GOVERNANCE: ISSUES AND CHALLENGES

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Context
Understanding governance
Reimagining governance
Government and governance
Governance actors and their roles
World governance indicators (WGI)
Governance status in Nepal
Issues and challenges
An exercise for identifying governance quality in Nepal

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Nepal has everything in place except effective and efficient governance. People are bound to bear all sorts of sufferings like corruption, discrimination, lawlessness and several other unethical practices while receiving public goods and services. Hence, we are in serious 'Governance crisis'.

Understanding governance

**World Bank (1991)**

the manner in which power is exercised in the management of a country's economic and social resources for development

**World Bank (2006)**

the traditions and institutions by which authority in a country is exercised
UNDP (1997)

Governance is the exercise of economic, political, and administrative authority to manage a country’s affairs at all levels. It comprises the mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.
Reimagining governance
Pillars of governance

- Participation
- Rule of Law
- Consensus Oriented
- Equity and Inclusiveness
- Transparency
- Accountability
- Responsiveness
- Effectiveness and Efficiency

Information and Communication Technology
Actors of governance and their roles

- Change in governance philosophy - governance beyond government

Creating favourable political, legal and economic environment

Creating opportunities for people

Mobilizing people’s participation, promoting constructive engagement

State

Civil Society

Market
World Governance Indicators: 6
Dimensional Framework: World Bank

- Voice and accountability
- Political stability and lack of violence
- Government effectiveness
- Regulatory quality
- Rule of law
- Control of corruption

(Kaufmann-Kraay-Mastruzzi Worldwide Governance Indicators-World Bank)
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<th>Governance Issues</th>
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| The Process by which Governments are selected, monitored, and replaced | • Voice and Accountability  
• Political Stability | • Extent of citizens participation in selection of governments  
• Civil liberties, political rights  
• Perceptions that the government in power will be destabilised by possible unconstitutional means |
| The capacity of the government to effectively formulate and implement policies | • Government Effectiveness  
• Regulatory Quality | • Perceptions of quality of public service provision, quality of bureaucracy, competence of civil servants, independence of civil service from political pressures, credibility of government’s commitment to policies.  
• The incidence of market unfriendly policies such as price controls |
| The respect of citizens and the state for institutions that govern economic and social interaction among them | • Rule of Law  
• Control of Corruption | • Success of the society in developing an environment in which fair and predictable rules form the basis for economic and social interactions  
• Perceptions of the incidence of crime, effectiveness and predictability of judiciary and enforceability of contracts.  
• Perceptions of corruption |
Governance status of Nepal

Issues and challenges

- Low accountability, responsiveness and transparency
- Rampant corruption
- Non-inclusive governance
- Low credibility of public institutions
- Over politicization in governance practices
- Low innovation in governance system
Issues

Social exclusion
Inefficiency
Red tape
Corruption

BAD GOVERNANCE

GOOD GOVERNANCE

Transparency
Engagement
Sustainability
Decentralisation
Strengthening state-people relationship
Issues

- Maintaining ethical standards
- Using politics for improve service delivery
- Rule of law
- Inclusive governance
- Innovative governance - use of technology

“We should vote on this ... bearing in mind the spirit of Positive Work Culture, will it be ‘Yes’ or ‘Absolutely’?”

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Reinforcing Governance Functions

Policy

Governance System

- Political parities and environment
- Bureaucratic systems and culture
- International context
- Culture and social values

Integrity
Leadership
Strategic Thinking

Citizens
Enhancing Governance- A Framework

- Individual (Service Provider)
- Social Accountability
- Institution (Structure and system)
- Collective (Society, WPEs, Community of Practice)

- Capacity building
- Revisit, restructure
- Improved public service delivery
- Empowerment, awareness, experience sharing

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- Social Accountability
- Institution (Structure and system)
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- Improved public service delivery
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Thank you