

Dialogue on National Strategies for Sustainable Development
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Good Governance, Participation, Gender and
Disadvantaged Groups

Sumitra Manandhar Gurung
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[Challenges of sustainable development and responses to them](#)

[Understanding and Overview On Good Governance](#)

[Current Practice: existing country level frameworks](#)

[Past Practices to Realize Good Governance and Sustainable Development](#)

[Failures in Governance /Crisis in Governance](#)

[The way forward - Instituting Practice of Good Governance at all Levels](#)

[References](#)

Challenges of sustainable development and responses to them

The **Earth Summit** at Rio in 1992 land-marked the global commitments to focus on the '**sustainable development**' across the world's hemispheres. Countries across the world vowed to strengthen the two pillars of sustainable development: 1) to improve the quality of human life, and 2) to conserve the Earth's vitality and diversity. Strategies for sustainable development were being developed whereby people are to improve their relationships with each other and with ecosystems that support them by changing and/or strengthening their values, knowledge, technologies and institutions. The situation of Nepal in the young mountainous region with its precarious environment and diversities in people, cultures and their subsistence lifestyles, **sustainability** is but an unequivocal norm as well as a fundamental requirement. Over eighty percent of the country's people thrive on subsistence agriculture practiced in slopes of various degrees in at least 74 % of land that is characteristically erodable. Women in excess of ninety percent are employed in agriculture and carry out 50-80 % of farm work despite information on improved hill farming system not catered to them for reasons of gender discriminations inherent in the mainstream development approaches. Women are continually busy physically moving forest biomass to livestock and thence manure to disjointed fields to regain nutrients in soil lost through erosional processes. Declining forests and access to them due to various national forest policies (see also Chapagain and Shrestha's papers on agriculture and forests, 2000), affected in the amount of organic manure available to regain lost soil fertility. In the meantime multitude of incoherent external interventions (i.e. chemical fertilizer, inadequate access of education and skills to female, unmet family planning service to women, etc.) also contributed to the distortions in the sustainable development processes in the last half-century. During this period, the increasing population and the human needs over-ridden the need to maintain equilibrium in nature. Therefore the world conservation strategy in 1980 called for the integration of conservation and development.

The Millennium Assembly of the United Nations gathered on 6-8 of September 2000, recognized the increasing extremes in poverty and committed to make the right to development a reality for everyone, and to freeing the entire human race from want. They resolved to create an environment – at the national and global levels alike – which is conducive to development and to the elimination of poverty, which has subjected more than a billion people globally. Success in meeting these objectives depends, *inter alia*, on good governance within each country and at the international level. The assembly declared its commitment to an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system.

'Good Governance', therefore, becomes pertinent where interests of individuals, communities/societies conflicts over the nation and/or nature and prudence was not shown in the management of all living species and natural resources, in accordance with the precepts of sustainable development. The rising figures of poverty, disparity among various groups of people caused by increasing number of women and vulnerable groups being marginalised from development processes and sliding downwards in Human development index in Nepal were clear indicators that good governance was amiss in managing the interests of nature and people.

Understanding and Overview On Good Governance

UNDP viewed 'Governance' as the exercise of economic, political, and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes, and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences (in HDC 1999).

World Bank defines governance as the manner in which power is exercised in the management of a country's economic and social resources. The World bank has identified three distinct aspects of governance: 1) the form of political regime; 2) the process by which authority is exercised in the management of a country's economic and social resources for development; and 3) the capacity of governments to design, formulate, and implement policies and discharge functions (HDC, 1999). From this respect, past attempts by government institutions to control environmental management from the center had not succeeded just as all models of rural and urban development models that relied on the flow of goods and services from the center to the periphery. A participatory approach giving a central role to local people – the ultimate clients – is far more likely to generate a sense of purpose and responsibility than multitude of development exercises introduced in the past.

The result of good governance is development that 'gives priority to poor, advances the cause of women, sustains the environment, and creates needed opportunities for employment and other livelihoods' (Re-conceptualizing Governance, UNDP, 1997 pg.1). Governance is good when it subscribes to the following nine characteristics^[1]:

- **Participation:** All men and women should have a voice in decision making, either directly or indirectly or through legitimate intermediate institutions that represent their interests.
- **Strategic Vision:** Leaders and the public have a broad and long-term perspective on good governance an human development, along with a sense of what is needed for such development. There

is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.

- **Rule Of Law:** Legal frameworks should be fair and enforced impartially, especially laws on human rights.
- **Transparency:** Transparency is built on free flow of information. Processes, institutions and information are directly accessible to those concerned.
- **Responsiveness:** Institutions and processes try to serve all stakeholders.
- **Consensus Orientation:** Good governance mediates differing interests to reach a broad consensus on what is the best interest of the group and, where possible, on policies and procedures.
- **Equity Building:** All men and women have opportunities to improve or maintain their well-being.
- **Effectiveness & Efficiency:** Processes and institutions produce results that meet needs while making the best use of resources.
- **Accountability:** Decision-makers in government, the private sector and civil society organisations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organisation and whether the decision is internal or external to an organisation.

ADB identifies four basic elements of good governance: accountability, participation, predictability, and transparency^[2]

By accountability is meant the imperative to make public officials answerable for government behavior and responsive to the entity from which they derive their authority. Accountability also means establishing criteria to measure the performance of public officials, as well as oversight mechanisms to ensure that the standards are met.

The principle of participation derives from the acceptance that people are at the heart of development. Development is both for and by people; hence they need to have access to the institutions that promote it. Participation also relates to such issues as 'ownership' and the interface between public agencies and both private individuals and private entities.

Predictability refers to (i) the existence of laws, regulations, and policies to regulate society and (ii) their fair and consistent application. Rules-based systems for economic life are an essential component of the environment within which economic actors' plan and take investment decisions. Besides legal and regulatory frameworks, consistency of public policy is also important.

Transparency refers to the availability of information to the general public and clarity about government rules, regulations and decisions. Thus it both complements and reinforces predictability.

Conceptually, the four elements of governance tend to be mutually supportive and reinforcing. These elements of good governance are abstract and conceptual in nature.

The Urban Governance Initiative (TUGI), UNDP Kuala Lumpur had developed indicators and guidelines to benchmark the current status of governance and to plot the change with regards to each characteristics of governance in the cities. As the indicators are to be developed in the context of the city/country, the guideline is applicable in this context as well. Tests on the indicators will help

to see how the country is faring in each aspect at any given time and what needs to be improved.

How they link to Sustainable Development – Critical Link

The Human Development Report 2000 (UNDP 2000) ranks Nepal 144 out of 174 countries and indicates that 42% of the population is living below the poverty line. The issue of poverty puts more pressure on the resource base since it is strongly linked with natural resources management.

The Human Development in South Asia (1999) states clearly that the main reasons of South Asia's colossal human deprivation are not just economic. These problems go hand in hand with social and political factors rooted in poor governance. The poor have not only been excluded from the benefits of growth but have also failed to gain political empowerment. The report goes on to state that South Asia has emerged by now as one of the most poorly governed regions in the world, with exclusion of the voiceless majority, unstable political regimes and poor economic management. The systems of governance have become unresponsive and irrelevant to the needs and concerns of people. As a result while economic growth, even when it was realized, a dramatic concentration of wealth and power among their richest members became evident. In South Asia, the richest 10 per cent is more than six times as wealthy as the poorest 10 per cent, with Nepal having the largest differential. This is mainly because of the perverse economic system, which has failed to transfer the benefits of growth to the poor and enhance their economic opportunities. Even in 1993, Nepal's unemployment stood at 43 per cent, and increasing at the increasing rate. If poverty is judged by the income of below \$ 1/day, then currently 50 per cent of its population is under poverty level. These reasons gave clear indications that the country's manner of exercising economic and administrative authority has inherent problems. Good Governance, therefore, became the call of the day to ensure sustainability as well as to make development meaningful to its increasing poor people.

Call for Good Governance – in response to Changing Reality

The concern at Rio was more focused on the sustainable livelihoods and a combination of the basic need and a lack of awareness that leads to their engagement in practices that harm the environment. Consciousness among people and technologies to improve the livelihood system were thought to be the answer for sustainable development. Governance had not drawn attention then. However, nearly a decade's experience proved that economic growth alone is only secondary to sustainable development. Economic growth without proper attention to peoples participation, accountability, equitability among the people still do not ensure sustainability. Good governance, therefore, is a call of the time in response to the changing reality. The crisis of governance if unchecked, will halt the economic, social and well being of the people, quite contrary to the very precept of sustainable development.

Shift in Paradigm from Central Government to all stakeholders

For a very long time, central government had been made responsible to decide for the entire country. People were seen as the mere recipients of services without having any role to contribute in the planning, implementation or monitoring of the programs. Development, therefore, was an exogenous affair. Obviously it was proved wrong because it not only ignored the enormous potentials and wisdom people have in their

respective areas but at the same time external 'benefactors' lacked thorough knowledge of the diversities within nor did 'they' consult respective contingencies nor even delivered the services people expected. The concept of humane governance thus came about that puts people at the centre of all governance policies, strategies and actions. The basic precepts of the human development model are to improve the capabilities and expand opportunities of all people, irrespective of class, caste, gender, and ethnicity. The concept specifies that to promote human development, it has to be not just pro-people or people-centered, it has to be owned by people. The shift from the reliance in the central government to the realization of the need to be inclusive of all stakeholders of development gave way to the principle of 'good governance' 'participation of women and disadvantaged people' to achieve sustainable development.

Current Practice: existing country level frameworks

The **Constitution of Nepal** (2047), promulgated after the restoration of multi-party democracy is the existing framework of governance in the country. With the constitutional monarchy, the constitution **envisions** all individuals of the multi-lingual, multi-ethnic-caste, and multi-religious people as sovereign beings who are equal before the law and will be treated without any discrimination. The structural framework of the constitution with its three arms: the executive, legislative and judiciary system are in place to democratically mobilize the country's diversified people/cultures and its physical and social resources to provide a prospective, equitable and self-dignified life to all its citizens.

The **Executive body** or the administrative machinery structures at different levels such as the ministries and departments at the national level and their line agencies at the district levels take the responsibility in the delivery of basic, physical and social, services to the people to be provided by the state.

The **Legislative** or the parliament develops laws for governing the country. It is constituted by the House of Representatives (205 members elected from the constituencies), House of Commons/National Assembly (60 members), and His Majesty. The Upper House with its 60 members (35 from house of representatives, 10 nominated by His Majesty, and 3 from each of the 5 development regions elected by the DDC chairs, Vice-Chairs, Mayors and Deputy mayors) acts to caution on issues that could potentially be threatening to the country. The Bills proposed by the Houses when approved by the King becomes the Act.

The **Judiciary** validates the Acts and regulations and gives explanation of the constitution. If the fundamental rights of the people are violated, judiciary will act to provide the fundamental rights to people. The structure of judiciary has three levels, the district, Appeal and Supreme court.

The interdependence and interrelationships between the three arms is designed to check and maintain a balance and separation in power and to manage the economic, political and administrative authority of the country. Cooperation of local communities is essential for dealing with the complex challenges of resource conservation and environmental protection on a sustainable basis. Centralized management system and decision making structures in a context where people are dispersed provided little opportunity for the citizens to participate in their own destiny. Therefore a lack of ownership led to failures in past endeavors of sustainable

development.

Decentralization - Mechanism to Realize Good Governance

Decentralization is advocated for its multiple benefits especially when central governments fail to fulfill special needs of local community. Local government and communities know about its condition and are responsive to their needs. Decentralization increases accountability as citizens keep a close watch on the daily activities and corruption will be difficult while effectiveness is increased. It also promotes mobilization of local resources when people are involved in 'their' program. Politically speaking decentralization is the starting point of democracy. Ulrich Kloati (2000) cautions that decentralization is not free from risks as it could increase inequity, problems in coordination and vacuum in politics may be filled in by powerful people and the like.

The intention behind pushing for decentralization was for the Government to function more effectively and as an instrument to: enable local people to participate in their development needs, make local political bodies accountable, and keep the accounts open and transparent.

Decentralization Act was prepared in 1982 and promulgated in 1984 along with the working Rules. The rules specified among others, the bottom-up planning process with increased role of the community and users, accountability of the line agencies to local bodies and integrated planning system. In spite of the Act being a good policy Document, due to a lack of the will of the Government to execute it fully, it failed.

Local Self Governance Act 1998

Following the restoration of pluralistic democracy and the Constitution in 1990, which stated that through Decentralization the state shall ensure maximum involvement of the people in governance and hence enable them to enjoy the benefits of democracy. In 1992, the government enacted decentralization acts for Village Development Committees, District Development Committees and Municipalities but only with lip service. In 1999 the Local Self-Governance Act was prepared and subsequently approved by the parliament. The anticipations from Local Self-Governance Act are the following:

- to give opportunities to the country's people to be involved in the democratic process of the government;
- to institutionalize socially equitable development process with the involvement of indigenous people, socially deprived and disadvantaged communities in the planning processes and mobilisation of resources in their respective areas;
- to develop locally responsible and capable institutions for planning and implementation of programs; and
- to develop local leadership as per LSGA and to be able to meet local requirements on a daily basis.

However, presently some 51 rules conflict with the Act and hence, LSGA could not yet be fully realized. It clearly indicates that the central government, while it agrees Local Self-Governance in principle, still does not have the 'will' or commitment to make it happen. This in itself is an indication of mal-governance. The movement of the local governments is ongoing to realize the Act in its full essence. The following features of

LSGA is expected to enhance good governance in future:

- Participatory planning is mandatory. Local Government Institutions are required to strengthen their planning processes through improved information bases and grassroots based planning.
- Mandatory women's and disadvantaged groups' representation in governance is assured.
- Accountability and transparency components are embodied in the Act through audit committees.
- Provision is made for the establishment of Sectoral Units at DDC level.
- The local bodies have been provided with the responsibility and power at the local level necessary to formulate and carry out plan related to: agriculture, drinking water, works and transport, land reforms, and land management, development of women and helpless people, health services, forest and environment, irrigation and soil erosion and river control.

Past Practices to Realize Good Governance and Sustainable Development

Since long before, about nine out of every ten peoples' lives in Nepal are intertwined with natural resources because of their reliance on agriculture. Proper management of the country's land, forest, water and other resources is but an essentiality. As such, almost all of the development efforts had been directly or indirectly related to sustainable development. The Governance aspect in these efforts may have been at variance as this dimension was not a part of the overall approach. A quick review of the past practices takes us through the following **success cases** that contributed towards sustainable development.

Sectoral Achievements

The accompanying papers give us the synopsis of the status and achievements made in the sectors of agriculture, forestry, health and sanitation and tourism. Progress made in the brown sector is additional to these. Please refer to the respective papers for detail.

Five Year Plans and Emphasis on Environmental Policies

Nepal's concern for the environment had been registered since the Second Plan and it has been given importance continually in various ways. The concern over the degrading environment was further sharpened by Eric Ekholm's book The Loosing Ground in the mid seventies which alerted on the volume of soil eroded from Nepal's hills and being deposited in the Bay of Bengal. This and the successive changes within the country and the concerns raised at international level with regards to environment and its relation with poverty had attributed towards the introduction of the following policies chronologically:

Efforts towards Environmental Policy Development in the National Plans

Sr. No	<u>Plan Period</u>	<u>Policy Introduced</u>
1.	First Plan 1956-61	Emphasized agricultural production
2.	Second Plan 1962-65	Wildlife Conservation was realized
3.	Third Plan 1965-70	Attention to prevalence of deforestation and the need for soil conservation
4.	Fourth Plan 1970-75	Emphasized the protection of biological diversity through the establishment of national parks and wildlife reserves
5.	Fifth Plan 1975-80	Introduced a land use and water resources development policy, soil and watershed management programs, and recommended plantation and management of forest resources
6.	Sixth Plan 1980-85	Initiated Environment Impact Assessment (EIA) and incorporated environmental issues with emphasis on population control.
7.	Seventh Plan 1985-90	Included many environmental programs and made EIA mandatory for all major development activities; National Conservation Strategy (NCS) endorsed by HMG;
	1998	The Master Plan for Forestry Sector was completed for 25 years
8.	Eight Plan 1992-97;	Environment Policies Reinforced for eco-development and Poverty alleviation;
	1993	Nepal Environmental Policy and Action Plan (NEPAP) with principles of Agenda 21 introduced
	1995	Ministry of Environment and Population (MOPE) instituted and Environment Related policies and legislation developed;
	1996	Environment Protection Act (EPA) promulgated;
	1997	Environment Protection Rules (EPR) enforced since June, and Environment Conservation and Management emphasized through EIA and SIA (Social Impact Assessment)
9.	Ninth Plan 1997-2002	Emphasized Multi-sectoral including environment and development and Poverty alleviation

Credence to Civil Societies/NGOs

Indigenous people/community-based organisations in Nepal are as old as the community themselves. While the social service oriented groups in Nepal have been a tradition. the phenomenon of NGO development

progressed rapidly since the restoration of democracy in 1990. NGOs presently are found to base their concepts on self-reliance, empowerment and sustainability and are working in sectors like community development, savings and credit, agriculture extension, irrigation, primary health care, education and the environment. From 300 NGOs registered (with SWC) in 1990, the number is estimated to be well over 30,000 and more than 200 INGOs (ADB, 1999), while the number of civil society may be many folds over that of NGOs. NGOs were recognized as a driving force behind development for the first time in the Eight Plan. NGOs reach where GOs have failed to serve and nurture local potential. NGOs strengthen Community Based Organisations and Civil Societies, which are proving to be effective mechanisms in carrying out development activities. Here a group of concerned people come together to find solutions to a local problem, and is an excellent form of people's participation and local governance as they know their own problems far better than any outsider. The recognition and credibility given to Civil Society and NGOs had helped to mobilize local human and natural resources to an enormous levels and ensured sustainability of the development efforts.

Traditional Institutions in Sustaining Resources/Governance

The country owes its credit to the indigenous institutions that have preserved the environment and its natural resources to date. Before the country opened itself to outside, since everyone's life closely intertwine with the natural resources, the Indigenous Institutions' primary niche had been the management of forest, livestock, irrigation and land where the role of the central government is non-existent. The example of salt trading in Dolpo (as depicted precisely in the feature film of Caravan based on the life of Dolpelis), even to date show no sign of the State or the Government in the survival or livelihood of the community even to present day. Data show that about seventy per cent of the country's population is indigenous with about 61 different nationalities (NEFEN, 1999), and each group has its own system of resource management. In the higher altitudes spreading beyond the border rangeland management is primarily done by indigenous institutions such as in Barpak, Gorkha or in the Sindhupalchowk, Rasuwa.

A cursory look into these indigenous group show that there are several institutions even within a group that is responsible for social, economic, judicial or resource management. Some examples of the indigenous institutions that have maintained natural resources and the environment are as follows:

- TUMYAMGHANG of the Limbus in the eastern Nepal. The institution gives direction in the judicial, cultural, social and natural resource management.
- KIPAT is the communal land tenure system of the Rai in the eastern Nepal.
- CHOHO is the Tamang institution who is respected for managing natural resources like: land, water, vegetation and livestock in the central Mahabharat region
- GUTHI is the social, cultural, religious institution of the Newars that is also responsible for managing revenue of land for religious, charitable purposes and upkeep of temples and monasteries.
- RODHIM is a social and cultural institution that organizes labor to protect the physical environment and manages community

resources among the Gurungs in the western Nepal.

- MIRTCHANG is the institution of Marphalis or the Maphatan's (Thakalis) responsible for regulating and managing the natural resources in the western region of Nepal.
- BHEJA is the institution of the *Bahra Magrat* or Magars that regulates their cultural, religious, economic and agricultural livelihood including natural resources in western to mid-western Nepal.

Fundamental to all the Indigenous Institutions is the enrollment of all members of the community, their democratic process of decision making and voluntary observance of community developed regulations applicable in egalitarian and equity based system. All these attribute plus homogeneity and collectivity that they display contribute towards their existence all these years despite state governments undermining them. As violators of regulations are sanctioned against and social boycott are practiced at the local level, people are discouraged to overstep societal norms albeit they are only informal system from the central government's perspective. Sanctions of the state government, in conventional system, is remote and often not acceptable to people in its stated form while indigenous rules have immediate application and are more effectively implemented due to their own commitments. While central government is trying to bring local DDC and VDC and mechanism of reaching to the beneficiaries is being tried out through various users groups, such as Community Forestry or irrigation users groups, there are, however, no laws and regulations to coordinate the groups or to replicate the indigenous institutions' norms in conventional structures.

Micro Credit for Women and Disadvantaged

The decade of the Nineties is marked by the initiation and promotion of savings and credit programs among women and the disadvantaged who were marginalised by all other development processes. Prior to this the production credit for rural women (PCRW) and Small farmers Development Program (SFDP) used to provide some kind of loan to women and small farmers. Initially launched by NGOs like the Rural Self-reliance Development Center, Nirdhan and Centre for Self-help Development following the success story of the Grameen Bank model of Bangladesh, presently the government as well as hundreds of other NGOs are including micro-credit as one of the fundamental program to organize small groups of women and the deprived people. Through the savings and credit programs the group members are being inducted into the concept and practice of sustainable development activities. The eleven Grameen replicators have a total of 204,814 members by October 2000. ** It could be estimated that some 2-3... per cent of the population or 5-6 per cent of the poorest people is benefiting from micro-credit programs and the numbers is increasing rapidly. The reason behind the success of these programs is that they follow participatory process, adheres to the rule of law, information is shared with all members and situation is monitored meticulously. The importance of the program is that it helps to alleviate the poor directly. Furthermore, as the program follow similar principles as in governance, success is ensured which contributes towards sustainable development.

Community Forestry and Leasehold Forestry

Learning from the failures of past attempts such as the nationalisation of

forest lands in 1956 by government in managing the forests of the country, Community Forestry was introduced in Nepal in 1993 by amending the Panchayat forest and Panchayat Protected forest framed in 1978. Nepal championed in providing the users rights to the communities and making people responsible to caretake and manages for the respective forests. From a situation of degrading forests, Nepal now boasts with some 7000 Forest Users Groups taking care of some 700,000 ha of forests (Oli, 2000). The Users groups develop their own rules and regulations governing use and access to forest resources. The Users committee penalizes violators. The hills of Nepal witnessed a dramatic change in the state of forests and conservation of flora and fauna through the people's own efforts where government had virtually failed.

Another success is shown by Hill Leasehold Forestry project launched ten years ago that specifically targeted families below the poverty line with a special emphasis on landless and women. By leasing blocks of degraded land to groups of poor households with agreements for maximum duration of 40 years, it aims to raise incomes and contribute to improvement of ecological conditions in the hills. Under this agreement groups have exclusive rights to use land after formulating land management plans. The poorest families were able to expand their resource base, skills, knowledge and financial status. Poorest families and the country could thus create a win-win situation.

These were among some of the notable successes the country achieved that contributed towards sustainable development.

Failures in Governance /Crisis in Governance

'Governance' itself is not a visible factor. It is a manner in which the economic, administrative and political authority is exercised at all levels. However, when governance is poorly managed it manifests itself in numerous visibility that hinders each individuals economic, social and everyday life, most of all to the vulnerable people. For example, if rule of law alone is poorly abided by its citizens and code of conduct does not exist, it will be noticeable through many ways on a daily basis like: noise/air pollution, solid waste dumping in the streets/rivers; traffic hazards and accidents; rampant structures growing in the city for individual benefit; crimes, thefts, rapes, lack of safety for citizens to move around; lack of control in prices of goods; disrespect of people to each other; police and authorities' indulgence in bribery by letting off violators of rules of law; etc. In the area of development programs, it will be displayed by lack of ownership by the people who were intended to be benefited because they were not involved in the design or implementation; apathy on the part of women and the disadvantaged people because it is the prerogative of only the elites to decide on their own favor; by high cost and ineffectiveness of programs because they are inappropriate for the people intended to be benefited; rampant corruption and cost ineffectiveness because decisions are not made in transparent manner; etc. etc.

With the exceptions of some people initiated successful programs, sadly, this is the situation of the country's state of affairs at present. There is a general consensus that the governance is in crisis. A quick glance at the realities within the constitutional arms and the management of economic, administrative and political affairs further strengthens the statement on crisis in governance.

Realities within the Constitutional Arms – Executive. Legislation.

Judiciary

The government or the executive is responsible for implementation of legislation, maintaining law and order, diplomatic relation with foreign countries, signing International treaties and maintaining sovereignty of the country, raising revenue/tax and be responsible for development processes. The elected Prime Minister is directly responsible to the people. If the Prime Minister acts against the sentiment of the people on the basis of majority government, then the article 59 of the constitution allows voting for the non-confidence to change the government. The present government is grossly ineffective in meeting the aspirations of the people because of the following reasons:

- Individual's greed for power and party's vested interests,
- Economic crisis,
- Lack of political honesty,
- Lack of code of conduct and corrupted behavior of the ministers,
- Lack of experience, professionalism and good management system,
- Political groupism, and instability.

The parliament with His Majesty, House of Representative and National Assembly is responsible for devising **legislation** for governing the country. The House of representative can develop the bill, which will or not be approved by the Assembly between 15 days to 2 months to be finally endorsed by the King. If the Assembly do not approve of the bill, the house of representative can pass it on the majority basis and get His Majesty's approval on the Bill. The sixth amendment of the Citizenship Act was approved in this manner. When the House of Representative becomes more powerful and the Assembly weaker, it could not maintain the balance of power, the Assembly becomes only a nominal house. The following factors attributed to the weak legislation:

- Lack of consensus on national issues among the representative political parties,
- Lack of clarity on the rights between the two houses,
- Parliamentarians becoming center oriented and not being responsible to the people,
- Inadequate experience in parliamentary system among the representatives,
- Parliament becoming a ground to exercise bad politics,
- Declining faith on parliamentary system among the general public.

The Judiciary is responsible for protecting the fundamental human rights of the people through the three courts in case it is being violated. The Articles 11, 12 and 14 in the constitution specifies the rules of law and part 11 implements the judicial system. Article 88 provides the Supreme Court and Appeal Court the right to ensure fundamental human rights. However, in practice, the executive arm disrespects judiciary's decision and people could not fully enjoy the fundamental rights. As examples of poor judicial system, people are arrested without the Courts' order and are jailed without a case for years at length. The reasons of poor governance in the judicial system appear as:

- Prevalence of poor economic discipline in the judicial and semi-judicial system.
- Political leaders disrespecting the decisions of the court.

- Individuals ruling the system over the judicial system.
- Executive arm ignoring the judiciary's decision.
- Executive at its own pleasure nullifying legislation.

The realities within the constitutional arms clearly indicate that governance is at a poor state at present. The implications of poor governance spread over many all domains and people sense a lack of security. The political leaders are indulging themselves in power and corruption and demonstrate little responsibility towards the country and its citizens. One major example is with the realization of Local Self-Governance Act whose objective is to involve local people in their own destiny and which will also help to follow the elements of good governance. However, the **challenges that confront in realizing LSGA are as follows:**

- Conflicts in rules and regulation with LSG Act, which is pending to be reviewed.
- Non-representation of ethnic groups, dalits, and socially, economically and educationally disadvantaged people in all stages of decision making process.
- Lack of clarity in the rights, roles and responsibilities in the local level development process among the local institutions and government agencies.
- Budget allocation for the local development not delegated to local levels from the center as per the LSGA.
- Ineffectiveness in the realization of district council approving the district level development program.
- The line of command to all line agencies staff is from the centre that is not accountable to the local level.
- The nature of undisciplined behavior of so called political leaders is the impediment to the process of decentralization and Local Self-Governance.
- Ineffective monitoring in the realization of LSGA.

Disparities in Participation by Ethnicity and Gender – Subjectively and Figuratively

The primary focus of good governance or sustainable development is that people in concern 'own' the development process. Ownership develops out of the degree of involvement and participation of the largest number of stakeholders from planning to strategy development, implementation, all the way through to monitoring. As the LSGA had not been in place to realistically involve people from the respective areas, nor alternative mechanisms are in place to get the stakeholders to participate in the process, sustainable development is still a far-fetched concept. Large number of people from different ethnic groups, disadvantaged groups, people from Tarai, etc are still marginalised by the caste groups in almost every decision-making body. The following table shows the disparities in their presence, let alone participation.

INTEGRATED National Index of Governance (1999)

Institution	Khas	Mangol/Kirant	Madheshi	Dalit	Newar	Others	Total
Judiciary	181	4	18		32		235
Constitutional	14	2	3		6		25

Body & Commission							
Cabinet	20	4	5		3		32
General Administration	190	3	9		43		245
Executive	159	36	46	4	20		265
Political Leadership	97	25	26		18		165
DDC Chair, Mayor/Vice	106	23	31		30		191
Industry/Trade Leadership	7		15		20		42
Academic and Professional Leadership	75	2	7	1	11	1	97
Cultural and Professional	85	6			22		113
Science and Technology	36	2	6		18		62
Civil Society Leadership	41	1	4		8		54
Total	1011	108	170	5	231		1520
Percentage	66.5	7.1	11.2	0.3	15.2		100
% Population	31.6	22.2	30.9	8.7	5.6	0.1	100
Difference in %		-15.1	-19.7	-8.4	9.6	-1	

Source: Nepal Institutional Manpower Directory (NIMD) Generation 5, 1999, Kathmandu.

Uprise of Nationalities for Equity in Opportunities

Restoration of multi-party democracy in 1990 also brought about a change in the level of consciousness among the ethnic and disadvantaged people. The federation of nationalities shows 61 different ethnic groups in the three ecological regions and the table above consolidates various groups together. However, grounded on the data as shown in the table above and realization that the status of these people are further declining while the elites are enjoying a privileged status, the federation of Nationalities are now demanding their rightful share of opportunities and power. While these groups have been subjugated and marginalized in decision-making processes and opportunities in the past, the present LSGA could provide the framework to bring about a change to these people to be more involved in development processes. Inequity whether in decision making process or in development is an indicator of unsustainability.

Recent study by World Bank (SASSD, 2000) to understand how far Locally Elected Bodies' new powers have given marginalized groups access to and control of the benefits of decentralized finances indicated that there is persistent exclusion of *dalit* (the socially disadvantaged) from the institutions of local government and from the user groups with which local

government interacts. This is further asserted by HDC's findings that what growth has been experienced has been largely limited to the elites in the country (HDSA 2000).

Therefore if sustainable development is to be achieved, equity in participation to 69 % of the population in their respective areas is simply imperative.

Women in sustainable development

The issue of women in sustainable development is still a larger one because of their role in resource management in the country and also because of their role in grooming new generation of people. Any shortcomings in their knowledge access to information, opportunities and decision-making processes would mean that the whole community suffers in the long run. The present situation with regards to sustainable development is a clear indicator of depriving women from equal opportunities in all aspects.

With regards to women's involvement, while some progress has been made, there is currently inadequate research and analysis on women's participation either in decision-making roles related to environment and sustainable development. This would include more substantive understanding of existing barriers to participation and strategies to overcome them. Preliminary review of national reports submitted for both Beijing +5 and National Plans on Agenda 21 indicates that "measurable" data on governmental efforts to increase the proportion of women in decision making on sustainable development is quite limited.

Local Agenda 21 processes represent a special opportunity to increase women's participation in sustainable development, however few localities have made efforts in this area. To a large extent to date, there has not been an explicit approach to gender in most countries as part of LA 21; however, surveys conducted both by the Women's Environment and Development Organization (WEDO) and the International Council for Local Environmental Initiatives (ICLEI)

showed there is ample room for development of such an approach.

Women in Governance

The Local Self-Governance Act, 1997 has a provision for reserving one seat in each district and village development committee for women. As a result, about 40,000 women are now participating in local governance.

The South Asia wide Citizen's Survey was conducted for Human Development Report to assess how people perceive the structures and processes of governance in Nepal among 500 adults of rural and urban areas. Results of the survey showed that 92 per cent of the people thought that women and minorities should be equal partners in governance structures, only 13 per cent were of the view that women and minorities were given equal rights.

Ground realities give the figures that there are only 12 women MPs in the 205-member House of Representatives, constituting a mere 5.85 percent and only 9 (15 percent) in the National Assembly of 60 members. Women constitute only 7.8 percent in Civil service with 4.4 percent of gazetted level

posts in the government administration. In educational institute's women constitute 15 percent and less than 10 percent in political parties but none in the National Planning Commission and none in court or as judge. And only one woman minister in the Council of Ministers. The very body through which women could have done something to better the lot of their kind is grossly under represented (Damakant Jayshi in Across Nov 2000 Jan 2001, Vol 4 No.3).

A recent study made by SASSD (2000) for World Bank on the Interface between Local Elected Bodies and User Groups showed that marginalization of women in user groups is severe. There were almost no women on Users Group Committees except in the all-women savings and credit groups. Nepal's patriarchal culture has made it suffocatingly impossible to make long overdue changes at a desirable pace.

Discriminations in all of the above (patriarchy which limit and confine women to subordinate roles; invisibility of women in the economy and its impact on women is pernicious; a gendered division of labor reinforces unequal and discriminatory practices; legal system as it is practiced is heavily biased against women and often victimizes than protects them; educational indicators especially at technical and higher levels is worst in the world; women lack even the most rudimentary health facilities, resulting in high maternal and infant mortality rates;) areas has resulted in invisibility of women in governance structures and in decision-making bodies (HDR, 2000).

Amartya Sen (in Nepali Times, # 16, Nov 10-116, 2000) emphasized that "gender equity may be one of the best ways of saving the environment and countering the dangers of overcrowding". In his book *Development as Freedom*, he discusses that social and economic handicaps contribute greatly to muffling women's voices in society within the family. There are cultural, even religious, factors that place young women in a subservient position, making them accept the burden of constantly bearing and rearing. The population problem is integrally linked with justice for women in particular and the voice of women is critically important for the world's future not just for women's future.

To implement the agenda for women's equality, it is imperative that strong and dedicated institutional structures be in place at the national as well as global levels. (HDR 2000) What growth has been experienced has been largely limited to the elites in the region.

Limitation in the Guiding Principles

The two instances given above regarding the disparity in participation by the disadvantaged groups and women in development process and governance shows that the crisis is perhaps rooted in the guiding principle of the constitution that aligned itself to 'Hindu religion'. The fundamental characteristic of Hindu religion is that it stratifies the people in four hierarchy and is patriarchal and therefore it inherently discriminates women, the dalits, the ethnic groups (in some aspects) as inferior category of people. The 'Mulki Ain' amply demonstrates the subjugation of women and disadvantaged groups. Present inequities in social, economic and political indicators are simply manifestations of the Hindu religion applied to people. When the very requisites are denied by the laws of the land, egalitarian behavior and equal participation is obviously not possible. Furthermore, the very act of pointing to the constitutional limitation may be a volatile issue because the dominant and the elites group fall in this

category and enjoy the benefit and would not want it to be addressed. These are the very things hindering governance and had to be addressed if the factors affecting governance are to be removed or gradually amended.

Accountability and lack of it

Bad Governance, almost inevitably is equated with poor accountability. Media these days are rife with the evidences of poor financial accountability. The fact that in the nine years period between 1990 to April 1999, country's debt stood at \$ 172 billion (Financial Report of Nepal Rashtra Bank – 1989/90 – 1998/99). Govinda Neupane (in KANTIPUR Friday January 12, 2001) clearly points out that the concentration of power and wealth in the hands of the higher level people and at the same time justice had been hijacked away. The result is that according to World Development Report 2000/2001:281) the poor people with less than \$ 2/day had reached 82.5% in the country. This was further complemented by the South Asia wide survey made for HDR showed that corruption was most closely defined as misuse of power and public funds. Eighty-three per cent of the people felt that the political leaders were corrupt and 92 per cent felt that they had become more corrupt in the last five years.

As evidences of the poor accountability some information had been pulled out of the Auditor General's Report.

S.No.	Ministry	% Arrears	Fiscal Yr	Ref. Page
1	Finance	27.96	055/056	Auditor's report-32,31
2	Water Resource	10.69		
3	Build and transportation	8.33		
4	Home	8.02		
5	Tourism and civil aviation	7.7		
6	Local Development	7.63		
7	Education	5.2		
8	Defence (army)	4.85		
9	Health	4.48		
10	Foreign	3.33		

S.no.	Fiscal	Advance	Other	Total	%	
1	051/052	827651	5616503	6444154	4.52	Auditor's

1	051/052	827651	5616503	6444154	4.52	Auditor's report -37
2	052/053	699235	5784725	6483960	0.62	
3	053/054	690246	5915950	6605896	1.88	
4	054/055	668161	6168656	6836817	3.5	
5	055/056	761323	6556935	7318258	7.04	
	(In Rs 000.)					

S.No.	Ministry	Amount Due	In %	Ref. Page
1	Min of Finance	12264147	90.64	
2	Water Resources	788292	5.83	
3	Tourism/Civil Aviation	92055	0.68	
4	Forest/Soil Conservation	77926	0.57	
	(In Rs 000.)			

S.no.	Fiscal Year	Revenue Amount Due(in 000)	Increase in %	Ref.page
1	051/052	3500657	11.91	
2	052/053	3666191	4.72	
3	053/054	4406683	20.2	
4	054/055	10593601	140.4	
5	055/056	13530547	27.72	

S.No.	Ministry	Amount (000)	Percent	Fiscal Yr	Ref.page
1	Defence	1316888	17.99	055/056	Auditor's report-37
2	Local development	1012903	13.84	055/057	Auditor's report-38
3	Build and transportation	1001413	13.68	055/058	Auditor's report-39
4	Education	848664	11.6	055/059	Auditor's report-40
5	Home	639541	8.74	055/060	Auditor's report-41
6	Health/ Sanitation	588457	8.04	055/061	Auditor's report-42
7	Tourism and civil aviation	410574	5.61	055/062	Auditor's report-43
8	Water resource	393167	5.37	055/063	Auditor's report-44
9	Forgien	256708	3.51	055/064	Auditor's report-45
10	Housing and physical planning	231356	3.16	055/065	Auditor's report-46

S.no.	Change in Revenue (%)	051/052	052/053	053/054	054/055	055/056	Ref page
1	Increase in Revenue from Last Yr	25.51	13.5	8.89	8.44	13.09	
2	Increase in General Exp from Last Yr	55.25	11.92	12.15	20.66	12.92	
3	Revenue Contribution in Total Expenditure	62.91	59.93	59.88	58.69	62.52	
4	Contribution of Revenue in Development	27.82	25.34	23.33	19.91	21.74	
5	Increase in Dues of Revenue	11.91	4.73	20.2	140.4	27.18	
6	Ratio of Revenue in GNP	11.7	11.65	11.27	11.53	11.38	

The national objective should have been to strengthen the revenue system and achieve economic prosperity of the country. However, due to poor financial accountability in the government's mechanisms, the revenue of the country is in utter shambles as the tables indicate. The financial arrears in the ten ministries of the Government this year showed 88.69 percent of which Finance Ministry alone had 26.96 per cent.

Corruption – Invalidation of Constitutional Arms e.g. Account Committee and Lauda Air, etc

More critical and discerning is to note the ineffectiveness of the constitutional arms and non-adherence of Committee's decision by other arms of the constitution. The recent incidence of Account Committee's decision with regards to the purchase of Lauda Air is ignored by Royal Nepal Airlines. Therefore, the very concept of separating and balancing of power among the constitutional arms to ensure governance had been violated.

Maoist Movement

The onset of Maoist movement in the country is clearly associated with poor governance and the dissatisfaction of rank and file people who have been affected by it on a daily basis. Associated with it is the lack of law and order and security in the country, which are forcing people to join Maoist movement and retaliate the government. Within five years of the Maoist movement, over 1500 people had been killed and yet none had been punished or brought to trial. These are clearly the signs of lack of good governance.

Youth Unemployment and Draining of Human Resources

The country's inability to provide hope for its millions of people, skilled or semi-skilled had led to the draining of its vital resource – the human resource. Ineffective management, virtually in all respect had contributed towards the unemployment and draining of human resources.

The way forward - Instituting Practice of Good Governance at all Levels

Governance cuts across all sectors. The government had proven itself to be ineffective in all respect. Its implication is that the poor are seriously affected while the powerful are getting away with accumulation of wealth appropriated through undue means and still not being brought to books. This is clearly not a sustainable trend. In order to instill hope to the people, minimally the followings had to be ensured. They are:

- LSGA in 'Spirit' not as rhetoric or as a ritual process. The Local Governance Act if realized in its full essence, it has the elements of good governance. Therefore when LSGA is promoted, it should not be a token service but in its full spirit and at all levels.
- Realization of Environmental Planning at all levels. Environmental Planning initiated by NPC/IUCN in the past has the elements required to ensure sustainable development because it is thoroughly participatory and is controlled by the clients themselves. Government's lack of commitment had 'killed' the

process in the past. If this is instituted, it can still lead the communities towards sustainable development.

- Monitoring of Governance by participants at all levels. As subscribed by the UNDP's the Urban Good Governance Initiative (TUGI), if communities are supported to institute a system of monitoring the status of the elements of good governance periodically, the situation can be gradually reversed and good governance ensured. Of course, the communities would need to be well oriented on how to conduct it themselves.

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Source: Governance for Sustainable Human Development, UNDP

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