

THE ROLE OF RESIDENTS, NON-GOVERNMENT ORGANIZATIONS
AND QUASI-PUBLIC AGENCIES IN LOCAL GOVERNMENT
IN NEPAL

by

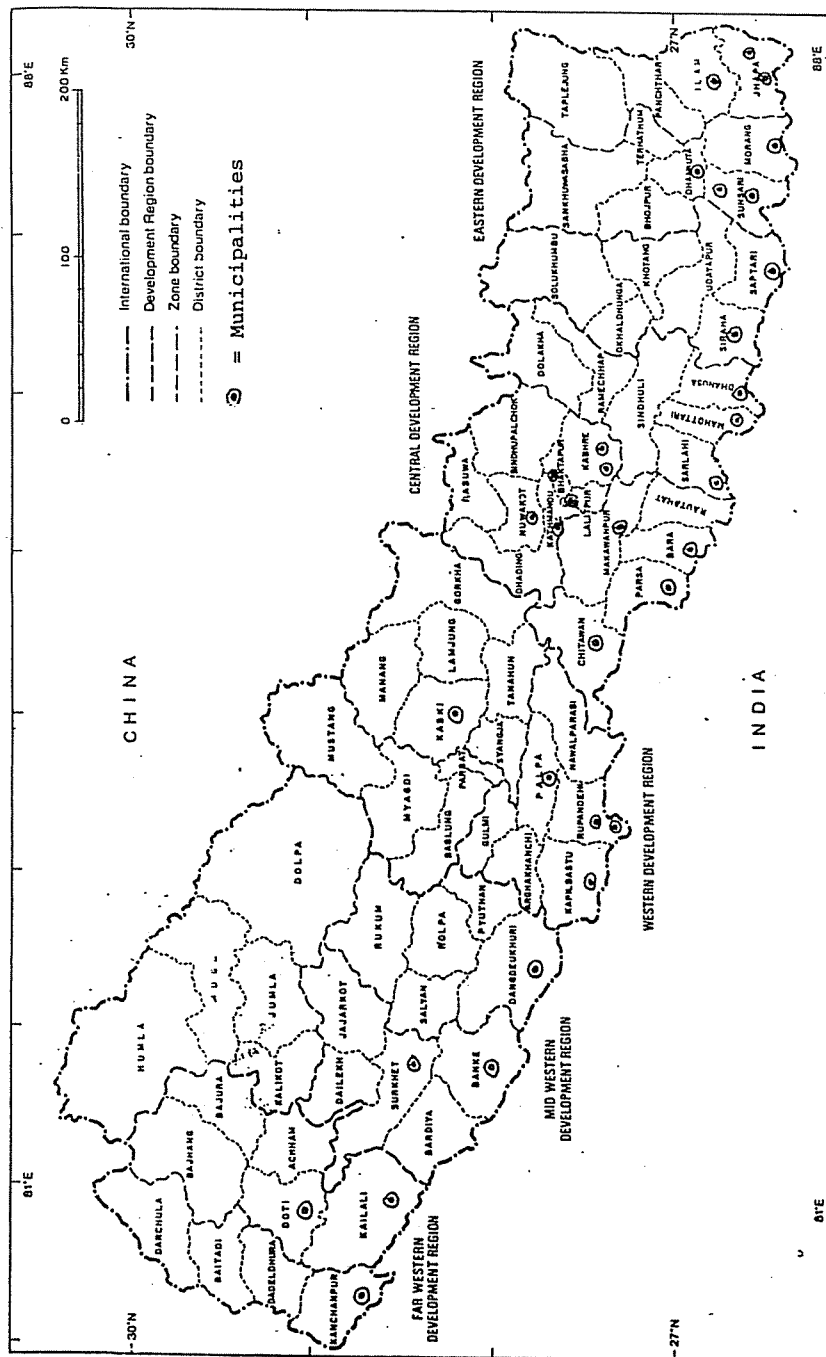
Purushottam S. Suvedi, Ph.D.
Professor of Public
Administration,
Public Administration Campus
Tribhuvan University
Tripureshwar, Kathmandu,
NEPAL

Preface

We are a developing nation. We want to strengthen the local government system to establish a continuous process of socio-economic development at the grass-root level. Since we have just re-introduced the democratic system, it is natural that we have to solve some inherited problems in this area. It means that not only local government system but also the national bureaucracy is in the making in Nepal.

This paper, analyzing the role of citizens, the NGOs (internal and external) and PEs has been prepared on request of the EROPA Local Government Center in Tokyo, Japan. Therefore, I would like to acknowledge and appreciate Mr. Shigeki Kojima, President of the center.

My special acknowledgements and appreciations are due to Mr. Krishna Prasad Aryal whose active participation and cooperation made it possible to prepare this report. However, the errors and omissions, if any, are mine. Any suggestions and comments regarding this are most appreciated.



I. Introduction

General Introduction

This is a short study on the role of residents, non-government organizations and para-statal agencies in the local government system of Nepal. We see that local units of government in each country, developed or developing alike, carry out their functions in co-operation with people, the NGO's and semi-government establishments under the policy guidelines of the central government. Nevertheless their role in a developing country, like Nepal, has been considered a significant one in order to introduce a continuous process of social change and economic development at the grass-root level.

In a federal state, the power and functions between the central, state, and local government are, by and large, divided by the Constitution itself or statutes under the Constitution. However, in a unitary type of state, we can not find such a division and all the powers and functions exist with the central government and the center assigns or delegates some local and municipal affairs to the local governments. Since Nepal is a unitary state, our local units of government depends on the center for their powers and functions and financial arrangements to carry out such functions.

The people of Nepal have recently restored the democratic system of government based on multiparty parliamentary system abolishing the so-called partyless panchayat polity as a result of the historic revolution held in February to April 1990. After the restoration of democracy, an interim government headed by K.P. Bhattarai of Nepali Congress was established with its main objectives to promulgate a new Constitution and hold general election for the Parliament within a year. The government was empowered also with legislative functions. Accordingly, the new Constitution with basic features such as, sovereignty with the people, parliamentary system of government based on multiparty democracy, guarantee of the fundamental rights of the people and constitutional monarchy, has been promulgated in November 1990. Accordingly, the legal system was democratized and some new Acts and Rules were promulgated. In this regard, the interim provisions for local government Acts was made leading to separate statute for district development and village development committees and municipalities. Under these such new legal provisions, we have recently

constituted the local government units such as 4015 village development committees at the village level and 33 municipalities at the city level, and 75 district development committees at district level. Here in this context, it should be noted however that the members of the above mentioned committees and municipal boards are nominated by the government for the interim period. After the general elections is held in next April and the new Parliament provides new laws for local government replacing the above, the election for local bodies will be held in next year. Therefore, at present, we can find such a different characteristic of local government in Nepal in comparasion with other EROPA member states.

Country Description:

Nepal is small and land-locked country located between India and China, at 80° 04' to 88° 12' E. and 26° 22' to 30° 27' N. It has an area of 147181 Sq.Kms. It can be entered by land at various points from India and China. It can also be reached by air through Kathmandu international airport.

Nepal has an unique variety of geographical settings ranging from the tropical southern lowland to the Arctic Plateau known as the roof of the world which has the Mt. Everest. There are three regions between these marginal zones: the Terai Region, the Middle Region and the Trans Himalayan Region. In the north more than eighty percent of land is covered by hills and mountains and there is a belt of almost level-land spreaded 20 to 45 Km. in wide, known as the Terai, in Southern part of the country.

Because of its varied topography and elevation, Nepal experiences a wide range of climates. The Terai and Siwaliks have a hot monsoon or subtropical climate with hot, wet summers and dry winters. In the lower mountains, up to about 200 m. there is a warm temperate monsoon climate. Temperate monsoon climate with mild, wet summers and cool dry winters can be experienced in higher middle mountains. On the high mountains around 4000 m. have an alpine climate. Tundra-type 'arctic' climate can be found in High Himal about the snowline.

Modern history of Nepal begins with the unification of Nepal by king Prithwi Narayan Shah in 1768 A.D. Since then the Shah dynasty is ruling the nation as the head of the state.

The population of Nepal, according to the 1981 National population census, was totalled 15.02 million with an annual growth rate of 2.5 percent. In mid 1986, the population of Nepal was estimated at 17.1 million and it is estimated that the population may be raised up to 23.7 million by 2001 with an average growth rate of 2.1 percent. Nepalese livelihood relies heavily on agriculture and pasture. Sixty percent of the country's GDP and as much of its export earning is based upon agricultural production. About ninety percent of the people are depended upon agriculture for their livelihood.

Nepal has adopted a pre-university school system extending over ten years. The Ministry of Education is responsible to conduct primary, middle and high school education. Tribhuvan University and Mahendra Sanskrit University offer under graduate and graduate programs through their various campuses. The present literacy is around thirty four percent of the population of Nepal.

Nepal has adopted parliamentary democracy based on multiparty system and constitutional monarchy since April 8, 1990. Before that, partyless panchayat polity was being practiced for the last 30 years. But due to it's undemocratic, autocratic and corrupt nature; the people overthrew this system by the historical revolt which was held recently. The new democratic constitution has been promulgated at November 9, 1990. In this new Constitution, fundamental rights of the people, constitutional monarchy and parliamentary democracy based on multiparty system is guaranteed. A proper check and balance between Executive, Legislative and Judicial power has been provided. Sovereignty is resided with people and the Nepalese Army is managed by a Security Council under the chairmanship of the prime minister.

Presently, Nepal is divided into 75 administrative districts. District development committees are established as the highest local government body in each district. Village development committees and municipalities are the lower tiers of local government. Thus, as stated earlier, there are 75 district development committees, 4015 village development committees and 33 municipalities.

During the Panchayat period, Nepal has adopted a decentralization scheme as a basic local development policy. It was said to be dependent on peoples participation and their willingness to work for their own

welfare. The objective was stated to mobilize all the local resources for developmet. The policy was given legal shape in 1982 and was brought into force in 1984. But in practice, it was found just a publicity stunt. The main objective was to protect the corrupt and undemocratic panchayat system under the active leadership of the King. After the restoration of multiparty democracy and promulgation of new democratic Constitution, a similar policy but with an honest democratic approach has been accepted as a directive principle of the state.

Purpose of the Study

The over-all objective of this study, thus, is obvious. It aims to analyse the role of residents, non-government organization and quasi-public agencies in local government in Nepal. In this context, this study also attempts to throw some lights on these and the other concerned matters by -

- (a) examining the historic background of local government system in Nepal
- (b) overviewing the transitional period after the restoration of multiparty democracy, and
- (c) giving some recommendations for future reforms of local government system in Nepal including their personnel and their financial resources.

Place of Local governments in Nepal

As previously indicated, Nepal is a unitary state. Administratively the country is divided into 75 districts. Since Nepal is a developing nation, the country is also divided into 5 development regions in order only to balance the development expenses on the regional basis. The regional offices of the government are therefore considered the annexes of the center. It means, that we have two tiers of central administrative system after the zonal administration was abolished as a result of democratic revolution. Thus, the place of local units of government is just below the center. It includes village and municipal levels at the grass-root level and district development committees at the district level. The administrative district of the central government are also considered under the jurisdiction of the district development committees which are supposed to look after the affairs of the municipalities and village development committees regarding the matters of social services and economic development at their jurisdiction.

On the basis of the above, it should be clarified that the term, local government in Nepal involves the district development committees in addition to village development committees and municipal boards. Therefore, it should not be confused with district administration which falls under the hierarchy of central government and is sometimes called as "local administration." The chief of the district administration known as the Chief District Officer (C.D.O.) is the main representative of the central government at the district level. The C.D.O. is also authorized to co-ordinate supervise and control the functioning of the district development committee and municipalities and village development committees in the district.

Methodology:

The methodology utilized in this study is of a secondary type based on the government publications including statutes, rules, regulations and executive orders regarding the subject matters of local governments in Nepal.

Limitation:

The above description makes it clear that the study is limited within the provision of the transitional period. That means the statutes concerning local government units in Nepal at present are of ad hoc nature. The election for local governments will take place, as we expect, in spring 1992 after the parliamentary election which is going to take place this year. Therefore, it should be considered an interim report. However, we hope that, after the election, the present situation will be supported and strengthened by the central government and citizens.

Organization of the study:

This study has been divided into five chapters. The first chapter deals with the introduction and background of the study.

The second one provides the historical perspective and concept of local government and deals with functions and activities carried out by different levels of local units.

The third chapter examines what kinds of roles are actually played by the residents or people, non-government organizations and quasi-public agencies in local government in addition to policy guidelines and supervision of central administration.

The fourth chapter deals with the working methods, problems and difficulties of the local government in order to get peoples' participation and co-operation from other concerned agencies.

Finally, the fifth one has been devoted to the conclusion and recommendations for the future.

II. Local Government in Nepal a Historical Perspective

This chapter, as stated above has been devoted to the historical perspective and concept of local government in Nepal. It also deals with the functions, financial arrangements and personnel system of the different levels of the local bodies in Nepal.

Historical Perspective:

Concept of local government in Nepal is very recent. In 1920 the Rana Government started to establish some garbage disposal offices in Kathmandu, Lalitpur and Bhaktapur towns. These offices were called Saphai Adda. These offices were also related with Chhevdel Adda which was concerned with the construction activities. Rana Government later introduced Panchayat system in 1984 with a new law called Nepal Government Act in response to peoples movement for parliamentary democracy based on multiparty system. Accordingly, three tiers of Panchayats were introduced: Town and Village Panchayats at town and village level, District Panchayat at district level and Central Panchayat Assembly with two houses known as Rashtra Sabha and Bharadari Sabha at the center for which the Ranas claimed themselves as the Nepalese parliament.

Nevertheless the political parties in exile and the people did not accept the panchayat system. Consequently, in 1951, the autocratic Rana Regime was abolished and a democratic government based on multiparty system was introduced as a result of the popular movement under the aegis of the Nepali Congress. During this period, a separate Ministry of Local-self Government was established and this ministry organized municipalities in town areas and village panchayats in village areas. A rural development program based on community development approach was introduced with American and Indian aids and it was directly handled

by the rural development department at the center under the Ministry of Planning and Development. The administrative districts were divided into different blocks headed by a Block Development Officer and the BDO was supposed to work in co-operation with the people through the local village panchayats and municipalities at the grass-root level regarding the rural development matters.

In 1961, King Mahendra abolished the parliamentary type of democracy based on multiparty system. He re-introduced Partyless Panchayat System of the Ranas under his active leadership. After that the local development bodies were transferred into town and village panchayats at the local level and the blocks were transferred into district panchayats. Such local government bodies were also considered the electoral colleges for districts, zonal and Rashtriya (central) Panchayats. The village panchayat and district panchayat used to elect the members for district assemblies of panchayat and the district panchayat within a zone as a zonal assembly used to elect the member for zonal panchayats and the Rashtriya Panchayat which was the highest tier of the partyless panchayat system. Thus, they were politicized. Mainly, such panchayats were used to perform two functions: local development functions and political functions. Actually, such local bodies were more emphasized for the survival of panchayat system rather than the local development activities. As time passed, some reforms were introduced in original panchayat system under the guise of democratic system. Sometimes, back to village national campaign was introduced with a slogan of 'politics for development'.—— However, the people did not fully accept it and the struggle for democracy continued. Finally, the king was compelled to announce for national referendum to justify the partyless panchayat polity. After the so-called national referendum the constitution was amended and adult franchise was introduced to elect the panchayat members. However, the people were not satisfied and a clandestine movement for restoration of democracy was going on under the aegis of the banned political parties especially the Nepali Congress.

Currently, in 1990, the movement against partyless panchayat system started with the joint effort of Nepali Congress and the United Left Front. This movement brought about a change in political system. Partyless Panchayat system was abolished and the multiparty democracy system was re-introduced. The new Constitution of Nepal was promulgated

on Nov. 9, 1990. The main salient features of our new constitution as stated above are : the sovereignty with the people, parliamentary government based on multiparty system, Constitutional monarchy and guarantee of the fundamental rights of the people.

After the restoration of democracy interim ——— government recently introduced the Local Government Acts, of 1990 as stated above. The new Constitution does not mention about the local government system except in the process of formation of the Rashtriya Sabha (the upper house) of the Parliament. Of the 60 members of the upper house the chairman and vice chairman of the local government units within each of the five regions will elect 15 members.

Organization of Local Governments:

According to the present system, the village development committees at the village level are organized by district development committees and they are composed of a village or a group of villages having not more than the population of nine thousand. The committee is divided into nine wards having one representative from each ward. The committee will have eleven members including chairman and vice chairman elected by the residents in the future however at present they are nominated by the concerned authority.

The Government of Nepal can organize municipalities in town areas having nine thousand and more population. Currently there are 33 municipalities in the country. Such municipalities may have 9 to 33 wards having one representative from each ward elected by the residents. In addition, the chairman and vice chairman (Mayors and Deputy Mayors) the member of the municipal council and municipal boards will be elected by the residents. Kathmandu is the biggest municipality having a population of 321 thousand (1989 estimate) followed by Biratnagar, Lalitpur, Bhaktapur and Pokhara. Presently for the interim period the municipality members are also nominated by the government. Most of which are the government employees. The list of municipalities with their population and budget has been given in Table I.

In each administrative district, the government has organized district development committees to look after the local government functions concerned with local development and to give directives and guidelines to the village development committees and municipalities

within their respective Jurisdiction. District development committees may also consists of 11 members including chairman and vice chairman elected by the members of village development committees & municipalities, but presently the members are appointed by the government for the interim period. Typical organization chart of local government are provided in chart 1 and 2.

Functions of Local Government:

Although, the new Constitution is only two months old; essential and sufficient rules and regulation have yet to be introduced concerning local governments. The promulgation of Village Development Committee Act 1990. Municipality Act 1990 and District Development Committee Act 1990 throw some light about the functions of local governments in their respective levels. The functions stated below are based upon the Acts mentioned above.

(a) Functions of village development committee

According to Village Development Committee Act 1990, the main functions of village development committees are as follows.

- (i) preparation and approval of village development plan, discussion on the progress and its reporting.
- (ii) conducting adult education, operation of literacy campaign, establishment and operation of primary schools, management of library and conservation and supervision of goods and places which are archeologically, socially and religiously important.
- (iii) activities concerned with the health of residents such as, management of garbage, essential vaccination of diseases such as cholera.
- (iv) recording (registration) of resident's events such as birth, death, marriage, immigration and others.
- (v) providing the seed, fertilizer and pesticide to the farmers.
- (vi) market management.
- (vii) management of irrigation facilities such as canals, ponds.
- (viii) construction and maintenance of roads.
- (ix) management, construction and maintenance of public park, garden, auditorium and gyms.
- (x) forest management; plantation and soil conservation activities.

- (xi) central government may authorise village development committees to look after some trivial cases of judicial nature such as dispute over force labour and wages, disputes over trespassing of public or private properties and boarderlines, capture and use of public or private places such as pasture land, public parks, path and passages, play ground, gardens and cases on weight and measures etc.

(b) Functions of municipality

Municipality Act 1990 has stated power and functions of municipalities. Some main functions are as follows:

- (i) preparation of urban development plan and management for the implementation of such plan.
- (ii) construction and maintenance of roads, bridges, passages, and drains and sewerage system.
- (iii) management of water supply system.
- (iv) garbage collection and sanitation management.
- (v) recording of population, registration of other events such as birth deaths and recording of private homes.
- (vi) construction and management of public houses, and permits on building private houses.
- (vii) functions related to health such as management of medicines in case of disaster, operating general and veterinary hospital, doctor's management and exhibition about health education.
- (viii) controlling of unfair trade and immoral occupation.
- (ix) conservation and recording of the public land, religious place or public house.
- (x) construction and management of museum, zoo, art gallery, library, rest house and meeting halls.
- (xi) management of car parks.
- (xii) management of public parks, garden and open theatre.
- (xiii) conservation and research in ancient and archeological goods.
- (xiv) other functions related to public intrest.
- (xv) judicial functions: some trivial cases of judicial nature regarding the matters of public roads and private lands, sewerage, drains, public parks and damaged buildings in case of the question of public safety but except the dispute of ownership.

(c) Functions of district development committee

The functions of district development committees may also be carried out by a member or a subcommittee having a group of members nominated by chairman. The main functions are as follows:

- (i) functions related to health, water supply, drinkingwater project and social welfare, natural disaster relief.
- (ii) functions of cultural development according to the policy and rule of government.
- (iii) management of doctors and utilization of preventive methods for infectious disease and narcotic drugs.
- (iv) construction and maintenance of road, bridge, drainage, sewerage and ponds owned by district development committee.
- (v) formulation, implementation, supervision and evaluation of district development plan. Plan relating to watershed management and soil conservation and utilization of waste land for community or public benefit.
- (vi) supervision, inspection and guidance in the functions of village development committees and municipalities.
- (vii) providing of grants-in-aid received from central government to the village development committees and municipalities to run their programs.
- (viii) implementation of projects jointly undertaken by two or more village development committees or municipalities.
- (ix) management of development exhibitions.
- (x) other functions as directed by central government.

Finance of Local Governments

In case of finance, local governments are mostly depended on central government. A few amount of local revenue is collected by local levels, but such revenue has a nominal role.

(a) Finance of village development committees

The revenue in a village development committee can be received from the following headings.

- (i) taxes, and fees collected according to the Act.
- (ii) goods and cash amount handed over by central government.
- (iii) loans.

- (iv) amounts on the sale of soil, dirt, dung etc. collected by the personnel of village development committee.
 - (v) grants-in-aid provided by other village development committees and municipalities.
 - (vi) amount allotted by village development committees according to the special or general order of central government.
 - (vii) grants-in-aid provided by central government, district development committee and other institutions.
 - (viii) penalties and fees.
 - (ix) revenue from hospital operated by village development committee.
 - (x) rent from land, building and other properties owned by village development committee.
 - (xi) donation and other amounts provided by individuals, unions or institutions.
 - (xii) revenue from the bidding given by village development committee.
- (d) Finance of municipalities
 The following are the main headings of the fund:
- (i) goods and cash amount handed over by central government as grant-in-aid.
 - (ii) taxes, duties and fees collected according to the Act.
 - (iii) donation and other amounts provided by central government, any individual or institutions.
 - (iv) rent from land, building and other property owned by municipality.
 - (v) amount on the sale of soil, dirt, dung, etc. collected by municipality.
 - (vi) amount from auction and bidding.
 - (vii) amount from the deposit collected by municipality.
 - (viii) other amount collected by municipality according to the rules and regulation.
- (c) Finance of district development committee
 The following are the amounts included in the fund of district development committee:
- (i) goods and cash amount handed over by central government.
 - (ii) taxes, duties, fees and other amounts collected according to Act.
 - (iii) donation, grants, and other aids provided by central government or individual or institutions.

- (iv) proportion of property tax or other taxes as determined by central government.
- (v) rent from land, building and other properties owned by district development committee.
- (vi) revenue from trust operated by district development committee.
- (vii) movable or immovable property handed over by central government for the sake of development programs.
- (viii) amount of penalty collected according to the Act.
- (ix) loans.
- (x) amount received from auction and bidding.
- (xi) other amounts collected under the rules and regulations.

Although the respective local government Acts have provided different sources of revenue for local government and authorized to collect revenue in terms of taxes, fees and others, the local governments in Nepal are very much depended on the grants provided by central government.

Village development committees, which are the lower tier of local government and are assumed as a basis for socio-economic development process at the grass-root level have a miserable financial condition. The salary of the village secretary is paid by central government grant through district development committee. Village development committees do not have a significant source of revenue to conduct their development activities. Their own source of revenue is insufficient even to fulfil their secretarial needs. On the other hand, district development committees are also more or less at the same position with village development committees. According to the sample study of the budget sanctioned in F/Y 1990/91, almost 81 percent of the total budget of the district development committees has been provided by central government. Among the amount granted, 46 percent of such grant is paid for the salary of village committee secretaries. But in contrast municipalities seem more or less financially sound. In the fiscal year 1988/89 Kathmandu municipality had a surplus of 5.38 million rupees which is equivalent to 0.17 million U.S. dollar and 6.95 percent of the total revenue. Although, all the municipalities do not have surplus but it is found that the municipalities are economically sound as compared to other local government units. The main source of revenue in municipality is because of the tax known as 'octroi'. This is a kind of tax levied for goods crossing the boarder of the township

and to be sold within the respective municipalities. In this system goods are taxed at two times i.e. once in terms of excise or custom and then in terms of 'octroi'. This system has been criticised by the people and economists and as a result it is going to be abolished according to government statement by 1995 A.D. 'octroi' seems the main source and backbone of municipal economy. When this system is abolished municipalities will have to face the same economic problem as the other local government units are facing at present.

Local governments are expected to function as an agent of change and carryout development activities through peoples participation. But the local government, excluding some municipalities do not have their own source of revenue to conduct development activities. Almost 19 percent of total budget is collected by district development committees in terms of taxes, fees, and royalties. It is not sufficient even to operate their secretarial services. According to sample study of six district development committees, all the local source of revenue is to be used for secretarial services such as salary, office equipment and furnitures, and stationary etc. In addition to this, about 56 percent of secretarial expences have been granted for district development committees in terms of administrative grant and secretarial expenses (officially known as local development officer's grant). Development activities are almost conducted by the grant provided by central government. It is estimated to 33 percent of the total budget.

In the current fiscal year 1990/91, the approved budget of 29 municipalities amounts to 439.73 million rupees which is equivalent to 14.42 million U.S. dollar. Only about 2 percent of total budget is provided in grant from central government for municipalities. In this context, municipalities seem economically sound. But municipalities are not providing the primary service which are expected to be provided by municipalities for their residents. Such essential services, such as, power and water supply, roads, local transportation, telecommunication and the like are directly provided by the concerned central authorities and public corporations. In this regard, if the municipalities perform their duties as a municipal body, such resources may seem very few. Thus the municipalities are economically sound in the sense of fulfilling their secretarial needs and performing minor services toward their residents.

The budget of six district development committees in the fiscal year 1990/91 is shown in table 2. The budget of municipalities is already given in Table 1. The projection of budget is based upon the grants provided by central government through the Ministry of Local Development. Sometimes other ministries also provide grants for integrated rural development of similar projects to local government, but they are not submitted due to their scattering nature and time constraints.

Personnel system in Local Government

In the process of the study, it was found that two types of personnel are working under local government. The secretaries of village development committees as well as the executive secretaries of municipalities are the personnel of central government deputed to them. In district level Local Development officers of central government work as the secretary of district development committees. His one assistant and accountant are also appointed by central government. Other remaining employees are appointed by local government i.e. the committees concerned. But sufficient personnel can not be appointed by local bodies because of their limitation of financial resources. On the other hand, candidates are not encouraged to join local government service due to the disparity of the facilities provided to them in comparison of central government and public corporation employees.

III. The Role of Citizens Ngos and Pes:

Working Procedures and Methods of Inducement

This chapter has been devoted to examine the role of different levels of local governments and the working procedures and methods for inducing and motivating the citizens, the NGOs and semigovernment organizations in order to fulfil the stated objectives and functions as described in the foregoing chapters.

Working Procedures and Methods of Inducing the Role

The local governments at present have to determine their working procedures and methods to induce the citizens and the above agencies and their roles because of the fact that the local government system in Nepal is in the making in its real sense. As stated above, we are a developing nation and the democracy is in its infancy. Eventually, the system of local government is the child of the democratic system.

The general election for central parliament is due in this April, and after a year or so the elections for the different levels of local governments are to be held. Only afterwards, we expect that the local government units will adopt their proper working methods and ways and means to motivate the residents and other agencies to fulfil their objectives as stated in the new statutes and regulations passed by the parliament. Still, it is expected that they need some guidance and supervision from the central authorities.

Role of Local Government in the past

For the last thirty years or so, the local units of Panchayat were supposed to function under the directives and control of the central authorities through the zonal commissioners. They were supposed to be the local units of partyless Panchayat polity rather than the units of local-self-government. Their main functions was occasionally to gather the people and rally in support of some crucial central government decisions of political nature and especially, to celebrate the king's and queen's birthday and some Panchayat festivals. The reward and punishment system was strictly utilized on the basis of their role in such functions and evaluation of those activities. Most of Panchas (member of the local Panchayats) were given medals and prizes. Medals and cash prizes were sometimes lavishly provided to the different levels of the Panchas to protect the Panchayat system. It may be recalled that once almost eight thousand people mostly Panchas were given medals in such an occasion. Such a system eventually undermined the importance and value of medals and prizes. On the other hand the people with democratic spirit were severely punished and discouraged. Quite a number of the people under the local governments today are not still free from such thinking and feelings. It may be recalled that some of them have organized different so-called political parties under the leadership of ex-panchayat prime ministers and ministers and it is often heard and seen that such parties are clandestinely supported and encouraged by the palace people and their associates to counter the democratic forces. Some of them are said to be communal in their characteristics in order to accomplish their vested interests.

The position of zonal commissioner (ZC) was abolished immediately after the democratic system was reintroduced in last April along with the different levels of Ranchayat. It should be noted that, in the Panchayat period the country was administratively divided into 14 zones

and 75 districts. The chief of the zonal administration (the zonal commissioner) was directly appointed by the palace and he was supposed to supervise over the functioning of the chief district officers (district administrator) and the local units of panchayat. The ZC's main function was to protect the so-called partyless Panchayat system and he was supposed to report directly to the palace by-passing the central government. Therefore, he was considered by the people as the chief of the RIB (Royal Intelligence Bureau) at the zonal level; and the Panchas were considered his associates. The municipal functions were not placed in priority by the local units at that time. The village Panchayats used to handle some social services and village development works partially under the central grants-in-aid through the district Panchayats and partially they were supposed to donate the labor. In such a situation, the people considered themselves utilized by coercive methods. The functions carried out by the village Panchayats were building and repairing of the rural tracks, culverts, tube wells, irrigation canals, primary school buildings, Panchayat buildings etc. In addition to the functions as directed by the central and zonal authorities.

The town panchayats used to look after some municipal functions such as collection of garbage, granting permission to build new houses under the guidance and supervision of the urban development committees, collection of some revenues etc. in addition to above mentioned political functions.

The district panchayats used to look after the functions of village and town panchayats under their jurisdiction, to coordinate them and to provide the grants-in-aid received from the central government.

Present situation: PEs Role:

Most of the municipal functions such as management and distribution of water and power, telecommunication, roads, local transport, primary and secondary education, co-operatives, health and sanitation in the municipal areas etc. were and still are directly controlled and managed by the central government departments and the public corporations. Not only that the solid waste management and resource utilization functions are also directly handled by a project under the Ministry of Housing and Physical Planning in co-operation of German Government.

Thus, we see that the water supply and sewerage management in Nepalese municipalities is carried out by Nepal Drinking Water Corporation under the Ministry of Housing and Physical Planning and in some rural areas by the department of drinking water and sewerage of that ministry; electricity and power supply and its entire management is directly controlled by NEA (Nepal Electricity Authority) under the Ministry of Water Resources. The city transportations is managed by the Saiha (a semigovernment organization) and some private parties under the permit of transport department under the Ministry of Work and Transport. Similarly telecommunication is controlled by the Telecommunication Corporation under the Ministry of Communication and the Ministry of Home looks after the police administration and public security.

It means that most of the function supposed to be handled by the municipalities and other local units of government are still directly handled by the central government ministries and departments and the public enterprises or quasigovernment organizations. There is no decisive role of local government in such public utility services functions.

Thus, we see that the peoples' voluntary participation is still limited in our local government system. This is inherited from the panchayats and this problem has to be solved in the future. In the past their participation was limited to the so-called panchayat elections and the labour donation and participation in some panchayat rallies of political nature, sometime they were paid for taking parts in such processions.

Role of NGOs and External co-operation

Regarding the contribution of NGOs, the local organization's role in persuading them is very limited. In the panchayat period also there were some efforts in this direction. Among the prominent NGOs in Nepal are Social Services National Co-ordination Committee (SSNCC) and related organizations under its umbrella; such as Nepal Family Planning Association, Nepal Red Cross Society, Nepal Childrens Association, Nepal Association for Fine Arts etc. But most of them were patronized and handled by the Royalties e.g. the SSNCC was chaired by the queen herself. Now the government has decided to make them free from the patronage of Royal Family and to make them work in co-operation with the local units of government.

It is a well-known fact that Nepal is not sufficient in economic resources to fulfil its own needs. Due to lack of such resources, skilled manpower and equipments; Nepal has always accepting international and foreign aids for the national and local development puporses. Such co-oprations are of bilateral and multilateral types and the donor agencies UNDP, FAO, USAID, SATA, GTZ, UNESCO, UNICEF, The World Bank, ADB, EEC, JICA, FINNIDA, along with the government and agencies from U.K.,USA, INDIA, People Republic of China, Canada and so on.

In this respect, as stated earlier, the German Government and the GTZ (German Institute of Technical Co-operation) are providing financial and technical co-operation for different types of urban and rural development and social service activities including the solid waste management in the municipal areas. Most of the city transportation, buses and other equipments are received from Japan and the JICA is providing different types of local services including health. Kathmandu city has a trolly bus system connecting the next town, Bhaktapur in Kathmandu valley under the Chinese co-operation. A program for management and support for municipalities has been being run as a project named MSUD by the aid of World Bank. The US/AID has been providing rural and urban development aids for a long period. American Co-operation was started in 1952. Besides that the NGOs and regional agencies such as CARE, SATA, RED, BARNA, CIRDAP, and the like are also engaged in our local development programs along with other co-operations. The UNDP and the World Bank also are engaged in intergrated rural development programs along with other organizations from Canada, U.k., Finland, India, ADB, and so on. Most of them are supporting public corporations including water supply and sewerage, electricity authority, transportation and similar type of public utility services.

Concluding Remarks:

On the basis of the above analysis, we can conclude that the local units of government in Nepal are still in their infancy and they are functioning under the supervision and control of central government and district administration although they are considered as the autonomous entities. They are not fully capable to handle the local functions and most of the municipal functions are directly provided by the central ministries and the public enterprises concerned. The

Ministry of Housing and Physical Planning and the Ministry of Local Development are concerned with the urban and local development functions and the departments for urban development and other related agencies including urban development committees provide technical co-operation to the municipalities and district-and-village development committees. The central government provides funds in addition to their resources and international co-operation is sought to fulfil the lack of resources. The residents can play their significant role in order to fulfil the local government objectives but the problems inherited from the panchayat system are still felt constraints and hindrances in this direction. Therefore, a well trained and well motivated personnel system for the local units of government has been felt and emphasized.

IV. Problems and Difficulties of Local Government

This chapter has been devoted to the problem and difficulties in order to get peoples' participation and co-operation from other concerned agencies.

Problems and Difficulties of Local Units:

The above analysis clearly shows that the different levels of local government in Nepal are facing different types of difficulties and problems in their functionings. Since their smooth functioning depends on the active co-operation of the people, they have to motivate the people and persuade them to co-operate so that they can be capable to fulfil their stated objectives effectively.

It means the different levels of local governments in Nepal has still to prove that they are capable enough to provide the public utility services if the management of such services has been transferred to them from the respective quasi-governmental agencies or public enterprises and government departments themselves. The agencies may believe them only after they become capable to get residents co-operation and are fully equipped with appropriate personnel system and other resources. Therefore, citizen's co-operation has become the most important factor in this regard.

Reasons:

Now, let us examine why the local government units are getting difficulties to get support and co-operation by their respective residents. One of the main reasons of such a difficulty seems to be lack of faith in local units of the people since they could not prove themselves adequately able to provide the essential services in the past. As indicated above, our municipalities are getting help from the central government's ministerial projects on solid waste management and resource utilization even though garbage collection is the prime sanitation function of municipalities. NEA is complaining that the municipalities could not even pay for the street light services and most parts of the city are without street light facilities. The municipalities could not also prove themselves capable to handle the drainage system and consequently the Water Supply and Sewerage Corporation has been handling it in co-operation with central Ministry of Housing and Physical Planning.

The other psychological problem in addition to such lack of faith and services is inherited from the panchayat system. In the panchayat period, the local units used to get central guidance, sometimes of a coercive nature and sometimes of a persuasive kind, to handle their regular functions and especially, to celebrate the king's and queen's birth days including some panchayat festivals. They were especially provided with funds to collect the people for rallies and processions in support of political decision of central government. So the people are habituated in such practices. Therefore, we need a psychological and an attitudinal change in their behavior. We hope that the new democratic system will be able to change their behavior in the future.

Thus, we have identified three types of problems to overcome to get citizens active participation in the functions of local government. These are, the lack of services in the part of local units, lack of faith in the part of citizen, and coercive nature in the part of central authority. It means that the panchayat system was not only most undemocratic but also most hated dictatorship.

Historical Factors

Here, in this context, it should be noted that before 1951 Nepal was ruled by the Ranas. The Rana System was energized only for the profit of one man. The Rana prime minister and his family, there was a highly autocratic, personalized autocratic family rule that favored the sycophant and thrived on nepotism and favoritism. To quote R.C. Malhotra

"The Ranas ruled only as prime ministers in the name of the Shah Kings but they ruled supreme with the legislative, executive and judicial powers usurped into them much in the same way the Tokugawa Shoguns ruled in Japan prior to the Meiji restoration in 1868" .

For the first time the municipality as a garbage collection office (Saphai Adda) was established in the later part of the Rana period under the direct control of Rana government. There was no question of people's participation and a state of coercion was prevailing at that time. After 1951, for about ten years, we introduced democratic system of government but unfortunately in the beginning of 1961, democratic institutions were abolished and the palace autocracy through the panchayats was

imposed in the name of partyless panchayat system. That is why, most of the people are still used to coercive methods due to such a long autocratic legacy.

Therefore, the local development training institutes should be revamped to provide short term community development programs and encourage people to provide co-operation and participation in democratic institutes.

The other problems seems that most of the institutions are transferred to new democratic form from the previous panchayat organizations e.g. most of the village development and district development committees were transferred from village and district panchayats and the municipalities from the previous town panchayats. Though the elected members were removed with the change in the political system, most of the employees and the working procedures and methods are still the same as introduced in the panchayat period. It is natural that the people employed in the panchayats and trained in that situation are getting difficulties to change themselves and be prepared to help democratic institutions. So, it seems that it will take time to change them psychologically. The same case is with the local development training center also. Previously they were called the panchayat training centers. After the democratic system was introduced, they were changed to local development training centers. However the personnel and the training methods are still the same. We need a break-through regarding such matters so that the people may believe in the local units and co-operate with them.

Non Government Organizations

Similar is the case with NGOs too. Their co-operation to the local units of government depends on the degree of peoples' participation in the local government. It means that the NGOs will provide their co-operation directly to the local governments provided the citizens actively participate in their functionings. Presently, the local bodies are getting difficulties to get direct support from the NGOs because of the working methods and poor quality of services they are providing to the people.

Therefore, the NGOs, such as family planning, Red Cross and different health, education and local development oriented national and international organizations are directly providing their services to the community. However the effectiveness of such social services would have been widely visualized if they were provided through the local bodies.

Semi Government Agencies

As previously stated, the local government in Nepal especially the municipalities are not able to provide the public utility services to the citizens. The water supply electricity, telecommunication, local transport and sewerage services are provided by the concerned public corporations and the central government provides foreign aid and loans to such corporations as and when needed. Because of such loans and rampant corruption inherited from the panchayat period the public utility services are being most expensive and costly. Most of the people today are of the view that the municipalities as the government policy and legal system provides should, therefore, take over such functions from the respective public enterprises and provide services to the people at a reasonable price. But there is a crisis of belief. The people in general and the corporations do not believe that the municipalities can provide such services. On the other hand, there is an empire-building tendency with the corporations, too. They do not want to loose their own authority. Similar is the case with the concerned ministries and departments also. It may be recalled that about five years ago, the government had decided to transfer such public utility services' functions to the local governments under a decentralization plan. But it remained just a political slogan of the panchayat system. After the division was taken, no implementation plan was introduced and nothing was done regarding the mobilization of personnel and financial resources.

Concluding Remarks:

On the basis of above, it is found that, the difficulties and problems that the local governments are facing in Nepal to get co-operative participation of citizens of the NGOs and public enterprises are inherent from the panchayat system and they are still dependent on the crisis of belief. The people think that the municipalities are still not able to provide quality services, they do not have tax collection, planning and implementation capabilities. There is no resource mobilization that could be adequate to support a human resource base of local government employees. In case of default and corruption

in the past, the government had adopted 'no action policy' because the government considered the panchayats as a part of the political system. The people are still afraid of such a policy. But now there is a break-through in local development policy and, we hope, the situation is improving.

V. Conclusion and Recommendations

This chapter has been devoted to the conclusion of the study and give some suggestions and recommendations on the basis of the findings.

Findings and Conclusions

On the basis of the study, we can conclude that the Nepalese administration in general and local government in particular have developed a symptom of "Yellow cap culture" with rentseeking behavior as a result of a thirty year long partyless panchayat system. In this context, it is appropriate to note that yellow cap culture became a popular joke after the national referendum in 1990. In national referendum the panchayat adopted yellow color as its symbol as against the blue color symbol of multiparty activists. After that the corruption and bribery in panchayat system began to become rampant and the people were severely exploited.

Such a most hated panchayat polity was removed last year by the people, however the deeply rooted corrupt practices in local government units are yet to remove by the newly established democratic government. It should be clarified that the newly formed local government units are working with the personnel appointed in the panchayat period and the people think that there should be re-organization and the newly appointed employees should be trained in accordance with the situation and environments of the newly established multiparty democratic system. It was experienced by the people that the panchayat polity, thus, had institutionalized corruption similar to that in a sala-administration hypothesized by Fred Riggs. In the panchayat period nepotism and favoritism were practiced openly and some officials were placed in advantageous positions to extort bribes and other favours. Part of such extra income used to be passed to the superiors protecting the "rackets". It means that the panchayat dictatorship under the direct supervision and control of the Royal Palace was most corrupt and

undemocratic. The decision making process, rules and regulations were just for formalism. It was openly criticized by the people that the panchayat politicians in power used to publicly castigate bribery and corruption but secretly encourage it.

Regarding this, some democratic people had thought that a new brand of JBRS were becoming the problem for administrative reform at that period. It means the people returned from Janch Bujh Kendra (a kind of investigation center in Royal Palace) to their parent organization were felt difficult to handle by their supervisors. They were considered the hard-core and hard-liner of partyless panchayat system under the palace dictatorship after being brain-washed in the Janch Bujh Kendra. Therefore they were also responsible for such corruptions and irregularities. Such people and their follower are still occupying some Key positions of our administration even today. It is obvious that they are the problem of our administrative reform at present. Therefore the government should be prepared to take severe actions to change or remove them and re-organise the administrative system to make it more responsive toward the people and democratic system.

Suggestions and Recommendations

Thus, we see that the panchayat culture is still prevailing and deeply rooted not only in our local government system but also in the whole administration that supervises and provides the policy guidelines to the local units of government. Therefore, we need a psychological and behavioral change in the administrative system.

Regarding the local government, we think it is necessary to mobilize the resources in improved quality and quantity. Such resources involve manpower, materials and financial arrangements to make the local bodies capable in performing their functions assigned by the central government.

1. Finance

It is a well-known fact that the local government should be given autonomy and developed as an autonomous institution so that they may be able to fulfil the felt need of the people and handle socio-economic development process at the grass-root level. Such an autonomy can be materialized when there is a provision of sufficient financial arrangements. Therefore, the local bodies should be given some tax bases and tax collecting authorities in addition to central grants-in-aid.

In the municipal area, which is considered the local government in the real sense in Nepal, such taxes should involve all kinds of property taxes including building and housing, rents, professions, vehicles and land taxes within the municipal area. Currently, most of such taxes are collected by central government and almost 80 percent of the municipal revenue depends upon the 'Octroi'. After the abolition of octroi the central government has to provide more tax bases to the municipalities to make them more effective.

It is also recommended that the municipalities should take over the responsibilities for public utility services. The central government should make arrangements to transfer the concerned divisions of Nepal Electricity Authority, Drinking Water Corporation, Transport and Telecommunications etc. along with their present employees, equipments, and properties to the municipalities in the city areas. The municipalities should be prepared to take responsibility for the distribution and maintenance and collection of tariffs under the supervision and technical guidance of the public enterprises concerned. It should be carefully taken into consideration that there should be adopted policy to take severe action in case of default, and 'no action policy' as adopted in panchayat period should not be practiced.

Here, in this context, it should be carefully noted that there should be strict provisions for the municipality to levy and collect the housing and building taxes with the pre-requisites of maintenance of roads, sewerage, street lights and related matters in the areas concerned.

The village development committees presently are getting rooftop taxes, animal taxes, fees, rents etc. in addition to central grants to carry out their functions. In this context, to make them more effective a complete re-organization plan should be introduced in the near future. Currently there are 4015 village development committees of different sizes; their number should be reduced by about fifty percent. Only after that the new tax bases for them can be found out. Presently, they should be functioning under the supervision and guidance of the district development committees.

District development committees should be adequately equipped with human resources and financial arrangement so that they become capable to co-ordinate and look after the functioning of municipalities and village development committees. Until now, financially they depend on central grants for their functions assigned by the center. Recently the government of Nepal, according to a press note, has decided to provide the amount collected by the district land revenue office to the DDCs. However it is limited to 100 thousand Nepalese rupees. But such limitation should be removed including a provision that the land revenue outside of the municipal areas should be given to DDCs.

2. Personnel

Organizational performance depends on human performance and human performance depends on ability and motivation, and their management. But presently, the local government units lack an effective personnel system. In lack of such a system, it is doubtful that they can effectively carryout the above functions and tax collection and financial activities and provide essential services to the people. At the present time, the policies and procedures which determine human performance need to be modified in order to improve abilities and motivation. Taking this into consideration, a separate "unified service for local government" with different groups and subgroups for generalists and technicians should be created under the Nepal Civil Service Act. The number of positions in this separate unified service should be allocated in response to the growing activities in the field. The personnel should be promoted and transferred within the different levels of local government units. The minimum qualification and job description for each group and position should be clearly defined. They should have authority in response to the decentralization principles.

There should be training facilities provided to the local employees. The present local development training institutes under the Ministry of Local Development should be strengthened and assigned the training activities for the local employees. Institutionalization of decentralization policy and activities depend on such a process of strengthening the training institutes. Therefore, the trainers of the institutes themselves, should be trained properly before they are assigned to training jobs. The training courses should be based on training-need identification for the local employees. Special training should be provided to the executive secretaries of the municipalities.

In addition to internal training, they should be provided short-term foreign training and observation trips to some municipalities in the foreign countries such as Delhi, Calcutta, Tokyo, Washington, and others.

3. Organization

Thus, the local government system in general and municipalities in particular should be developed and institutionalized so that they should be considered inseparable part of the social system. There is a common perception that institutionalization means the perpetuation of an organization. Given the above discussion, the question may raise what means an institutional development for the local government. It means the central ministry's capability to sustain the institutionalization of municipalities and village and district development committees with their financial management practices and well motivated personnel system along with essential equipments and management practices carried out under the Ministry of Local Development Projects. It will help to provide a better local government system leading to democratic practices responsive to the people.

REFERENCES

- Hem Narayan Agrawal, Administrative system of Nepal
(New Delhi: Vikash Publication 1976)
- Josheph F. Zimmerman, State and Local Government,
(New York: Barnes and Noble Inc 1968)
- Rajeshwar Acharya, Integrated Rural Development Project in Nepal
(A study of Rasuwa and Nuwakot)
The Journal of Development and Administrative Studies
(Dec 1983, CEDA T.U.Kathmandu) 129-65
- Ram Chandra Malhotra "Policy Analysis and Development in Nepal"
Kathmandu 1984 (Cyclostyle)
- The constitution of the Kingdom of Nepal 1990, Kathmandu Ministry of Law and Justice.
- The Municipality Act 1990, Kathmandu, Ministry of Law and Justice 1990.
- The District Development Committee Act 1990, Kathmandu, Ministry of Law and Justice 1990

The village Development Committee Act 1990, Kathmandu, Ministry of Law and Justice 1990.

Statistical Pocket Book Nepal, Kathmandu, Central Bureau of Statistics 1990.