Forests User groups	President, Vice-president, Secretary, Treasurer and senior Adviser	5
Water Users Association	Presidents, Secretary and Treasurer	4
Agriculture related Farmers Groups	President and secretary	3
Persons from, recently dissolved, political mechanism	Regional President ( Nepali Congress) and YCL Incharge at the district level	2

Although there is no elected VDC council since 2002, but each VDC has nevertheless organized meetings by involving persons from various backgrounds. These meetings are participated by local political leaders (political mechanisms), Civil Society leaders, bureaucrats (Junior Technical Assistant, Head, Animal Service center, Female Community Health Volunteers etc) and leaders of community based user groups in the forest, irrigation and agriculture sectors. These are people who had been previously elected to the VDC council and would have been elected had there been election. These people were identified as the Elite members of the VDC. Of these members, those members were purposively selected who have been performing dual role – one as an executive to the community based user groups and other as an regular participant to the VDC- council- like meetings and other regular meetings conducted by the VDC. After 2002, Dhumkibas VDC has organized meetings which could be equated with the Village Council meetings. These meetings had followed all values of council meetings as provided in the Local Self Governance Act 1999/2000. The provisions mentioned in the chapter 6 clause 43, 46, 47, and 48 were abided by VDC Council-like-meetings. They have made these meetings inclusive interms of gender, caste/ethnicity, geographical area and demography. On Average every council-like-meetings had around 40 participants each year, although according to the LSGA, the council meetings should have 53 participants.

Even after the completion of the term of the memberships of the elected VDC Council members in 2002 and the formation of VDC Council by bureaucrats only, the secretary at the Dhumkibas VDC invited political leaders, NGOs leaders and teachers to participate as invitees. There was 84% repetition in the names of the persons who participated in the activities of VDC as elected council members before 2002 and after. It meant that the same groups of persons who participated as elected VDC members also participated even after their term expiration. Although the persons who governed VDC after 2002 were not legally representative of the people in terms of winning election but these people, nevertheless, have been elected had there been election, a fact which was echoed by the VDC secretary as well.

Although the political mechanism which used to work as executive of the VDC was recently dissolved, the members of the political mechanism were still very influential in taking decision at the local level. The total number of members in a VDC Council is 53 as specified in the LSGA. The members of the VDC comprises of ward chairman, vice chairman, VDC executive members and 6 nominated members from women, dalits, marginalized and backward group. The VDC council is a legislative body at the local level whose primary function is to approve annual and periodical plans for the VDC and monitor the executives in the VDC. Purposive sampling technique was used for the research owing to the need for accumulation of qualitative data. A total of 15 respondents were selected and indebt interviews were conducted based on interview schedule. Those members of VDC council who had been in the executive committee of programs conducted by both the community based user groups and VDC were selected. An intensive interview was conducted with other important stakeholders also. Of the 15 respondents, 12 were those persons who had been in the executive post of community based user groups and VDC, 1 VDC Secretary, and 2 members of political mechanisms which had recently been dissolved.

**Table 3.2: Number and nature of sample respondents**

SN	Type of respondent	Study Sample	Method
1	Persons who are involved in VDC as well as community based user groups	12	Interview
2	Members of, recently dissolved, political mechanisms	2	Interview
3	VDC secretary	1	Interview
	Total	15	

### **3.5 Nature and Sources of data**

Primary and Secondary sources of data were sought. Primary data were collected from interview schedule. The nature of the data required was primary in source. Most of the information was derived from the interview schedule. The official minutes of the VDC council-like-meetings were also studied. The reports prepared by some of the community based user groups were collected. These reports highlighted how values like participation, accountability and transparency are achieved in community based user groups. The legal provisions set out in the VDC and the community based user groups were followed, as the reports showed. Although the process for achieving participation, accountability and transparency as set out in LSGA for VDC and Constitutions of different community based user groups were similar in papers, the persons who held important posts to execute were also same yet there was some difference in ways their governance were run. The data were related to how different institutional arrangements creates different expectation of roles among individuals whose mandate were similar in both the institutional settings and what were its effects on governance. The information required for the research was perception related. Rather than assessing the level of participation based on some pre-structured questionnaire, as most research do, the dissertant tried to analyze the perception related data and compare how the values like participation, accountability and transparency are achieved and what factors are responsible for explaining variation in the governance in both the institutional arrangements. The perception related data came from the same individual who held executive position in both the institutional arrangements. Inquiry was carried out on how the

role differs in institutional settings even when the values to be achieved are same and the person involved is also same. Secondary information were collected from

- Official records, Minutes and other documents
- Operational plan and Constitution and working schedule of the groups
- Publication related to VDC and user groups

### **3.6 Tools of Data Collection**

The following tools were used for data collection

- Interview schedule: An interview schedule was prepared and interview was carried out among the 15 individuals involved in the field of local governance. The interview schedule focused how participation, accountability and transparency are maintained in Planning, Implementation and monitoring phase of the programs to assess their differences and similarities and what challenges were faced to institutionalize participatory approaches, accountability procedures and transparent behavior in both the institutional settings. The narration given by respondents was written in as much details as possible. The interview focused on the experiences regarding involvement in VDC activities and CBUGs. Information from these narrations was inferred and categorized. The interview itself became an iterative process. Respondents were contacted even after formal interviews were over. With some of the respondents interview was conducted twice or thrice. So the original schedule got extended and modified. Please see Annex for interview schedule
- Observation: Observation presents a lively picture of the general scenario of the activities in the VDC and community based user groups. The dissertant worked as a rapporteur for one of the meetings held at the VDC on the issue of Women Development Fund, which provided additional questions regarding accountability of the VDC. It was observed that community based user groups in forestry sector were more vocal than in agriculture sector at the Dhumkibas VDC. The forests user groups had more knowledge about participation, accountability and transparency as compared with other groups in the agriculture sector. They mobilized larger sums of money, conducted meetings frequently



and were seen to be involved in governance of VDC more. Viewing this fact more people from the forest user groups were interviewed for this research.

- Focused Group Discussion (FGD): FGD were conducted, twice, to find out more factual information about the general practices of the VDC and community based user groups. One FGD was done with people who were beneficiaries of the VDC programs and another who were beneficiaries of CBUGs. The points of conflicts were carefully noted down. In the FGD the participants who participated as executive members in community based user groups and local beneficiaries of the programs conducted by the VDC were invited and persons who were beneficiaries of programs. Although the 20 people were called but 31 turned up at the FGD conducted with beneficiaries of CBUGs. For another FGD, 20 people were invited and 12 turned up. The executive members of the forests, local leaders, social workers and teachers were consulted for the discussions. The focus group discussion generated important points regarding how participants felt about the whole governance of the VDC and the respective community based user groups.

The major points that were discussed were related to how differences in perception could be explained even though the values and the persons who were entrusted with the responsibility to achieve those values are same. Many practical and behavioral aspects of human psychology were also highlighted but for the sake of thesis only those behavioral patterns were discussed which resulted from institutional settings. The FGD ended with few personal remarks from persons who had been performing dual roles in the VDC and in the community based user groups. A time and venue for the discussion was decided upon and the selected participants were informed in advance. The concerned members arrived at the venue at the appointed time and discussion was started by introducing the participants, then the objectives of the discussion were expressed and the discussion proceeded based on the objectives of the research. To guide the discussion a check list was used by the researcher.

### **3.7 Data Collection**

The data was collected based on indepth interview conducted over period of 45-50 days. The dissertant also conducted Focus Group Discussion (FGD) where the general members of the CBUGs and beneficiaries of VDC programs were called upon and asked about their perception about process and patterns of the governance of both organizations. The nature of qualitative data required repeated interaction with respondents over phone and in person, even after the interview was conducted. Some of the respondents were not happy when permission was asked to record their opinion. The information required to explain variation in perception in the eyes of those who execute governance functions were derived from responses of the participants. Interviewing is the best technique to use when conducting intensive case studies of selected individuals. A good interview is to hold a good conversation (Rist, 1982). Through qualitative interviews the researcher can understand experiences and reconstruct events in which he/she did not participate (Rubin & Rubin, 1995). A basic assumption in in-depth interviewing research is that the meaning people make of their experience affects the way they carry out that experience. Interviewing allows the researcher to put behavior in context and provides access to understanding their action.

Specifically the interview questions related to identifying pattern and process of governance in both institutional settings from the perceptual data inferred from the responses of the persons who hold executive members of the CBUGs and involved in the VDC activities also. The narration given by the respondents were codified and factors were derived from these categories of narration which affected governance in both institutional settings. While questions were related to how participation, accountability and transparency were achieved in both institutional settings, and what were the dominant practices, inferences were derived from these responses and categorized. The responses were categorized into factors related to rule (regulative) and factors related to norm (normative factors) affecting governance. The basis of categorization was that those factors which were rule like or sanctioning behavior were grouped as regulative while others which were related to meanings shared by respondents were grouped into normative. This categorization differs from the categorization basis formulated by Richard Scott. Richard Scott differentiated regulative, normative and cognitive factors as Regulative elements emphasize rule setting and sanctioning, normative elements contain an evaluative and obligatory dimension,

while cultural/cognitive factors involve shared conceptions and frames through which meaning is understood.

The summary of information collected for the study has been presented below:

Factors related to Rules

- The ways rules are constructed
- The ways sanctions are imposed
- Confrontation with bureaucrats
- Compliance mechanism
- Acknowledgement of Existing power relation

**Box 3.1: Factors related to Rules**

Factors related to Norms

- Image of Institution
- Party Dynamics
- Decision Making Process
- Intensity of Members/Users Interaction
- Perceived level of trust

**Box 3.2: Factors related to Norms**

### **3.8 Method of Data Analysis**

Since the major part of the information collected were qualitative in nature, descriptive method was adopted while analyzing the data. The transcripts and descriptive data formed the entire body of data which were analyzed. The challenge in analyzing qualitative data is the ability to

take a large body of information, which is all narrative, and separate the information into smaller segments that can be interpreted, classified, and described into major findings.

While analyzing and explaining a wide array of information, information was inferred from the narrations provide by the respondent and categorization of information was done. After having categorized information these were reviewed and short phrases, ideas, or key concepts were noted. The findings were then classified and interpreted on the basis of dissertant's perspectives from the general understanding of the inferences. These data were then categorized as having fallen into categories of rule making or sanctioning behavior, identified as regulative factors and normative factors. The interview questions were structured to investigate the broad categories determined by the literature. Remaining within the parameters of existing literature, this study found additional information that helps explain variation in the governance of institution whose memberships are overlapping. For instance, existing literature has identified conflict as variable affecting the governance. This study discovered that while conflict affected governance, it was perceived and dealt with, differently in the two institutional settings. The responses within major variables and sub variables were reviewed and findings emerged. Summarized excerpts from the participants were included to illustrate findings and provide evidence in support of the findings listed.

The data included dissertant's descriptions of the context, players involved, and the activities of interest. In addition, the data in the form of the participant's own words, direct citations from documents, and other contextual information are included to support the findings of the study. Each inference has been supplemented by the responses given by the respondents through citation and paraphrasing.

### **3.9 Validity and Reliability**

Cross references was done to increase the validity of the information that respondents had give. Each response related to participation in meetings, proposing changes in the operational rules, or presence in the committee was checked through minutes, attendance books and personal references. Although it is fairly impossible to explain, without any personal biases, the dissertant has tried to portray the picture as clearly as possible. However some of the opinion furnished by

the respondents was not considered as they could not provide concrete evidence or could be referred by other persons. The minutes and reports prepared by the VDC and reports of organizations in the local area were also studied to find out if the selected respondents had really been in the VDC Council. As for memberships in the CBUGs, the Operational Plan (OP), working schedules and reports provided to their respective district agencies were also studied. It must also be acknowledged that respondents gave very personalized remarks about some committee members in interviews. Rather than citing the personal remarks the dissertant inferred meanings from the remarks to categorize data. The validity of information depended on the selection of the respondents. Long years of exposure to the working in both institutional setting were sufficient proof of the validity of the information. Those respondents were selected who had been involved in executing governance functions in both institutional setting. The respondents who were interviewed and their years of involvement have been presented below:

**Table 3.3: Respondents with their years of involvements**

Name	Years of involvement in VDC	Years of involvement in CBUGs
Krishna Aryal	12	
Guna Bdr Thapa	11	7
Devi Mahato	13	9
Shiva Prasad Pandey	12	8
Devi Lal Khanal	10	9
Ram Bdr Thapa	13	8
Purna Adhikari	9	5
Rishi Neupane	10	7
Ganesh Shrestha	13	9
Brinda Gurung	11	8
Bishnu Poudel	10	5
Top Lal Mahato	4	3
Ashok Gurung	9	5
Ganesh Man Shrestha	11	8
Krishna Pandey	10	5

### **3.10 Ethical Consideration**

Ethical consideration becomes important in qualitative researches as information is personalized and subjective. Participation in interviews and focus group discussion was voluntary. The permission for conducting interviews was taken from the VDC, informing them of objectives of the research. The interviews findings were kept secret and information provided by one participant was not shared with others. Some participants were not comfortable with recording information. It was pointed out that the information would be used for academic purpose only, while other participants were very vocal in supplying information. They gave personalized remarks about leaders of the political parties, VDC secretary and CBUGs alike. Both of these extreme tendencies were controlled by stating that the purpose of this study is academic and nothing else. Moreover, the information given by respondents have been kept protected and kept in secret with dissertant.

## **CHAPER IV: ANALYSIS OF THE DATA**

### **4.1 Introduction**

As explained earlier the execution of governance functions depends largely on the perception of the person who executes those functions. It is same group of people who are involved in the executing governance functions in the VDC and CBUGs. However the process of governance is different in two institutions even when their memberships are overlapping and the basic procedures for executing governance function is similar. By studying the process the dissertant tried to find factors which make difference in the way governance functions are executed. These factors have been grouped into “factors related to rule” and “factors related to norm”. The executive members involved in the governance of CBUGs and also in the VDC were asked to describe the process of executing governance functions and inferences were drawn from their narration.

### **4.2 DESCRIPTION OF INSTITUTIONS AT THE LOCAL LEVEL**

The research required to find persons who were affiliated to different organization with overlapping memberships and operating within the same physical boundaries. The procedures for executing governance functions ought to be similar in both institutional set up. Each respondent held an executive position in any one of the CBUGs and was also involved in the various meetings at the VDC or should have been invited as members of political mechanism or as “invitees” members at the VDC. In addition those respondents were given priority that had been performing dual role for periods above 3 years.

#### **4.2.1 Community Forests User Group**

There were 3 organized community forests user groups; Tilchuli Bufferzone Forests Management Group, Binay-Bagar Community forests user groups, and Paheli Bhatta Community forests user groups. Collectively these three community forests user groups have 934 households as members. Tilchuli CFUGs was the formed in the year 2001 A D. Binay Bagar was established in 2003 AD and Paheli Bhatta CFUG was established 2002 AD. The executive committee members sit for meetings on a monthly basis. However they had no records of written minutes of all meetings. They had organized regular annual general assembly each year. They elect executive committee members every 4 years. In these years very few executive members have

not completed their terms in office. In Tilchuli bufferzone management group only 5 members could not complete their office terms which was highest for all these CFUGs. The constitutions and Operational Plan of these community forests had been changed slightly in approval of District Forest Officer (DFO) and approved in the annual general assembly. Each of these community forests user groups has 17 members executive committee. 8 executive committee members from these 3 community forests have been interviewed regarding their involvement in pattern and process of governance of their respective CFUGs and VDC.

#### **4.2.2 Farmers Group**

There are 2 Farmers group operating within Dhumkibas VDC; Mulpani Farmers Group and Khorkhola Farmers Group. These farmers groups have 3 to 4 unorganized farmers sub groups which are not registered at the District Agriculture Development Office (DADO). Mulpani farmers group and Khorkhola farmers were established and registered in 2002 AD and 2004 AD. They have 17 and 11 member's executive committee members respectively. The total numbers of users involved in these 2 farmers group is 442 households. Each farmer group had election once. They have prepared Working Schedule for them to operate the organizations. Important events in the activities are participating in technical trainings, reporting of disease break out, helping extension works, information dissemination and organizing distribution of fertilizers. For this study president of Mulpani farmers group and secretary of Khorkhola were interviewed.

#### **4.2.3 Water Users Association**

There is one water users association within Dhumkibas VDC. The water users association was registered at the District Irrigation Office in the year 2002. There are 238 households as members in the WUA whose office is established in ward no 5. The members have elected 11 members executive committee. The major activities of this group are related to irrigation development, participating in trainings, monitoring of the existing irrigation projects, mediating conflicts among members and community development activities.

#### **4.3 Process of governance in VDC**

The process of governance was studied in VDC and CBUGs by exploring how participation, accountability and transparency were achieved in VDC and CBUGs. The respondents were people who have been involved as executives in VDC and CBUGs. While exploring the process



in which governance is practiced in both institutional settings, institutional factors which affected governance were inferred from narration given by the respondents.

#### **4.3.1 Participation in the VDC**

VDC is a legal entity having a separate bank accounts and logo. It forms a core part of the administrative layers above wards and below districts in the local governance system in Nepal. VDC is governed by Village Development Act, 1992 and regulations, 1994 and Local Self Governance Act, 1999. Participation of people in the activities of VDC has been guaranteed in many acts and laws related to local governance in Nepal. Right from the Decentralization Act 1982 and regulations 1984, collectively called as Decentralization Scheme 1984, to the Local Self Governance Act, 1999 and various directives that were issued after the term expiration of VDC members in 2002, participation of local people in local administration has been given importance. Even when there are no elected members at the VDC, the administration formed a political mechanism from representatives of major political parties to give VDC a representative character.

In the Dhumkibas VDC however, the secretary, out of practical consideration had called upon the representatives from various fields like politics, teaching, sports, journalists and community based organizations as “invitees” members in the annual meetings which worked in the absence of elected VDC Council and performed works related to making periodic plans, annual plans and raising VDC income by contracting excavation of natural resources. His effort yielded good results as people who used to decide for the VDC still got an avenue to participate in the local decision making, even though the directives required the VDC secretary to conduct VDC council meetings with representation of bureaucrats present at the VDC level only.

Some of the laws and directives that were issued by the central agency, Ministry of Local Development (MoLD) are Sushashan Ain, 2064 BS, Aarthic Prashashan Niyamawali, 2064 BS, Saarwajanik Parikchan Karyabidhi, 2067, Samajik Parikchan, Karyabidhi, 2067, Janashavageeta Nirdeshika, 2068, and Saarwajanik Uttardayityo Rananiti, 2068. These directives dealt with making local administration efficient and effective in the absence of locally elected members.

### **4.3.2 Accountability in the VDC**

Accountability is very necessary for proper administration. Without proper channels of accountability, participation and transparency mechanism alone cannot secure rule of law. Accountability means whether the office bearers take responsibility for their action and are ready to face sanctions based upon the results of their actions. Some of the laws and directives that were issued by the central agency, Ministry of Local Development (MoLD) for securing accountability are Sushashan Ain, 2064, Saarwajanik Parikchan Karyabidhi, 2067, Samajik Parikchan, Karyabidhi, 2067, and Saarwajanik Uttardayityo Rananiti, 2068. There is no elected body in the VDC since 2002 AD. In the absence of an elected body question might be raised if these legal arrangements are really followed. The government had formed a political mechanism from major political parties present at the local level to oversee the activities of the VDC in absence of the elected representatives. However it must also be acknowledged that had there been election at the local level, these people would have got elected as these people are elite in the local area.

The VDC is accountable towards local people through mechanism it has set in place. The secretary and the members of political mechanism argue that accountability is maintained in the VDC. The records of minutes, position holders answering to the general people, organizing evaluation meetings and consultation meetings are among the dominant mechanism for the VDC executives to remain accountable. The internal audit and final audit are conducted by the DDC within four months of the completion of a fiscal year. Recently, the political mechanism had been dissolved by government after series of accusation regarding corruption at the local level. In the studied VDC, the secretary had invited these political representatives in the meetings as “Invitees” so that they remain aware about the decisions taken at the VDC although legally a committee headed by the secretary and other bureaucrats as members has been chosen as the executive in the VDC. The VDC also maintains upward accountability with the District Development Committee (DDC) and also to the Ministry of Local Development (MoLD).

### **4.3.3 Transparency in the VDC**

Transparency is related to the access of information about any activities to those persons who are affected by the activities or who have stake in it. The various laws, regulations, and directives issued by the central ministry have strict provisions for securing transparency in the VDC. There

have been lots of studies in the VDC governance which have listed management indicators through meetings minutes, reports and occasionally asking respondents about the major decisions taken by the VDC in the fiscal year. Transparency in the sense of free flow of information among the executives and between the executive committee or decision making body and the general members is very crucial in determining the responses that members would give when asked through a set questionnaire. The VDC secretary has maintained strict obedience to the rules regarding making the VDC work transparent. In addition to keeping all minutes reports, he displays summary of decisions of meetings in the display board, hanged outside VDC premises. The VDC furnishes annual report to the DDC. These are basically minutes of meetings conducted round the year and financial statements. Although VDC secretary argued that VDC has records of all activities done by the VDC but could not furnish reports of small scale projects that were completed in the previous year. Representative members at the meetings in VDC do not speak of their position among people while they take strong positions during the meetings within closed doors.

In the FGD many respondents argued that decisions taken by the VDC are not communicated to the general people. The villagers' do not know about discussion on big issues related to awarding contracts for excavation of natural resources, to registration of the probable landless people in the VDC, and distribution of social security allowance. When the minutes of the VDC were studied thoroughly, there was no mention of plans that would have been taken but only the results that were decided with details of finances involved. There erupted a debate among the members themselves concerning the formation of a user groups for track opening and another for drinking water project. As a result both works have been started and then have been halted. The decision making process and the decision makers were seriously questioned when some of them opined that the VDC maintains transparency in all its operations. Some respondents said that they had lodged complaints about a primary teacher and Junior Technical Assistant (JTA) at the VDC which feel into "deaf ear" and then they had to call meeting of Farmers group and then went to the District Agriculture Development Office (DADO) to register the complain.

## **4.4 Process of Governance in the CBUGs**

### **4.4.1 Participation in the CBUGs**

A user group consists of the people who use particular common resource. The group could include everyone in the village, or just some people, or even some people from another village. The institution is inclusive rather than exclusive of households in the village, and in practice all households of one or more villages become member of a user groups. As Chettri *et al* (1992, p. 6) describe, “The term users group is really descriptive of a category of people rather than a group.” A user group comprises households with diverse interests on common resource, and often interest-based sub-groups are formed to articulate diverse interests in the decision making processes. Other modes of citizen participation within CBUGs include a wide array of institutional mechanisms such as *Tole* (hamlet) based decision making, elected executive committee, development of group constitution, annual assemblies, development of management plans.

The CBUG governance is defined by their Constitution and Operational Plan (OP). Although this practices more institutionalized in the user groups who manage forests resources, other user groups like farmers group and irrigation group have some form of guiding documents explaining about the purpose of the groups formation and its plans and policies, no matter how rudimentary they may be. The farmers group called their documents as “working schedule” like the Operational plan of the forest user groups. The user groups along with the constitution are registered in the respective District Offices concerning forests, agriculture and irrigation offices. There are certain standards, guidelines and norms for the group constitutions. To take care of the daily activities and coordinate with the users, the group elects some members in its committee assigning certain responsibilities in accordance to their Constitution, the time period of the elected members ranges from 1-2 years.

Participation in general members in the administration of common resources is achieved through regular meeting of the executive committee, preparation of minutes of meetings, and organizing Annual General Assembly. These practices are done because there are legal obligations. Each user groups is monitored by respective district agency in the district. However, the general members in the CBUGs are called upon for collective decision making. Major decisions related

to appropriation, distribution, and access is decided at meetings. Such is the concern of the users about the common resources that they give much importance to these meetings of the executives. Although there are provisions set in the constitution that user groups need to be inclusive as well, but people perceive that participation in benefit sharing is more important in regular governance functions. Having said this, the respondents at the FGD did know all of the major decisions that were taken by their respective committees. The meetings minutes showed signatures of executive members and few users, most of the respondents said that generally more users come as such meetings. This fact was echoed by the users in the FGD and also by VDC secretary. There is no system of forming a separate committee to decide about issue considered important by the respective user groups. General users have also been involved in the decision making on the basis of their interest. At the FGD, respondents gave conclusive proof of their access to decision making in the executive committee when they said that they need not be in the executive committee for raising issue of their interest. Being general members also they have been able to do so.

#### **4.4.2 Accountability in the CBUGs**

The process of accountability in the CBUGs is also spelt in the constitution of the respective user groups. Generally the executive committee is accountable for all decisions to the Group. The executive committee is also accountable to district agencies also for all the executive functions. The accountability pattern is more diffused in CBUGs. There is no Code of conduct for executive committee in the CBUGS. The accountability of service providers to poor people can also be strengthened through mechanisms for poor people to voice their priorities and views. The users have voiced their opinion regarding when to open and close forests, which goes for exposure visits, training programs and minutely inspecting the works of the executive. In the Water User Association (WUA) the executive committee decided to chose persons for trainings and exposure visits first from the general members, then from executive members who hold no important positions and then finally those persons in the executive committee who hold important posts of chairman, vice-chairman, secretary, and treasurer.

Contrary to the fact that operational rules require users asking question to the executive committee members in the AGM, the AGM serve as institution for mass gathering and enjoyment. In the CBUGs, users do not wait for completion of the activities, or meetings to raise

their issue of concern. In the case of forest user groups, it is mandated for a monthly meeting. General users directly talk to person who wields social power to bring their issue into discussion. Some users go to the Advisors, others go to Chairman and bring their issue into discussion rather than waiting for the organizing of meetings. Whether an issue gets into discussion depends upon whether the Advisor or Chairman brings the issue in front of the executive committee. The accountability to the district agencies is strictly followed. Regular updates and reports are sent to the district offices based upon the activities planned. The monitoring visits by the district bureaucrats happen very less as opined by the respondents because the VDC is quite far from the district headquarters at parasi.

#### **4.4.3 Transparency in the CBUGs**

According to the respondents, transparency is maintained in the user groups by making flow of information regarding appropriation and distribution of resources, encouraging attending meetings, participate in the AGM, making announcements public, and relying less on procedures and more on transparent behavior. Some of the respondents opined that the office bearers have to be transparent because they see their involvement as ‘contributing to the society’ having reputational value and they would not tarnish it, at any costs. This was aided by the fact that users are more involved in the activities of the committee and communication among the users and executives takes frequently. The decisions taken by the executive committee have been reconsidered when users have sighted a formal protest.

Users generally go to the most respected person in the committee and make their wish channel into the decisions through proposal of the most respected person in the committee. The decisions of this respected person wielding social power was considered fair because his intention of giving any decision is not based upon some material benefit but because it has reputational value. No person would like to make decisions which would affect his reputation. Thus executive members remain extra cautious while making decisions. The community development activities performed by the CFUGs and farmers group were regularly watched by the users and beneficiaries were asked to share their feeling in the meetings about these community development activities. This made information flow easier and acceptable.

## **CHAPTER V: DISSCUSION AND FINDINGS**

### **5.1 Introduction**

This chapter discusses inferences from narration provided respondents concerning factors which affect governance in an organization. The respondents narrated process, activities involved and dominant practices of exercising governance in CBUGs. Through their narration important factors which affected governance were inferred. These factors are categorized into factors related to rule (regulative) and factors related to norm (normative factors) affecting governance. The basis of categorization is that those factors which were rule like or sanctioning behavior are grouped as regulative while others which were related to meanings shared by respondents are grouped into normative. What follow is inferences drawn from the narration given by respondents. The factors which were related to rule are described below.

### **5.2 Factors related to Rules**

#### **5.2.1 The ways rules are constructed**

The respondents perceived that rules are differently made in a VDC and CBUGs. The respondents felt more autonomy when they make rules regarding identification, appropriation and distribution of resources. The VDC has to abide by the directives and various rules, plans and policies of the central government. This limits the autonomy and pace with which decisions could be taken and actions implemented. This barrier is reduced in CBUGs since most of the operational rules are made by the executive committee of the respective CBUG. Although each registered CBUGs have to report to respective Government offices at the district level and also abide by the directives of the district government agencies, the frequency with which district level agencies issue directives is very less. The respondents also pointed out that this depended upon the amount of work that any institution performs. Rule making procedure in the CBUGs were felt to be participatory, flexible and based-on-reality whereas in VDC they were perceived to be less participatory, rigid and away-from-reality. Even the VDC secretary is not comfortable to work with all of the directives, policies and plans of the ministry. He said that there is not any support from the ministry regarding enforcing these directives. When directives are issued then a reaction to these directives has to be borne by the VDC and not the ministry.

### **Box 5.1: The ways rules are constructed**

Rishi Neupane commented

VDC needs more autonomy. Either ministry should not provide any ceilings while planning or they should let VDC decide on exploitation of natural resources to raise its income. The VDC has to abide by regulations and standard set by other related ministries also. This has severely limited resource base of the VDC. If allowed this VDC could generate funds to cover all social security programs. The blanket approach adopted by the ministry needs to give way to selective approach.

The recent decision to dismantle the local political mechanism and carry out the governance of the VDC by the committee of the local bureaucrats was not appreciated by the VDC secretary. He opined that it is through these local leaders that most of the works regarding issuing recommendation for various purposes, arrange for weekly Haat Bazar, tracks and trails opening, scholarship distribution, identification of receiver of social security allowance etc are implemented at the VDC. Without their support targeted programs of social security and various empowerment programs would be badly affected. Given a legal space where the directives, policies and plans of the central agencies could be selectively implemented in the VDC based on whether the issues mentioned in the directives are relevant to the concerned VDC, the governance functions could be executed easily and effectively. The constraints are set by the ways rules are constructed. In the CBUGs they set operational rules i.e. every-day rules and rules regarding collective choice rules. The collective choice rules are related to who is eligible to adapt the operational rules, and what the procedures are required to change the operational rules. In the VDC while some operational rules are set by the members at the local level, the collective choice rules are not.



**Table 5.1 Findings for The ways rules are constructed**

Factors	VDC	CBUGs
The ways rules are constructed	<ul style="list-style-type: none"> <li>• guidance in implementation of operational rules from above</li> <li>• lots of directives and rules to be complied upon</li> <li>• Because rules are made above, people who implement rules cannot find rationale of the rules and hence lack understanding of the rules.</li> </ul>	<ul style="list-style-type: none"> <li>• We set rules regarding operation and management</li> <li>• less rules and directives to be complied</li> <li>• We make rules and those who implement rules understand the necessity of making rules.</li> </ul>

March and Olsen (1984) saw that in common pool arrangements the presence of conflict affects the institutional constraints to rule making. They further stipulate that “Any authoritarian effort in isolating, suppressing, depriving or even eliminating conflict would produce a negative orientation in people’s behavior and can radically affect the policies of the government. Given the polycentric and multi-layered structures and the heterogeneity of actors and social structures, success of governance mechanism in solving conflicts depends on how steering and regulative rules are applied to generate a common will or common goal.”

### **5.2.2 The ways Sanctions are imposed**

Every institution creates certain sanction among members who do not abide by procedures and rules of the institution. In both institutions there are legal sanctions that could be imposed on members and there are social sanctions that are perceived more dangerous by members. In the VDC activities members do not worry so much about sanctions because they opined that system of sanction imposed by VDC is weak. The VDC generally has imposed sanction barring some members to lead any user group and barring from contending for any posts in the VDC.

**Table 5.2: Findings for The ways sanctions are imposed**

Factors	VDC	CBUGs
The Ways Sanction are imposed	<ul style="list-style-type: none"> <li>• Sanctions are hardly known to be complied unless legal enforcement are applied</li> <li>• Very less sanctions are imposed</li> <li>• Sanctions are legally imposed</li> </ul>	<ul style="list-style-type: none"> <li>• Sanctions are complied by members and agreed by members and legal enforcement are not necessarily enforced</li> <li>• Sanctions are socially approved</li> </ul>

The VDC has also imposed fine and put some members behind the bars as well. Ganesh Shrestha had been elected member in the VDC executive. After remaining absent continuously for executive committee meetings he was relieved from his duties. But this was not taken seriously by Ganesh Shrestha. Another instance was exemplified by the executive members when most of them said that while paying property and land tax, even the executive members themselves lowered tax amount. In place of stating their house as 2 storeys, they tell that their houses are only one storey.

**Box 5.2: The ways sanctions are imposed**

Krishna Aryal commented

Sanctions imposed by VDC are taken very lightly. Even persons who come regularly at the VDC furnish wrong information about the properties they hold in their attempt to pay less money, however small amount. At one time when sanctions was imposed in mass gathering to one person who was head of a user groups formed by the VDC, the person was ok with that. Had that sanction been imposed by forests group, I know he would have showed strong reaction.

In the CBUGs, however, the sanction was very seriously taken. The users have imposed sanctions upon themselves. These sanctions are taken very seriously. In the CFUGs, some users had set complaint regarding one user who was involved in carpentry that he cut green trees and sold them at market. Although no one has provided concrete proof of his involvement, he feels that users have imposed social sanction on him and he is still reluctant to go to the forests. If any sanctions are imposed regarding the time and place of meeting, the respondents feel that VDC meetings will see more deviant than CBUGs. Even if sanctions are imposed they are not taken seriously in the activities of VDC as against CBUGs.

### **5.2.3 Confrontation with bureaucrats**

The role of bureaucrats determines a lot about the functioning of the institutions. In VDC the attitude and enthusiasm of bureaucrat i.e. VDC secretary was identified as both facilitating and obstructing. The recent declaration by the Government of Nepal to dismantle the 'political Mechanism' and run local bodies by a committee of bureaucrats at the local level calls for a strong VDC secretary. However the local scenario dictates otherwise. The VDC secretary asks local political representatives and social leaders as invitees in deciding important issues. At those meetings the non elected members try to force decisions for which they don't have to be accountable. However, the VDC secretary has maintain accountability and tries to work based on rules only. This tension has not been healthy for the VDC. The VDC has found difficulty in taking major actions against a local contractor regarding bridge construction. The officials positions held by VDC secretary is based on contract, however the other 'invitees' members do not approve of taking any action. There has been debates regarding formation, operation and management of various user groups, for small scale development work, where the positions held by VDC secretary and other members has delayed the work. Since there are no bureaucrats at the CBUGs, the working environment generates more agreement than disagreements. The bureaucrats at the district level, who supervised CBUGs, seldom come for monitoring and they are happy to receive information at their district office without having to come to the villages.

**Table 5.3: Findings for Confrontation with bureaucrats**

Factors	VDC	CBUGs
Confrontation with bureaucrats	<ul style="list-style-type: none"> <li>• VDC secretary wields power which affects every decisions</li> <li>• Relation with secretary has to be managed</li> </ul>	<ul style="list-style-type: none"> <li>• Bureaucrats at the district level seldom come to monitor.</li> <li>• Less interaction with bureaucrats in operation and management makes working easily</li> </ul>

This finding seems to contradict findings by Ashok Raj Regmi who maintained that when rules are made by bureaucrats of government agencies, they have to govern on shoestring budgets and limited manpower. Without much incentive to develop long term working relationship with farmers and resource constraints, they try to develop simple uniform rules but they hardly are serious in enforcing them. In CBUGs the members have great incentives to enforce rules and observe compliance with rules. Moreover the uniform rules set by the bureaucrats often contradicts with local people’s schedules which is a reason for low compliance in achieving targets related to conducting meetings, monitoring programs and reaching decisions. JTA and overseer have more interest in construction related work rather than on operation and management. While Ashok Raj Regmi finds similar negative effect when rules are made by bureaucrats, this study finds that the distance with the bureaucrats determines the effect rather than the presence or absence of bureaucrats. In cases where bureaucrat are involved on a daily basis and hold more weight in forming rules, more interaction generates disagreements. This delays the decisions.

#### **5.2.4 Compliance Mechanism**

In CBUGs the executive committee is elected by the general assembly of users and acts on behalf of and is accountable to users. In such a democratic representative system the main reason the members of the executive committee may represent the interests of users is that the users use their vote effectively to threaten those tempted to stray from the path of virtue with being thrown

out of office. As far as the organization is controlled by members that represent directly or indirectly the interests of the clients, the fact that it is run by members and not by owners constitutes a more credible source of trust. In the VDC there is perceived level of more control and less democracy. The respondents feel that compliance is generated in the VDC through control by bureaucrats especially, now, that there are no elected members and bureaucrats are given more formal power to run the local institutions whereas in the CBUGs the compliance is generated through a system of democratic control. The users control executive members by voting at the general assembly. This compliance mechanism relies, however, on active member participation, and the lack of participation may give rise to oligarchic (rule by elite) governance, characterized by the lack of leadership turnover, elite control over organizational resources, and low level of participation in governance.

**Table 5.4: Findings for Compliance Mechanism**

Factors	VDC	CBUGs
Compliance Mechanism	<ul style="list-style-type: none"> <li>• The existing board is nominated as against elected reducing accountability.</li> <li>• The decisions are executed by the bureaucrats only</li> <li>• Members cannot throw the executive out of office through their vote.</li> </ul>	<ul style="list-style-type: none"> <li>• In user groups the board is elected by the general assembly of members which acts on behalf of and is accountable to the members.</li> <li>• The decisions are executed by the representative committee and compliance is generated.</li> <li>• Members use their vote to threaten to throw non complying members to throw out of office.</li> </ul>

In the studied CBUGs, there was lack of leadership turnover since the existing power relation remained a dominant force to decide who would stand in the executive committee. Yet this factor did not constrained the possibility democratic control as respondents viewed that compliance is

generated by democratic control in CBUGs while in VDC the compliance is generated through stringent control rules.

### **5.2.5 Acknowledgement of Power relation**

The respondents felt that social power or prestige that a person wields is given high importance in each and every activity of the CBUGs which is not so much pronounced in the activities of the VDC. A person is given due respect that people feel he deserves. While forming any CBUGs any person who wields social prestige or power is always given respective posts in the executive or at least is involved as advisor. This association gives the committee a warranty that decisions will be swiftly taken and conflict would be mitigated, as long as the socially approved person speaks for the committee. Any person who wields power in the local area find their representation in the CBUGs formed at the local level. Such is the situation that elections are held but the positions are almost previously decided. Only for minor posts are there real contestants for election. Those persons, who are regularly asked for their opinions, feel that they are helping develop their community by getting involvement in as many organizations as possible. Many respondents in the FGD opined that these important persons were mature, old and have more leisure and money which they could spend for the benefit of the community. For Instance a proposal regarding conducting test of whether the area had sufficient ground water for swallow tube well was felt important. The government department which looked after this service was situated in Butwal, a city in adjoining district. Some persons volunteered to go at their own costs and bear all costs of the proposal submission. Many people said that not all people in the community had time, money and leisure to visit the office because they had to work at their fields. The people were highly appreciative of person who went butwal for the sake of community. This arrangement has worked in the VDC because local people respect the elders in the community and get work done in return for which they had to spend time, money and work had those elderly refuse to do the work. Respect is exchanged among persons in the community with money, time and leisure. This phenomenon does not happen in the VDC.

**Table 5.5: Findings for Acknowledgement for Power relation**

Factors	VDC	CBUGs
Acknowledgement for Power relation	<ul style="list-style-type: none"> <li>• Politics is the basis for formation of committees and taking decisions</li> <li>• Members of political parties are sought for leadership</li> </ul>	<ul style="list-style-type: none"> <li>• Respect for elderly and existing power is the basis of formation of committees and taking decisions</li> <li>• Socially prestigious people are approached for leadership</li> </ul>

The formation of VDC is such that politics and administrative rules determines who could lead committees. This factor affects the working of the VDC. While executing the “people’s will” bureaucrats depend on rules and procedures while members of political mechanism depend on the trust that local people bestow on them. The executive members in the CBUGs justify their actions collectively without pointing fingers to any one particular member while in the VDC the blame game always takes place, after actions have been implemented. Having well respected members in the executive provides a cushion for the CBUGs executive members to implement activities by generating consensus in the process and resolving conflicts and disagreements afterwards.

### **5.3 Factors related to Norms**

#### **5.3.1 Image of Institution**

The respondents viewed VDC as formal organization while CBUGs as informal one. However both institutions are formal in nature as they have fixed structure, defined roles of members and are guided by achieving certain goal. Reference of CBUGs was preceded by word “our” by all respondents while none mentioned the word ‘our’ while referring to VDC. The executive members feel very ease while working for CBUGs. The same nature of work demanded more labour, mental tension and less enthusiasm in the case of VDC. The executive members echoed that working modalities in the CBUGs is flexible while in VDC is strict. They felt pressurized to

conform to certain defined procedures while working for VDC but for CBUGs they felt less pressurized. Some of the responses from participants were surprising. They mentioned that people take signatures of members who remained absent in the meetings in the road or the minute book is sent in the hands of school children who put signature of the absent members and return the minute book the following day. This fact would have brought a huge debate regarding the integrity and responsibility of the executive members had this been practiced in the VDC meetings. For CBUGs this was accepted practice and no debate were raised for such practiced.

**Table 5.6: Findings for Image of Institution**

Factors	VDC	CBUGs
Image of Institution	<ul style="list-style-type: none"> <li>• VDC is formal organization</li> <li>• Compliance of rules often inhibits decisions implementation</li> <li>• Committees' members meet very seldom.</li> <li>• There is very less discussion among committee members outside of meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Our CBUGs are informal in nature</li> <li>• Rules are complied and decision implementation is not inhibited</li> <li>• Committee members meet often among each others</li> <li>• Certain decisions are agreed upon by committee members outside of meetings in social occasion also</li> </ul>

Guna Bahadur Thapa who heads one of the community forests said that he feels there is a sword hanging above his head when he decides about something in VDC while for community forests his decisions is generally well accepted. Another respondents Prem Bashyal, vice president of the Irrigation group said any debates in the meetings of the Irrigation Group could be discussed in the road, fields or forests and also while we are playing cards. We sit around a 'Chautari' discuss about lots of issues from politics, to family to society and then someone notifies about important issue regarding irrigation and then we all decide. Since we don't have any offices our



CBUGs goes where we go. VDC is permanent. People have to come in the VDC. Generally meetings have lower frequency of attendance in the VDC.

### **5.3.2 Party Dynamics**

In the VDC the representatives from various political parties participate in meetings as “invitees’ members. Although the VDC council has been limited to the bureaucrats present at the local areas, the political representatives are also involved in the activities of VDC. Political representatives at VDC meetings are more vocal about party’s position in matters related to social security allowance distribution, scholarship distribution, various development works and registration of landless people. There is political bargain. Some of the meetings have been abruptly stopped by interventions of political leaders from the district level. According to the VDC Secretary, the fruits have to be equally distributed or else no works will be done. VDC secretary faces heavy political lobbying while forming users committees, while distributing social security allowances, or giving various references. VDC has seen interventions from party leaders in development works. In the CBUGs the party dynamics takes a more subtle role. It is not as manifested as in VDC. Coming from different political orientation the executive members at the CBUGs often compromise their stand for the community. The political leaders involved in same CBUGs try to show that they work in consensus with each other. In one instance the VDC level leader of the CPN-UML himself recommended for president, a Nepali Congress leader, in one of the user groups for a wood bridge construction having budget over Nrs 125,000. The leaders get to interact with local people at the CBUGs rather than at the VDC. This means that CBUGs has become an avenue for local politician to show their commitment for the community. It is here that they meet with local people and understand their wants and address their desire. In the absence of VDC election, leaders are using existing CBUGs to leverage for their party and themselves.

**Table 5.7: Findings for Party Dynamics**

Factors	VDC	CBUGs
Party Dynamics	<ul style="list-style-type: none"> <li>• People in VDC meetings are more vocal on party's position</li> <li>• Every decisions are decided looking what party gains and loses</li> <li>• Decisions can be brought to halt if representatives of a political party remain absent</li> </ul>	<ul style="list-style-type: none"> <li>• Political Party's position is not vocal</li> <li>• Party's position are compromised in decision making</li> <li>• Decisions are seldom brought to halt even if representatives remain absent. Their agreements are sought after meetings. Cases of taking signature, afterwards, are prevalent</li> </ul>

Respondents feel that in the CBUGs the party line gets blurred and people come to consensus. Very less political confrontation is seen at the CBUGs while at VDC the confrontation gets more vocal. At the VDC there are many decisions which have been halted because of the absence or disagreement expressed by one political faction while such instances are not reported in the CBUGs who also have people from different political orientation as their executive members.

**Box 5.3: Party Dynamics**

Brinda Gurung

“Issues have remained undecided only because of political stands taken by some members. I belong to a political party so I must take care of party's position and benefits at the VDC. I take position because other political leaders also do the same. At the meetings of CFUGs, people do not like if I take party' stand. Thus, I do what my people expect of me.”

In case representatives remain absent, their consensus in the form of signature is taken outside of meetings such that the decisions are not halted. The users have also retaliated against a move by some district politicians when there was an issue in the forest management in the bufferzone area in the village. The political representatives at the village level convinced district level leaders that this issue will be decided at the users General Assembly and should not be dictated by the district leaders. The VDC secretary wished such actions from political representatives for the VDC as well but his wished has not translated into reality.

### **5.3.3 Decision Making Process**

The respondents opined that the decision making process in different institutions varies. Although in both institutions the basic procedures for decision making is same, however the decision making differs in time taken, frequency of reaching dead end, members remaining absent to refrain from making decisions, forcing decisions without claiming responsibility and trying to influence decision making from outside. The members at the FGD and the VDC secretary also yielded information that executive members at the VDC try to affect decision making without adhering to rules. Even when decisions are taken they refrain from being accountable for the decisions as they are only participating in meetings as “Invitees”. However their presence is not of only as “invitees” in the meetings. The political representatives from various parties had accused political leaders from other parties to have remained silent or remained absent knowingly that their absence could delay the decision making or could stop decision altogether. However, some persons said that such dynamics was not found in the procedures of decision making in the various CBUGs. In the CBUGs the representatives from political parties are present in the same committee. They opined that they reach to solutions with less time spent and conflicts are generally addressed while reaching decisions.

**Table 5.8: Findings for Decision Making Process**

Factors	VDC	CBUGs
Decision Making Process	<ul style="list-style-type: none"> <li>• Group Leadership is practiced while decision making</li> <li>• Strict compliance to rules are sought, especially by Bureaucrats</li> <li>• According to VDC secretary political representatives participate in meetings as invitees, even though there is no such provisions</li> <li>• Political heads pressurize to make decisions without following rules because they know they do not remain accountable to the public in present scenario</li> <li>• We are trusted less in our activities and decisions</li> </ul>	<ul style="list-style-type: none"> <li>• One-person-leadership is practiced</li> <li>• Strict compliance to rules is often compromised for reaching fast action. Those actions could be later validated</li> <li>• Absence of any bureaucrats makes things easier in our organizations</li> <li>• Bureaucrats are invited only in Assemblies and for ceremonial purposes</li> <li>• No such pressures since accountability still remains to the committee members who are in leadership positions</li> <li>• We are trusted more in our activities and decisions</li> </ul>

Prem Bashyal, Vice President of water user association said that they committee is so agile, at once instance, that whole committee members walked to meet an Advisor of the committee for taking his consensus when the committee members differed in decision making regarding the delegation to the district offices. He said, with pride, that this spirit lacks in the affairs of the VDC. The executive member of Irrigation Group Devi Mahato said that she has used her mobile to call other members while communicating about any issue of the irrigation group but when it comes to communicating about issue at the VDC, she has asked upon the staff at the VDC to make the communication. And she is not alone in doing this.

### 5.3.4 Intensity of member/users interaction

The perception of governance is also based on Intensity of interaction among members. When members meet physically on a daily basis they tend to build high level of trust and feel at ease with one another. The president of the Forest user groups shared that governance can be realized when members do more than just vote for elected representatives: they must take part in shaping and reviewing implementation of policies, programs, and administrative procedures. In most smaller communities, like ours, they do this now and always have. In the VDC although there are citizens have access but these access points are very few and so citizens are less motivated to work for the VDC.

**Table 5.9: Findings for Intensity of Members/users Interaction**

Factors	VDC	CBUGs
Intensity of Members/users Interaction	<ul style="list-style-type: none"> <li>• Meetings place is distant physically and Psychologically</li> <li>• Committee meetings are difficult to organize.</li> <li>• Generally attendance is low ( Validated with last 10 meeting minute)</li> <li>• Budget gets freeze more often even in small activities</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings place can be held anywhere (distance irrelevant)</li> <li>• Comparatively meetings are easy to organize when called upon.</li> <li>• Higher attendance are observed ( Validated with last 10 meeting minutes)</li> <li>• No system of budget freezing</li> </ul>

Evidence from the field has shown that individuals can make and do keep promises even in the absence of external authorities to enforce agreements. Further, laboratory experiments (Sally, 1995; Issac and Walker 1991; Ostrom and Walker 1997) have also demonstrated that communication and face-to-face communication more so has an unmistakable influence in fostering cooperation and collective action. In repeated common pool resources game subjects with repeated opportunities to communicate have obtained higher yields on average than in baseline experiments without communication. Since communication is most likely to affect individual trust that others will keep to their commitments, researchers have increasingly begun

to see a strong role for communications in second-generation models of rationality (Ostrom, 1998). The members interaction is not only based on number of times they meet in meetings or at community works but also in social gatherings like marriages, picnics and religious festivals etc.

#### **Box 5.4: Members Interaction**

Ram Bahadur Thapa commented

I get to interact with farmers very often since I am partly involved in the farming myself. My interaction with VDC members happens very seldom. I only go to the VDC office if there are urgent calls. In the farmers group, even if I don't go, people come to discuss about issues and all executive members know the major decisions taken or the issue discussed. Not having office like our VDC has relieved us of having to go to the office merely to sit for meetings. We have meetings anywhere.

One of the respondents highlighted the importance of observation and exposure visits that happens in CBUGs and does not happen in VDC. The exposure visit conducted by the Community forest brings together general members to the executive members and involves them in chain of interaction which fosters trust and cooperative solutions. Even the conflicts could be discussed at such gatherings and finalized later. In the VDC the avenue for such visits or celebration is not present. This factor reduces the intensity with which the members interact with each other.

#### **5.3.5 Perceived level of Trust**

To majority of the respondents CBUGs projected more trust of general members to the executive committee than with the VDC. Execution of activities is felt to be easier at CBUGs than at VDC. Repeated questions after activities have been performed, less interest while the activities are undergoing, and demanding results without understanding progress characterize discussion related to VDC while less questions about results and more about process, understanding the delay factors, providing some support physically as well as psychologically and facilitating in member's capacity characterize discussion in CBUGs.

### **Box 5.5: Perceived level of trust**

Shiva Prasad Pandey commented

People trust me more as representatives of WUA than as a local leader involved in VDC activities. I am being questioned a lot about my involvement in the VDC. Even when I go to district headquarter for personal reason, people ask details of my visits. At one instance when I tried to explain that I had gone for personal visits, people around me laughed and ridiculed me saying leaders tell things only in closed doors in meetings not in masses”. As secretary of the WUA, I am not tensed to answer to people.

The Executive members feel more trust of members while working for CBUGs and VDC. The trust is manifested in CBUGs in ‘Friendly’ interaction among members while in the VDC; respondents did not characterize the member’s interaction as ‘Friendly’. Although asymmetric information was characterized in both VDC and CBUGs, however, CBUGs showed more trust of in institutions, according to respondents, then in VDC.

**Table 5.10: Findings for Perceived Level of Trust**

Factors	VDC	CBUGs
Perceived Level of Trust	<ul style="list-style-type: none"> <li>• Decisions have to be done very seriously</li> <li>• People don't turn up at meetings but ask lots of questions after funds have been spent and activities have been performed</li> <li>• Committee members seldom seem to take responsibility to make people understand the context of taking decisions</li> <li>• Faced more questions as representatives of Council members</li> </ul>	<ul style="list-style-type: none"> <li>• Decisions have to be done very seriously</li> <li>• People attend meetings. Even general members sit in meetings. Only those asks questions who had come at meetings prior to spending funds.</li> <li>• Committee members seldom seem to take responsibility to make people understand the context of taking decisions</li> <li>• Faced more questions as representatives of Council members</li> </ul>

In the FGD, very few respondents were not able to discuss the procedures of governance in the respective institutions, the participants coming from CBUGs opined having more trust, less conflict and easy consensus generation.



## CHAPTER VI: SUMMARY AND CONCLUSIONS

### 6.1 SUMMARY

This research has focused to explore the factors which affect how governance functions are executed in a government organization and Community Based User Groups. Considering both a government organization and community based organization as a “public organization” which is owned by the public, both can be considered as a microcosm of the state. There are some governance functions common to both these organizations. The members who execute these governance functions are same at the village level. Rather than assessing the level of governance, as most researches has done, the dissertant has tried to study qualitatively, the procedures of securing participation, accountability and transparency in a VDC, a formal government organization and Community based user groups in Dhumkibas VDC in Nawalparasi district in Nepal. The qualitative assessments of the process of governance functions from the experiences of those who execute those functions have resulted into discovery of factors which affected process of governance in organizations which have overlapping memberships. Although the basic process of securing participation, accountability procedures and transparency is almost same in a VDC and CBUGs, there are important differences in how governance is perceived in these two sets of organization.

Using institutionalism approach to governance, this study intends to compare the governance pattern and process in the user groups, a community based organization and Village Development Committee (VDC), a local government organization. The political boundary and memberships of these organizations are over lapping providing enough grounds for comparison. Studies relating to local governance or civil society governance have been limited to discovering variables which affect different aspects of governance in the organization, without institutional analysis. Institutionalism looks into the governance system based upon the interaction of the actors with the social structures. Thus this study attempts to use institutional perspective while comparing the pattern and process of governance, from member’s perspective, in a formal government organization and community based organization to derive factors which explains for variation in governance despite having common memberships.

This study has concentrated in the lowest administrative level of the government, a village Development committee (VDC). VDCs are the lowest and the closet administrative body having functions for taking decisions regarding their priorities. This study takes into account the propositions of Institutionalism given by Richard Scott. Richard Scott developed three pillars of institutionalism. He said institutions are composed of elements which could be categorized as regulative, normative and cognitive. Organizations are comprised of diverse institutional elements, some rule-like, others normative, others borrowed from standards setters. As far as this research is concerned, the normative and cognitive elements were combined to present findings. For this research factors which affected were discovered and then categorized into whether these factors are related to rules and norms. There are 8 organized community based user groups who are involved in the management of forests, irrigation and drinking water. Additionally some 3 savings and credit groups are also working.

The number of sample purposively chosen for this study is 15 persons. Even when there are no elected members to the VDC council, VDC secretary used to invite important persons at the local level in meetings. Since 2002 AD, the average attendance of persons in the annual meetings was 40, based on the minutes of the meetings. Among these 40 persons, 15 persons who are involved in VDC governance and CBUGs governance are interviewed. These persons have been interviewed about their involvement in process of participation, accountability and transparency in both institutions. Their narration was recorded and inferences were drawn from these narrations. In addition FGD were also carried out to transect about some of the information collected from the in-depth interviews. Of the 15 respondents, 12 were those persons who had been in the executive post of community based user groups and VDC, 1 VDC Secretary, and 2 members of political mechanisms which had recently been dissolved.

The dissertant tried to analyze the perception related data and compare how the values like participation, accountability and transparency are achieved and what factors are responsible for explaining variation in the governance in both the institutional arrangements.

The narration given by the respondents were codified and factors were derived from these categories of narration which affected governance in both institutional settings. While questions were related to how participation, accountability and transparency were achieved in both

institutional settings, and what were the dominant practices, inferences were derived from these responses and categorized. The responses were categorized into factors related to rule (regulative) and factors related to norm (normative factors) affecting governance. The basis of categorization was that those factors which were rule like or sanctioning behavior were grouped as regulative while others which were related to meanings shared by respondents were grouped into normative. This categorization differs from the categorization basis formulated by Richard Scott. Richard Scott differentiated regulative, normative and cognitive factors as Regulative elements emphasize rule setting and sanctioning, normative elements contain an evaluative and obligatory dimension, while cultural/cognitive factors involve shared conceptions and frames through which meaning is understood.

Following factors explained the variation in governance:

#### Factors related to rules

- The ways rules are constructed
- The ways sanctions are imposed
- Confrontation with bureaucrats
- Compliance mechanism
- Existing power relation

#### Factors related to Norms

- Image of Institution
- Party Dynamics
- Decision Making Process
- Intensity of Members/Users Interaction
- Perceived level of trust

The findings of this research suggest that actors' perception about organization is reproduced in daily administration and these often determine governance in the organizations. The variation in governance is explained by the ways rules are constructed, sanctions are imposed, and confrontation with bureaucrats, compliance mechanism and acknowledgement of existing power relation. There is autonomy and flexibility in rule making in CBUGs while same is lacking in VDC. When sanctions are imposed, they are complied more in CBUGs and less in VDC.

Sanctions in the CBUGs have socially and legal aspects which generate compliance while in the VDC the sanction have only legal enforcement. The role of bureaucrats determines a lot about the functioning of the institutions. In VDC the attitude and enthusiasm of bureaucrat i.e. VDC secretary was identified as both facilitating and obstructing working in the VDC. In the VDC there is perceived level of more control and less democracy. The respondents feel that compliance is generated in the VDC through control by bureaucrats especially, now, that there are no elected members and bureaucrats are given more formal power to run the local institutions whereas in the CBUGs the compliance is generated through a system of democratic control. The users control executive members by voting at the general assembly. Politics takes precedence in formation of committees or taking major decisions while social prestige and power takes precedence in CBUGs. In the CBUGs there is acknowledgement of social power which is absent in VDC. Having well respected members in the executive provides a cushion for the CBUGs executive members to implement activities by generating consensus in the process and resolving conflicts and disagreements afterwards.

Other factors related to norms which explained for the variation in governance are Image of institution, decision making process, party dynamics in the committee, perceived level of trust and Intensity of member's interaction. CBUG are considered by respondents informal in nature although both VDC and CBUGs are formal and legal bodies. CBUGs are perceived to be closer to people than VDC and CBUGs are referred as "our" while none of the respondents VDC as "ours". While political party agenda are more vocal in the meetings of VDC, these take back seats in meetings of CBUGs. Members in the VDC have remained absent in trying to delay decision making about certain issues while executive members in the CBUGs do not show such behaviors. Although in both institutions the basic procedures for decision making is same, however the decision making differs in time taken, frequency of reaching dead end, members remaining absent to refrain from making decisions, forcing decisions without claiming responsibility and trying to influence decision making from outside. The perception of governance is also based on Intensity of interaction among members. When members meet physically on a daily basis they tend to build high level of trust and feel at ease with one another. To majority of the respondents CBUGs projected more trust of general members to the executive committee than with the VDC. Execution of activities is felt to be easier at CBUGs than at VDC. Repeated questions after activities have been performed, less interest while the activities are

undergoing, and demanding results without understanding progress characterize discussion related to VDC while less questions about results and more about process, understanding the delay factors, providing some support physically as well as psychologically and facilitating in member's capacity characterize discussion in CBUGs.

## **6.2 CONCLUSIONS**

Respondents in this study provided indepth information about their perception, working procedures, organizational affiliations and their personal lives. Information were not limited to procedures of governance and dominant practices only, the respondents delved into the details of evidence regarding decision making process, political bargaining, conflict mediation, and consensus generation. Some of the respondents even blamed their leaders and gave concrete evidence of issue that were discussed and political bargaining that took place which both facilitated and hindered decision making in both institutional settings.

The theoretical framework used in this study has derived from propositions in Institutionalism provided by Richard Scott. He states that complexities and variety of organizational responses to laws as well as the extent to which members inside organizations helped construct laws and create regulations, shapes practices in the field. Regulative elements emphasize rule setting and sanctioning, normative elements contain an evaluative and obligatory dimension, while cultural/cognitive factors involve shared conceptions and frames through which meaning is understood. For the purpose of this study, the framework has been slightly modified remaining within the basic premises. The factors which affect governance are categorized if those factors are related to rule or norms, which is similar to the regulative and normative factors as proposed by Richard Scott.

This study looks into the factors which affect governance in Dhumkibas Village Development Committee and various CBUGs which share same political and administrative boundaries. This study takes a qualitative look into factors which affects governance from the perspectives of those persons who execute governance functions. It tries to find what causes variation in governance in a VDC and CBUGs even though the basic procedures for executing governance functions are same and persons who execute these functions are also same. Findings reveal that

variation in governance in a VDC and CBUGs can be explained by following factors. The factors have been categorized whether they were related to rule making or norms. The factors have been as follows:

**Table 6.1: Factors affecting governance in VDC and CBUGs**

Factors related to Rules	Factors related to Norms
The ways rules are constructed	Image of Institution
The ways sanctions are imposed	Party Dynamics
Confrontation with Bureaucrats	Decision Making Process
Compliance Mechanism	Intensity of members interaction
Acknowledgement of Power relation	Perceived level of trust

Respondents perceived that although their role as executives and decision makers was same in both VDC and CBUGs, there was variation in governance. The variation in governance can be explained by factors related to rule making and dictated by social norms. To derive Richard Scott phrase, both regulative and normative factors affect the perception of governance in a VDC and CBUGS. The executives and decision makers at the village level are involved in executing similar governance function in both institutions. However their perception of governance in both institutions depends upon factors which were related to rule making, and rule enforcement as well as norms guiding behavior of the executives in the institutions.

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## APPENDICES

### Checklists for Focus Group Discussion

Particulars	Time (appox)	Remarks
Procedures/Practices to institutionalize participation, accountability and transparency at the VDC	15 mins	
Procedures/Practices to institutionalize participation, accountability and transparency at community based user groups	10 mins	
Points of similarity and differences?	20 mins	
Major factors which have caused differences?	20 mins	
How rules are made, conflict settled and agreements generated in VDC and Community based user groups?	30 mins	
Major challenges faced in securing participation, accountability and transparency	20 mins	
Of the two institutional settings which one is better suited for good governance and why?	25 mins	
Any further remarks	15 mins	
Conclusion and Closing	5 mins	

### Interview Schedule

Name	Organization	Position Held	Duration of involvement

1. What are the major steps/ practices you follow to guarantee participation/ Accountability and Transparency?
2. How easy or difficult do you find in securing participation/ Accountability and Transparency in the programs conducted at the local level?
3. Do you think participatory approaches create hurdles in timely and effective completion of projects? Are there alternative ways?
4. Do you think existing accountability and transparency measures are enough?
5. What are the major challenges in securing Accountability and Transparency?
6. Based on your experiences of involvement in VDC and CBUGs can you tell us if you see any difference in executing governance functions? Please explain in details.
7. How different is your role in securing participation and maintaining accountability in the programs of VDC and user groups?

8. Which of the following factors affects level of participation, accountability and Transparency? Please provide a brief explanation also.
  - Conflict
  - Party-politics
  - Authority structure
  - Trust
  - Education Level
  - Others.... Please Specify
9. Can you explain how working culture is different/similar in VDC and CBUGs?
10. What are the dominant procedures for taking decisions in the VDC and CBUGs?
11. How do you settle conflicts and reach agreements in VDC and CFUGs?
12. In your experience are decisions in VDC and CFUGs based on formal rules or social norms? Can you give some examples regarding this?
13. What skills and competencies are required to secure leadership positions in VDC and CFUGs?
14. Of the two Institutions that you are involved in, to whom you are more attached with and Why?
15. What makes setting rules, taking decisions and generating agreements different in a VDC and CFUGs even when the memberships are overlapping?
16. Can you explain how, rules, are set in a VDC and CBUGs? Are they any different?
17. Please provide your thoughts on assessment of politics affecting working procedures in VDC and CBUGs.
18. In your thought, which institution VDC or CBUG is closer to people? Why.