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### **Reform in Public Service Delivery in Nepal: Demand or Supply Driven?**

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#### **Abstract**

Government often claims that public service delivery in Nepal is under reform, but the recipients of it hardly observe the desirable changes. Considering this, a study was carried out by Transparency Nepal (TI) to map out public perception and experience of the current public service delivery, and to examine whether there are any improvements on public service delivery. The study comprises of qualitative study in three and quantitative survey in nine out of seventy five districts of Nepal. The findings of the study showed that electricity authority, municipality office, hospital, and land revenue were the offices where services were not delivered in due time. However, citizens' awareness against corruption among the service receivers was slightly increased which helped for the little improvement in satisfaction among service recipients. Nevertheless, as the agendum of reform has been characterized by supply-driven, there is not much remarkable changes in satisfaction among them. Therefore, in an honest effort of building integrity in the public service delivery, demand-driven reform has to be institutionalized in addition to the present supply-driven organizational context.

**Key words:** Corruption, Integrity, Public Service Delivery, Demand/Supply Driven

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## **1. Introduction**

Nepal is a small and beautiful country surrounded by two Asian giants India and China. Its population is around 27 million. It is really difficult for the Government of Nepal to ensure basic public services for all with limited resources, especially for the people living in the tough geographical region. Presently, there is political instability which has adversely influenced upon the governance system of the country. As a result, there arises more chances of increasing corruption i.e. abuse of public service for private gain. However, this current situation is the consequence of the corruptions taking place from last several years. The Mass Movement in 1990 reintroduced democracy embedding constitutional monarchy to it. However, the situation of public service delivery did not go under the expected change. Between 1996 and 2006, armed conflict by Communist Party of Nepal (Maoist) left over 13,000 people dead and 1,300 missing. Power struggle and resulting instability continued which eventually removed the monarchy in 2008 and reestablished democracy. However, instability caused by conflict among political parties still continues.

The area of Nepal is 147,181 square kilometers (56,827 square meter) consisting seven federal provinces. The Government at the center is headed by the Council of Ministers which is led by Prime Minister. The Council of Ministers, which includes Ministers, Ministers of State and Assistant Ministers representing political sector, follows a principle of collective responsibility. The Chief Secretary, the senior-most government official, serves as a bridge between the political leadership and bureaucracy through the Secretariat of Council of Ministers. Each Ministry is steered by a Minister, a politician and is guided bureaucratically by a secretary. The backbone of the public sector is the civil service. It is considered to be independent and the idea has been provisioned by the constitution. However, the functions of civil service such as appointment, transfer, promotion and dismissal are determined by politics. Although there are regulations regarding professional impartiality of public sector employees, they are mostly ignored or manipulated or replaced by loyalty to political parties particularly the political leaders in the government. Lack of elected local body is one of the reasons behind this.

Although Nepal is a multiparty democracy, the electoral democracy has not yet been thoroughly established in the country. Because of conflict and political turmoil, there is no elected body at the local level from 2002. Although the local election has been announced by

the government in 20 February 2017, the political parties have not been able to create certainty about it, scheduled for May 14, 2017. This kind of uncertainty has created layer of other difficulties in service delivery.

Based on the decision made on Mar 10, 2017 to fulfill the requirement of the new constitution of Nepal 2015, the Government of Nepal made a decision to adopt 744 municipalities. Then 3900 municipalities are restructured in total 744 new Municipalities and Villages. Then 75 district development committees (DDC) are replaced by 75 District Coordination Committee (DCC). The coordination committee has been limited in power. However, there are still controversies among political parties to institutionalize these mechanisms although election to be held is very close. This has generated uncertainty whether or not the election will be held.

## **2. Level of Public Service Delivery and Corruption**

Services that are delivered to the people by Nepalese government outlets are considered below the standard and often reported with allegation like bribery, nepotism, and denial to the less privileged people. Many reasons are highlighted for this. Government public service offices are going through several limitations of resources. There are lack of technology, lack of information dissemination, and so on. These are the reasons why Global Corruption Barometer (GCB 2014) ranked the government public services as deteriorating. Because of all these circumstances and incidents, people are deprived from the public services. This suffering is even worst for the people from remote areas and marginalized section of the society, and also those people who are apart from political identity. The Commission for Investigation of Abuse of Authority (CIAA), a constitutional body to curb corrupt practices in Nepal, is functional. However, it comes in controversies in several occasions considering it goes beyond its authority and for several other reasons.

Legal provisions criminalize corruption and its various forms including bribery, active or passive, money laundering and fraud. Nepal is committed to UN Convention against Corruption. Various notable legal provisions such as the Good Governance Act 2008, the Right to Information Act 2007, the Audit Act 2048, the Anti-money Laundering Act 2008, the Prevention of Corruption Act 2002, dozen other Acts and their amendments and institutions specifically focused on controlling corruption are in place. However, public

perception is that no official work can be done without paying bribe. According to TI-Global Corruption Barometer (GCB) 2013, 57 % respondents said corruption increased a lot in Nepal over the past two years. Similarly, 69 % of them indicated corruption as a very serious issue in the public sector of Nepal. Nepal stands as the 131 least corrupt nations out of 175 in the Corruption Perception Survey (Transparency International, 2015). Although questions are raised against these surveys, they give a picture of Nepali public service situation.

### **3. Demand and Supply Driven Reform**

In the literature of governance reform of various sectors, demand and supply driven approach is often discussed (e.g. Coady & Parker 2004; Prisecaru 2014; Freeman 2006; Amudhan, Mani, Rai, Pandav, & Krishnan 2013). The supply driven reform starts from the organizational or institutional context. Reform actors are mostly engaged to deliver services and seek participation of public agencies, NGOs, Citizen Forums, Political Parties etc. Therefore, reform strategies of supply side reform are done through capacity building of the civil servants and facility increment of them so that they can be best engaged in serving service recipients. The two major approaches in this reform are: administrative/fiscal decentralization, and involvement of non-state actors in the process (Regional and Local Development Studies, Addis Ababa University 2013). In the decentralization, capacity building of the public agencies is in central focus. However, in many cases, the public service personnel do not show their willingness and commitment to get involved in the process. In the approach of involvement of non-state actors, some ways to engage non-state actors are made. The formation of users' group, consultation etc are some approaches.

In the demand side of public service delivery, service seekers are critical mass and can create demand for the aspects of the quality, quantity and time of services provided. They can raise the questions against unaccountable and mismanagements in public service delivery. The service providers have to serve the general people as in the process of responding the critical mass. However, citizens require to be well known about their rights and organizational regulations. Therefore, citizens are to be made informed so that they demand institutional arrangement for the services to demand from the public agencies and the civil servants get compelled to be accountable. The demand side of public service delivery thus, focuses on the voice, regulation, financial management, and transparency and accountability dimensions of

governance (Birner 2007). In this reform, citizens need to have voice, and government provide avenues so that they can express it effectively.

#### **4. About the Recent Study**

Considering the dynamics of public service delivery, it was necessary to carry out a study on it. Therefore, Transparency Nepal (TI) studied public perception and experience of the current public service delivery, and examined whether there are any improvements on peoples' perception and experience on public service delivery compared to the principal findings of a similar study of the previous year. This study was basically carried out not only to present the present condition of public service delivery but also to guide or clarify the priorities area for future interventions.

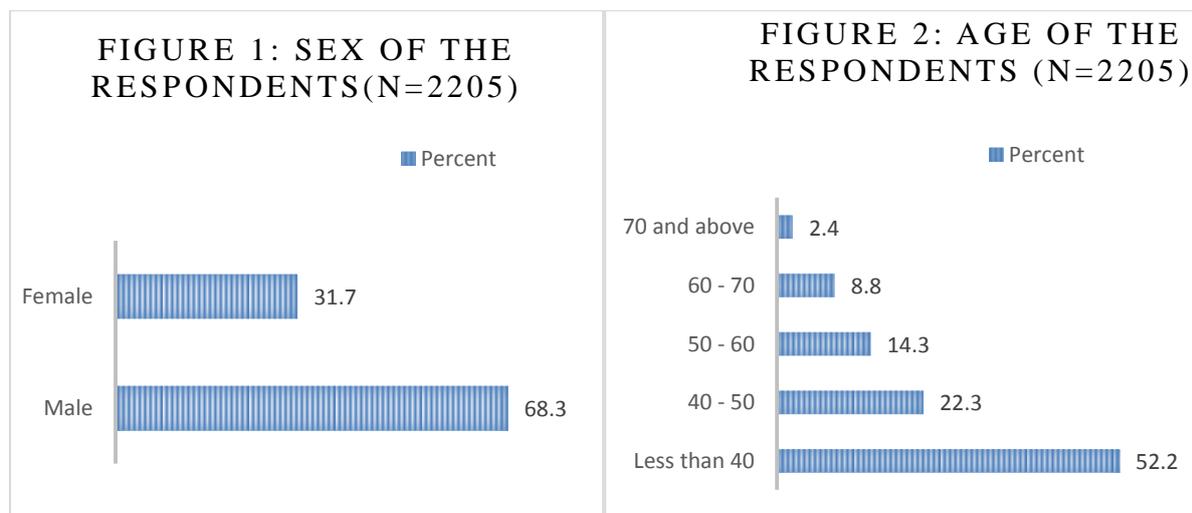
The study comprises of convergent mixed methods research consisting qualitative study in three and quantitative survey in nine (Siraha, Rautahat, Bhaktapur, Rupandehi, Baglung, Banke, Darchula and Dolakha) out of seventy five districts of Nepal. Information was collected from 12 service sectors: land revenue, land survey, Chief District Office (CDO) office, health sector, police, transport, electricity, water, agriculture, custom/tax, community schools and municipality/VDC/DDC. These sectors were identified by the personnel of Transparency International, Nepal considering their roles in human development, social justice and economic security.

The research team conducted qualitative study in 3 districts and quantitative in 9 districts. To carry out qualitative study, the research team visited the respective districts and interviewed the public service providers and recipients. As for the quantitative study, a sample of 2205 was identified by considering 2 percent permissible error. A household survey was then carried with the identified sample. Considering the number of households in each district, 164 households from Baglung, 257 from Banke, 185 from Bhaktapur, 310 from Dang, 123 from Darchula, 125 from Dolakha, 284 from Rautahat, 440 from Rupandehi and 317 from Siraha were selected randomly after identifying clusters in each district. The respondents were asked to answer in consultation with their family members to get a clear picture what they perceived and experienced on service delivery of various offices, where they visited.

Before, actual data collection, piloting was done. After completion of data collection, questionnaire editing and coding was done thoroughly. Errors from questionnaires were identified and eliminated. After data entry, the database was checked thoroughly and cleaning was made. Then the data was analyzed using Statistical Package for the Social Science (SPSS). Qualitative data were also analyzed. In the end, a draft report was prepared, which was finalized through several review processes.

## 5. Respondents of the Study

In this section, I have presented the information of respondents and then I swiftly moved into the respondents' view on service delivery. Among the respondents of the study, about two - third were females and rest were males (Figure 1); two - third were aged 50 and below (Figure 2). Considering the educational status of households as an indicator of the level of awareness in public service delivery, their educational status was also identified. Out of the total respondents, majority of them were simply literate to grade 10 passed. .

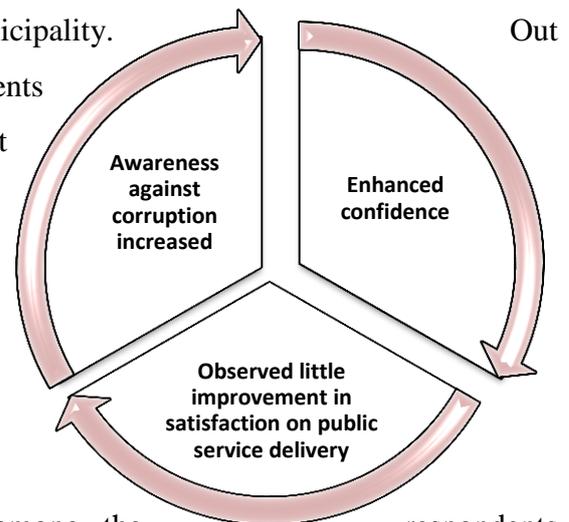


Out of the total number of respondents, the share of respondents who were illiterate (not having the skill of read or write) was 2.5%. Those who can simply read and write was 24.1%. The respondents who was graduate of basic education (up to grade 8) was 18% and secondary education (grade 10) was 27.8%. The rest of them had higher level qualification. In the qualitative part of the study, at least one official from all 12 sectors was interviewed. At least, one recipient of each sector was also interviewed.

## 6. Findings

The findings of the study showed that the most visited public offices of the respondents were the ones where they faced the most problems: electricity authority, municipality office, hospital, and land revenue office (Figure 3). Among these offices also, services were lately delivered mostly in land revenue office and municipality.

Of all the offices, the highest number of respondents had paid extra charges/tariff than the government rate to finish their work on time in the land revenue office. Some respondents mentioned that they paid extra money to get admission in hospital and to get free textbooks in the community schools.



Awareness seemed to be slightly increased among the respondents and hence has enhanced the confidence of the study participants (Carter Center, 2002). Taking increase in confidence into account, there was also little improvement in perception on public service delivery than that of the similar study of the previous year (Figure 4). This indicates that when there is little progress in awareness, it enhances confidence of the service seekers and they find the situation much reformed. Yet, there is plenty of room to enhance confidence of service receivers.

As the awareness programs were linked to the local non-government organizations, respondents were asked whether their role was effective or not. Though Civil Society Organizations (CSOs) are found to have been conducting programs against corruption, still the service receivers find it rather not highly effective. Respondents were also asked about the effectiveness of the government organization as there are many government agencies which are directly involved in combating corruption such as CIAA, National Vigilance Center (NVC) etc. These government agencies fight against corruption according to the anticorruption laws enacted by government. Respondents were asked the effectiveness of these agencies, the government actions are neither effective nor ineffective (Figure 5). In the in-depth interviews as well, the service seekers said that he faced several difficulties such as

harassment by brokers, negligence and delay. Some households were victim of bribe with other sorts of corrupt practices.

Despite these, most of them did not want to make complaints against such problems. Some of them made complaints in the respective offices. Among the complaints, some complaints reached to the level of district administration office and the CIAA. Although the complaints were made, the respondents did not notice the hearing of their complaints. One third of the respondents did not even know how and where to complain, even though many respondents were interested in making complaints in near future. Considering the interest of the respondents to lodge complain, it is necessary to enhance their level of awareness and confidence.

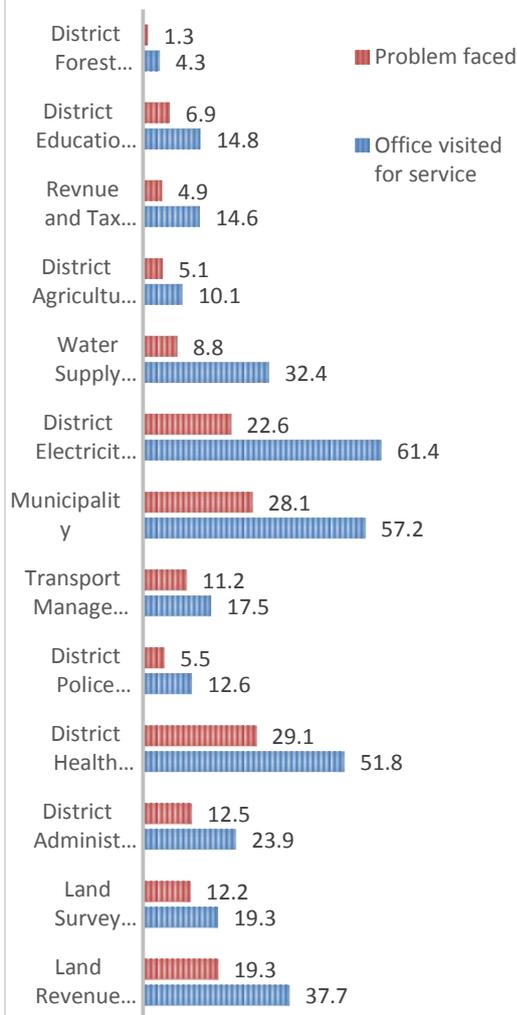
One of the focuses of this study was to examine the condition of local government and education sector. The result (Fig 6) shows that the respondents were not much satisfied with the development activities of the municipality. To them, the local government still has much to do as many local beneficiaries did not take part in open discussion and budget allocation process as they did not receive information about public hearing. The information sharing of the local government was to fulfill their formality rather than providing information to the public. Many respondents were unknown about their avenue of grievances (Fig. 7). Particularly, they were not familiar about the means of petitions and complaints such as information officer, complaint box, complaint registration book, etc (Fig. 8). Respondents have the fear of complaints, too. This shows that the existing means were not effective to serve the interest of the people.

The study of school sector explored that some teachers were not regular in community schools. In addition to that, some respondents also complained about not getting textbooks on time, partial behavior by teachers, late result publication, unfamiliarity about the election of SMC, and ineffective in parents' gathering. This indicates that education section needs special attention.

Many respondents believed that political parties and bureaucracy should be responsible in an attempt to reduce corruption. Besides, it is necessary that civil society should act well. In entirety, the level of awareness of the citizen was increased in this study. And as a result, their self-confidence to receive the public service has increased. Non-government

organizations, political parties and bureaucrats need to build their role more effective and they must initiate the awareness programs that increase self-confidence

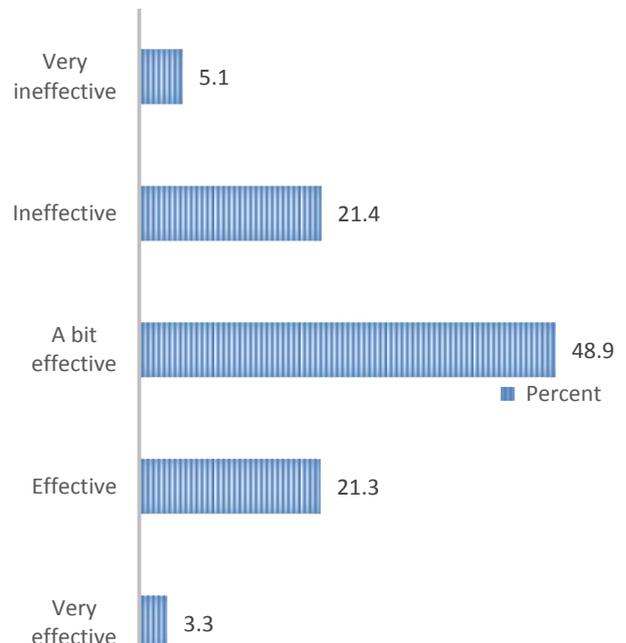
**FIGURE 3:  
RESPONDENTS  
VISITED IN  
DIFFERENT  
GOVERNMENT  
OFFICES AND THEIR  
PROBLEM FACED  
(N=2205)**

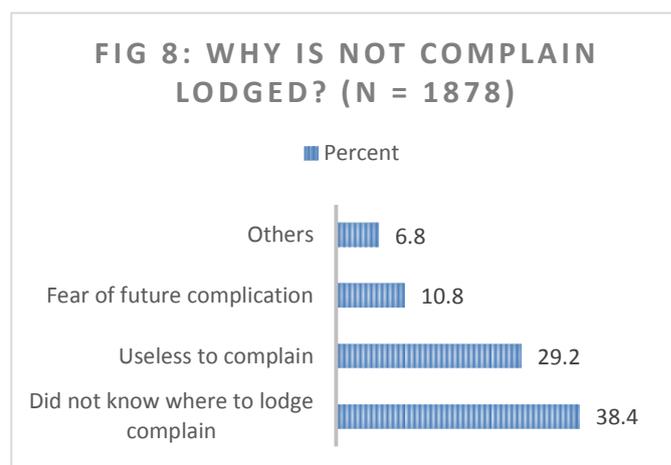
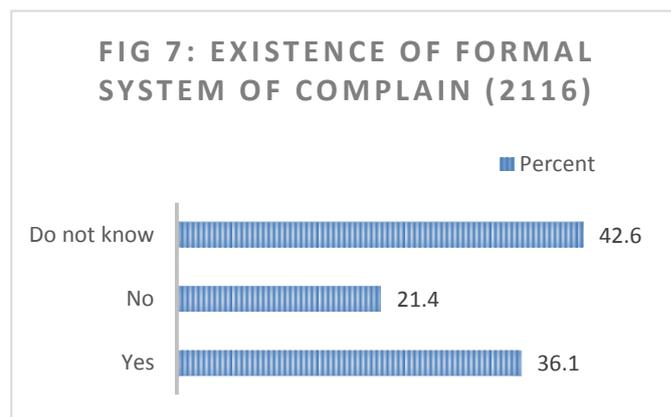
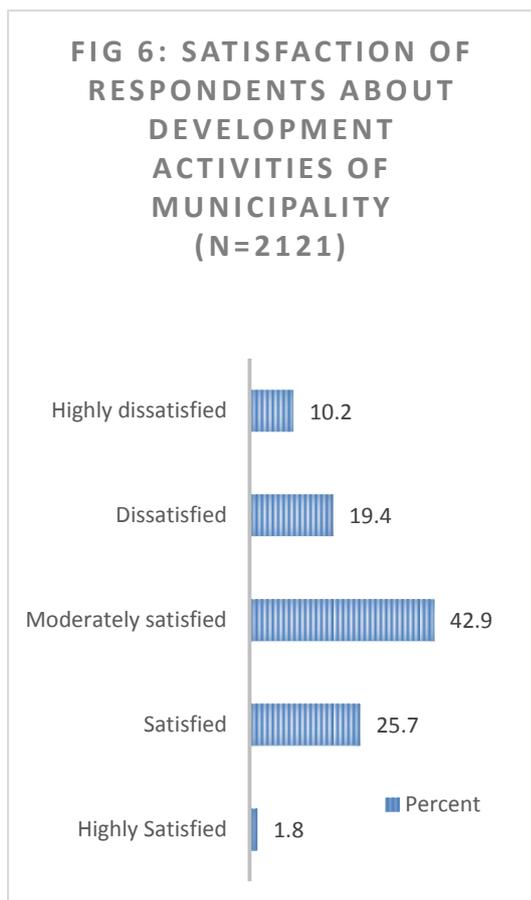


**FIGURE 4: SCORE OF CORRUPTION SCORE (0 = NO CORRUPTION; 100 = EXTREME CORRUPTION)**

Year	Mean $\pm$ SD of		Mean difference
	Male	Female	
2015	65.29 $\pm$ 24.38	61.50 $\pm$ 20.04	3.78
2016	57.3 $\pm$ 25.3	59.44 $\pm$ 23.5	1.9

**FIGURE 5: GOVERNMENT'S  
EFFECTIVENESS TO FIGHT  
AGAINST CORRUPTION (N=2198)**





## 7. Discussion of the Findings

This study reflects a picture of service delivery as perceived and experienced by ordinary people. The findings of the study showed that electricity authority, municipality office, hospital, and land revenue office were the offices that were frequently visited by the service seekers. However, the services through these offices were not often delivered in due time. Particularly, in land revenue office, extra charges/tariff were paid by the recipients to finish their work in comparison to the other offices. However, the study showed that awareness against corruption among the service receivers was slightly increased and confidence among them was also enhanced. There was also little improvement in satisfaction on public service delivery but it is not as per the expectation of general public. Now the question is raised why public service delivery is not in the level of expectation. The reason is that reform is characterized by supply driven where demand driven approach is hardly given importance in the reform strategy.

In a supply driven approach, actors who are engaged to deliver services such as public agencies, NGOs, Citizen Forums, Political Parties are largely involved because the intention

is to provide services to the people. When these agencies are engaged and participated to the level, civil servants consider their role fulfilled. The civil servants of this study also have similar opinions. They have a common voice regarding engaging citizen forums, political parties and NGOs etc in their reform strategies. One of the civil servants said that community engagement is a major concern what they learnt in their capacity building. In fact, reform strategies of supply side reform are done through capacity building of the civil servants and facility increment of them so that they can be best engaged to participate service recipients. The two major approaches in this reform are: a) administrative and fiscal decentralization, and b) involvement of non-state actors in the process (Regional and Local Development Studies, Addis Ababa University 2013).

In Nepali public organizational context, the administration and fiscal decentralization is major concern of federal governance. In the decentralization, capacity building of the public agencies is in central focus. However, in many cases, the public service personnel do not show their willingness and commitment to get involved in the process (Birner, 2007). The process is slow as the civil servants consider the process as their routine task. They simply develop some ways to engage NGOs, citizen forums etc so that they can proudly say that these stakeholders participate in the process. I have observed that many civil servants have similar feelings and understandings in Nepali context. Some ways such as the formation of users' group, consultation etc are made to engage non-state actors and their concern is to ensure their participation in their program. Questions are raised whether these approaches are enough without own willingness of the service recipients or not.

In the demand side of public service delivery, service seekers can create demand for the aspects of the quality, quantity and time of services provided. They can raise the questions against unaccountable and mismanagements in public service delivery. The service providers have to serve the general people as in the process

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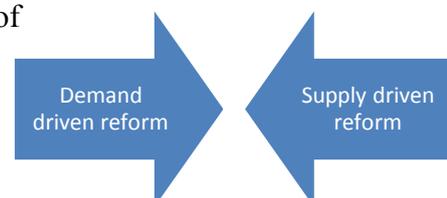
However, citizens require to be well known about their rights and organizational regulations. Therefore, citizens are to be made informed so that they demand institutional arrangement for the services to demand from the public agencies and the civil servants get compelled to be

accountable. Therefore, in the demand side public service delivery, service seekers have their voice on regulation, financial management, and transparency and accountability dimensions of governance (Birner, 2007). In this reform, government is compelled to provide avenues so that they can express it effectively. In the Nepali context, this approach is rarely emphasized. Although there are some avenues to express the grievances of the service seekers, these are the parts of organizational reform from the side of service providers. For example, there are information officers in each organization. However, these officers are engaged in other activities and thus service seekers hardly get the information from them. The complaint boxes can be seen in some organizations. However, no rules and provision are developed to handle these complaint boxes. In some offices provisions to handle the complaint boxes are made; they are not implemented duly. The service seekers' engagement to make the process effective is beyond normal thinking. Without meaning provisions/rules to handle the complaint box, service seekers do not show interests to lodge complaints.

There are some regular and exemplary practices in some districts of Nepal in the name of monthly discussion forum. The forum is organized by an NGO of the district. The representatives from government agencies participate and disseminate their progress in the forum. However, service providers consider this forum to demonstrate their progress so that they are not widely criticized in local community. However, unless service seekers are critical and confident enough to get services, the reform remains in policy.

## 8. Conclusions and Implications

As the agendum of reform has been characterized by supply-driven, there is no remarkable change in satisfaction among service recipients. For example, the process of handling recipients' grievances has been reflected as the part of organizational reform, which has not been mostly linked to the interest of service receivers. Consequently, despite facing problems in receiving services, the recipients did not mostly want to make complaints against it. Likewise, the process of sharing information by the local government officers is only a ritual task of the public service mechanism, rather than encouraging and empowering the recipients for their wide participation. Therefore, in an honest effort of building integrity in the public service



delivery, demand-driven reform has to be institutionalized along with present supply-driven organizational context.

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