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CENTER FOR ECONOMIC DEVELOPMENT AND ADMINISTRATION:

A CASE STUDY OF INSTITUTION BUILDING

AND DEVELOPMENT IN NEPAL

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BHARAT RAJ SHARMA

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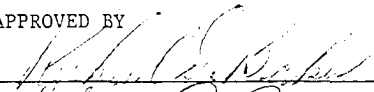
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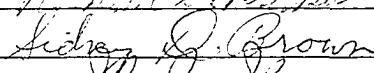
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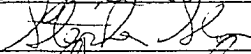
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AND DEVELOPMENT IN NEPAL


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DISSERTATION COMMITTEE

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ORGANIZATION OF THE STUDY

Chapter I, "CEDA: An Introduction," provides the theoretical aspects of institution-building literature applied as a case study in an organization such as CEDA. This chapter includes several subchapters: Organizations Preceding CEDA; Organizational Approach to Development; Concept of Institution-Building; The Ideology of Development; The Case Study; Nature, Scope and Importance of the Study; and Methodology.

Chapter II explores the Nepalese environment within which CEDA as an institution operates. It deals with the basic economic, political, public administrative, and bureaucratic factors that affect CEDA's operations.

Chapter III deals with CEDA's instructional program under which topics like physical teaching environment, teaching methods and techniques, general teaching effectiveness and institutional concerns of students are discussed.

Chapter IV traces the research program of CEDA. Discussion has been concentrated on financial support for research, the organization of CEDA research, the importance of research, effectiveness of the research promotion fund program, research constraints and research area inadequacies.

Chapter V is concerned with CEDA's linkages to government agencies, Tribhuvan University and professional organizations, the private sector and regional and international organizations. On the basis of Hypothesis

No. 1, this chapter attempts to evaluate CEDA's ability to pattern its relationships so as to gain support from its environmental linkages.

Chapter VI deals with the analysis of Hypothesis No. 2, which aims at determining CEDA's internal administrative capability. The analysis observes five variables: doctrinal legitimacy, the effectiveness of programs, the quality of leadership, the adequacy of resources, and the flexibility of its organizational structure.

Chapter VII is concerned with the three tests of institutionalization: survival, environmental approval and normativeness, to test Hypothesis No. 3, and to determine the degree of institutionalization achieved by CEDA.

Chapter VIII relates the finding of the three hypotheses to the proposed objectives. This chapter examines the overall success of CEDA in institutional development in Nepal.

Chapter IX, as a concluding chapter, presented the author's view, especially of the role of government and agencies, the perception of traditional and modernizing elite groups and the expectations of the general public in institutional development in Nepal.

CENTER FOR ECONOMIC DEVELOPMENT AND ADMINISTRATION:
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CHAPTER I

CEDA: AN INTRODUCTION

Organizations Preceding CEDA

The process of development implies change and innovation. Desired changes, however, can be effected either at the macrolevel by deliberate modification of the variables in the environment or at the microlevel through actions aimed at the modification of the behavior of the individual. Institutions are the means for implementing desired changes and provide the impetus for searching out new options, providing fresh thinking and exploring alternatives essential for accelerating the process of development. In order to realize the goals of development, existing as well as new institutions capable of carrying out socioeconomic and administrative development programs need to be built.

Realizing the necessity of building an effective institution which can induce changes and innovations, promote development activities in the country and facilitate training, study and research activities, the leaders and intellectuals of Nepal felt that some kind of strong

intellectual institution for carrying socioeconomic and administrative development should be established. This realization eventually led to the establishment of the Center for Economic Development and Administration (CEDA) in 1969 by a tripartite agreement between His Majesty's Government of Nepal (HMG), the Tribhuvan University (TU, Kathmandu), and the Ford Foundation. The agreement¹ envisaged the following:

1. To provide training facilities to the higher level of administrative and technical officers of His Majesty's Government, semigovernment (public corporations), and private enterprise;
2. To conduct research in the broader aspect of economics, sociology and administration and to make the results available to the intellectuals, the planners and the executive class of His Majesty's Government;
3. To provide consultancy services to His Majesty's Government, semigovernment and private corporations and commercial concerns; and
4. To cooperate with Tribhuvan University in developing its curriculum level of instruction, library, research program in relation to economics, commerce, public administration and other related Social Sciences.

In the course of its institutional development process, however, the Center's history has been marked by frequent changes in leadership and staff turnover, institutional experimentation and the resultant uncertainties. More particularly, there have been times of crisis of leadership and the possibilities of institutional collapse when the general public and the staff have questioned the very purpose of CEDA. Yet, during this period of crisis, particularly 1971 to 1973, it has made pioneering and significant contributions in areas of research, consultancy, documentation and executive development training programs.

Located on the campus of Tribhuvan University, Kathmandu, Nepal, the center has expanded its area of activities, especially in identifying

problem-related research areas, assessing the strengths and weaknesses of the research, recommending priority areas for policy research and suggesting needed changes and modifications.

Publication of the Journal of Public Administration by the Center has served to disseminate knowledge of an increasing understanding of the importance of public administration in Nepal. The in-service training program has helped thousands of government officials and participants to acquire fresh knowledge of office methods and techniques in administration. A wide variety of journals and books concentrating in the field of public administration and social and economic development have formed the nucleus for the CEDA's development document center.

The Center aims to contribute to the enlightened choice and rational pursuit of human values and progressive goals for the development of the country. In order to pursue these goals,² the Center seeks to attain the following:

1. To assist policy-makers in their efforts to evaluate the formulation and implementation of development policies, plans and programs;
2. To provide policy-makers with some of the conceptual, empirical and value premises for shaping developmental policies, plans and programs;
3. To recommend to policy-makers alternative policy ideas and decisions;
4. To help various agencies of Tribhuvan University in their various programs to enhance their roles in national development;
5. To foster intelligent and informed discussion of issues and problems in Nepali public affairs so as to promote the formation of enlightened, concerned and influential public opinion; and
6. To engage in institutional collaboration in the study and pursuit of developmental change.

The Center's basic objectives³ are as follows:

1. To undertake research and provide consultancy services relating to plan formulation, evaluation of development activities, sectoral development programs and investment, intersectoral development, effects of exogenous factors on the national economy, employment and income distribution;
2. To undertake study relating to the importance and costs of transport in national development, essential aids necessary for regional development, all-round development of the rural and the backward areas and of growth centers;
3. To undertake the study of physical and financial resource mobilization of essential national and regional policies and their effectiveness by assessing the development potentials of various regions;
4. To undertake the study of rural development;
5. To undertake the study of economic and social change;
6. To undertake research on the problems of indigenous rural skills found in the rural areas of the various regions, and the study of other rural skills;
7. To undertake the study of population growth and resources, fertility, migration, etc.;
8. To make an evaluation of programs and projects; and
9. To disseminate and incorporate the findings of research and seminars in the curricula of Tribhuvan University.

CEDA, as a system of action for achieving assigned goals and objectives, should also possess certain indispensable qualities, such as the capability to produce and deliver the institutional product and perform the function for which it was established. Also, the institution must be accepted in the society and environment; it must possess values, goals and objectives which serve the society and its people in a fully effective and productive way. Finally, the institution must be able to survive; it should obtain adequate resources, develop and strengthen its linkages, demonstrate viable leadership, and gain political support from

the government. Moreover, it must have the capability to adapt itself and its program to changes in social and political environment. If it is lacking with respect to any one of these qualities of capability, public acceptance and survival capacity, it fails as an institution.⁴

Organization Approach to Development:
Concept of Institution Building

Organizations have assumed more and more growing importance in recent times. Increasingly, man has become what W. H. Whyte terms the "Organization Man,"⁵ and human society what Bertram Gross calls "the administered society."⁶ In the past, this has been more true of the industrialized societies than of the developing countries, but it has also become increasingly true in the latter, also. The difference is that while a large proportion of organizations in developed nations are private, in the developing countries of South or Southeast Asia they are governmental. This phenomenon reflects a lack of belief in the democratic political process. As a consequence, all organizational structures, whether they are public, semipublic or independent in form, are strictly administered and controlled by the government. This underscores the need for developing effective public organizations to undertake developmental tasks.

Administrative inadequacies of developing countries have been widely recognized and find expression in a variety of forms, e.g., shortages of technical and managerial personnel, slow-moving operational and other procedures, primitive budgetary and accounting practices, over-centralized decision-making processes, lack of coordination, and several others. The cumulative result of these inadequacies is the lack of organizational capacity needed to carry forward development programs.

This weakness of organizational capacity has been pointed out by several authors who have been studying the problems of development. To Lucian W. Pye, for example, the essence of the problem of development and modernization of traditional societies consists in the creation of "more effective, more adaptive, more complex, and more rationalized organizations."⁷ Hiram Phillips agrees that development cannot be achieved without effective organizations: "[E]xperience suggests that effective and sustained efforts at development require networks of inter-related organizations."⁸ Esman and Bruhns express a similar view, stating that where the process of national development is concerned there is an often neglected but "very important ingredient of social change . . . the institutionalization of new physical and social technologies through the vehicles of organizations."⁹ The organization approach to development gains credibility in view of the fact that organizations constitute, for several reasons, a far more effective instrument of change. It is not just a question of increased production, but of economic, political and social change. Organizations can bring together human, physical and technical resources to achieve commonly accepted objectives; they also provide a stable basis for the constant internalization, both by participants and outsiders, of desired values and attitudes. But the most important characteristic is that organizations have greater capacity to overcome external negative forces by means of adaptive mechanisms that allow them continual operation in a given environment.

On the other hand, there is the problem that any strategy founded on the use of organizations as change-inducing agents cannot be adequately formulated on the sole basis of the knowledge presently available in the

so-called modern organization theory. It seems that too much emphasis has been placed upon what organizations are and how they function, to the neglect of fundamental questions of how organizations begin, grow or atrophy, achieve immortality or die. Certainly, in the literature of the social sciences there are studies of the evolutionary process of societies as complex, macrosocial organizations. And fragmented knowledge relevant of the various aspects of the evolutionary process or organizations exists, but there has been no systematic study of the problem. This could very well be the result of the lack of a common conceptual framework for the integration of knowledge relevant to understanding the intricate nature of organizations and their relationships with the environment.

Efforts to find useful generalizations to serve theory building have begun to explore the organizational approach to the problems of modernization, to the development of conceptual frameworks, and to the conduct of empirical research. This movement, which is already in progress, is known as organization development. Still another way in which institutions are created or renovated is by plan or by calculated programs to produce or generate agency capability to implement development programs. This method of creating new agencies and systems or of modernizing old ones has come to be known as "institution building."¹⁰

Institution Building

Institution Building concept involves the introduction and establishment of organizations which in turn induce changes in patterns of action and belief within a society. Most commonly, these changes are associated with new technologies both physical and social. The crux of the Institution Building process is moving from introduction to establishment.¹¹

Institution building activity has been going on all through history; the study of institutions and the process of institutional change, for instance, has roots in eighteenth and nineteenth century sociological thought (Eisenstadt, 1965), and Max Weber's work--"The Turn of the Century"--marks a milestone in the study of social institutions. Weber's concern with institutionalization relates to his attempt to account for the emergence of Western civilization and the legal rational system of modern institution. For Weber, institutionalization is the process of building the legal rational system of institutions.

Talcott Parsons represents the next major contributor to sociological discussion of institutionalization. In his Social System, Parsons distinguishes three related systems--culture, society and personality--and it is the social system that he focuses upon, defined as "a normative entity based upon the beliefs, values and norms of the membership."¹² In Parsons's own words, ¹³ institutionalization is

. . . the integration of the expectations of the actors in a relevant interactive system of roles with a shared normative pattern of values. The integration is such that each is pre-disposed to reward the conformity of others with the value pattern and conversely to disapprove and punish deviance. Institutionalization is a matter of degree, not of absolute presence or absence.

Although Parsons's analysis of institutionalization largely applies to the social system as a whole or to the subsystems which become differentiated to perform his well-known "functional needs"--adoption, goal attainment, integration and pattern maintenance--he also has applied the concept to the international system (Parsons, 1961) and individual organizations (Parsons, 1956).

Many current theorists, largely in the area of organizational behavior, claim that more attention needs to be given to the individual

and the sociopsychological aspects of institutionalization. Philip Selznick (1957), in his study of leadership in administration, for instance, recognizes organizational constraints but stresses the fundamental role of individual interaction and, in fact, suggests that the leader is an agent of institutionalization who offers a guiding hand to make institutions productive and meaningful.

According to McDermott, institutionalization is the process by which normative relationships and action patterns are established.¹⁴ Institution building attempts to establish such relationships and action patterns by developing organizations that can foster these new kinds of influences on human behavior and, by some process, incorporate them in the broader society. For operational purposes, an organization is essential but, in the broader sense, the new kinds of behavior are the objectives, and the organization is the instrument. Thus, the two phenomena important to institution building are the organization itself and the environment. One of the assumptions is that new values and technologies cannot be effectively introduced and sustained except through an organization which supports the new processes, action patterns and norms. In short, these innovative values, functions and technologies must be institutionalized. Furthermore, an institution should have the ability to survive, and its action patterns should be accepted by other organizations. It is important that the institutional framework not only should be consistent with the social and cultural setting, but also must have sound linkages with contemporary institutions and the environment in general.

The concept of institutionalization in the sociological literature displays considerable diversity ranging from a stress on the

normative-structural aspects to concern with individual behavior which shapes institutions. Although sociologists have different interpretations of institutionalization, e.g., actionist, interactionist, structuralist, behavioralist, our approach is the process through which organizations become institutions. Institutionalization is a matter of degree which can be plotted on a continuum from low to high. It means that each organization presents a different institutional achievement.

Although a concern with institutionalization probably has been implicit in many comparative political science works, explicit treatments of it are quite recent. Much political development literature, for example, has looked upon political development as a process of building viable political institutions with the capacity to handle problems of modernization (e.g., Eisenstadt, 1966, 1964, 1962, 1957; Pye, 1965; Von Vorys, 1965; Weiner, 1967, 1965; Helporn, 1965; Huntington, 1966; Almond and Powell, 1966; Zartman, 1964), but it was not until Samuel P. Huntington's pioneering article, "Political Development and Political Decay" (1965), that a contemporary political scientist isolated institutionalization as a concept worthy of special treatment. Since that time, a series of works dealing with institutionalization have appeared, but they spend little time grappling with the concept and defining its precise meaning.

Huntington, for instance, argues that the strength of political organizations depends, first, on the scope of their support or the extent to which they encompass activity in the society, and, second, on their levels of institutionalization. The process whereby institutions with absorptive and initiative capacity acquire value and stability

is defined as institutionalization, and this is the essence of political development.¹⁵ Huntington also directs his efforts to devising indicators of the concept of institutionalization--adaptability-rigidity, complexity-simplicity, autonomy/subordination, and coherence/disunity--"for the measurement of institutions by which political systems may be compared in terms of their levels of institutionalization."¹⁶ However, he never adequately explains why it is these four dimensions that characterize institutionalization.

In the early 1960s, there was a pressing need in most of the developing countries for an adequate supply of trained personnel. Planners and managers, doctors and lawyers, teachers and engineers and a wide variety of technicians and technology were necessary in the building of development-related institutions. The term "institution building" itself was probably first popularized by Harlan Cleveland and friends.¹⁶ Later it appeared more and more frequently in government, organization, business and academic circles. The name "institutional development" has been given to technical divisions in Washington and to field offices of the United States Agency for International Development.¹⁸

In the early 1960s, institution-building studies were touched off by the urge to find better means and methods for international assistance and for evaluating the effectiveness of such means and methods. In 1964, after a year of informal discussions, the Inter-University Research Program in Institution-Building, in which four major universities (Indiana, Michigan State, Pittsburgh and Syracuse) were represented, recognized international assistance programs as an important element in the process of modernization, a process in which local change

agents as well as foreign technical assistance experts were actively engaged, redirecting established organizations or launching new ones which incorporated new values and performed innovative functions, thus enhancing the capacity of a society to solve its problems and to cope with emerging needs.¹⁹ The formulations developed so far have been used mostly in projects involving United States technical assistance in Africa, Asia and Latin America--projects that required new institutions or the major expansion and pervasive renewal of existing institutions.

Institution building was defined as "all planning, structuring and guidance of new or reconstituted organizations which (a) incorporate, foster and protect normative relationships and activity patterns, (b) perform functions and services which are valued in the environment, and (c) facilitate the assimilation of new physical and social technologies."²⁰ The concepts which the Institution-Building Model incorporates have proved useful in designing new organizations (Buchanan, 1967; Lynton, 1969), as well as in understanding failures (Miles, 1964; Bennis, 1968).

"When we speak of an institution, we mean an organization--but more than an organization--an organization which has certain values attached to it, assigned by the society of which it is a part, and which will protect and nurture it over time."²¹ George Axinn, in his seminar paper, "A Strategy of Institution Building," says that "there are at least seven aspects which take place over time as a new organization becomes institutionalized or as changes made in an organization become institutionalized."²² His seven criteria of institutionalization of an organization are: (1) innovation; (2) rejection; (3) legitimation; (4) acceptance; (5) normality; (6) entrenchment; and (7) rigidity.

The phases, which he terms the "life-cycle of institutions,"²³ do not necessarily proceed in order, from one to the next. It may not be necessary to achieve the first step before going to the second. Thus, they are more like aspects of a process which goes on--in some sense simultaneously, and in other senses in sequence as the organization becomes institutionalized.²⁴ Norman Uphoff provides an excellent example of institution building and states that an organization becomes an institution when it "demonstrates the value of its functions over time and others accept them as important and significant."²⁵

The Ideology of Development

This study is concerned with the organization approach to development or institution building in developing countries, specifically in Nepal. Its analytical focus is on the process of institutionalization of the Center for Economic Development and Administration--CEDA. The creation of CEDA was an intellectual and institutional effort to meet the growing needs of public administration in Nepal, to introduce development-oriented socioeconomic planning, to modify public bureaucracy, to introduce developmental changes in the administration, to conduct problem-oriented major and minor research, to advise public and private enterprises, to train skilled manpower resources in upper and lower levels of bureaucracy and, finally, to achieve the desired goal of development.

Nepal, like all other developing countries, has been inspired by the so-called "ideology of development," and is committed to the improvement of political and socioeconomic institutions and processes. Consensus to achieve these developmental goals is found among political,

administrative and intellectual elites who have observed and experienced the sociopolitical, economic and cultural realities of the country. There is growing conviction among the educated that new conditions of social, economic and political life, applicable to the present environment, can be readily created only by purposeful planning, programming and administration.

The fact of the matter is that no country wants to be labeled "under developed." Development, of course, has different meanings in each country. In some societies, it has come to signify an increase in per capita income; in others, the improvement of health standards, growth of the literacy rate or the strengthening of democratic institutions. Countries as diverse as Afghanistan, Pakistan, India and Nepal reflect an even greater variety of political, socioeconomic, demographic and cultural styles. Despite all these differences, these countries can be called "developing" because of what they have in common: "all are caught in the process of social change, not just the continuous change that any society undergoes but change that is critical and disruptive."²⁶ Despite these differing problems, these societies are moving gradually from the traditional to the modern. In the interim, they are preoccupied by both traditional and modern values. They cannot simply discard traditional values which have become institutionalized in their norms, behavior, attitudes and day-to-day behavior, but they are fascinated with modern ideas, utilities and comfort, however incompatible. Development is a long, continuous and never completed process.

"Development" is defined here as a continuous process of movement of the entire social system, which includes economic and noneconomic

factors including all sorts of consumption by various groups of people, viz., (1) consumption provided collectively; (2) educational and health facilities and levels; (3) the distribution of power in society and, more generally, economic, social and political stratification; and (4) institution and attitudes.²⁷

Economists measure development in terms of Gross National Product. This exclusive focus on production is unsatisfactory, however. In the 1950s and 1960s, Third World nations achieved the United Nations growth target, but the levels of living of the masses remained unchanged. Therefore, there was a move to "dethrone GNP," and development was redefined in terms of the reduction or elimination of poverty, inequality, unemployment and illiteracy, within the context of broad sociopolitical and economic environment. Development, then, is both a physical reality and a state of mind in which a society obtains the means to achieve a better life. "Development in all societies must at least have the following objectives: (1) to increase the availability and widen the distribution of basic life-sustaining goods, such as food, shelter, health, and protection; (2) to raise the level of living; and (3) to expand the range of economic and social choices of individuals and nations by freeing them from servitude and dependence."²⁸

The "Scheveningen Report"--high-level government officials and development thinkers from the Third World and industrialized nations--has redefined the meaning of development. The participants in this symposium recognized that the use of the GNP model as a measure of development has increased imbalances, disparities and absolute values. Consequently, four other aspects of development were emphasized as

necessary ingredients of a new development strategy, namely: "(1) the political process, (2) demilitarization, (3) culture, and (4) sustainability."²⁹

The "ideology of development" which has embroiled the people of our day has affected not only the less developed countries, but also the developed nations as well. There is a massive involvement of nations in a development-oriented movement, a universal phenomenon which has had a tremendous impact in the academic field. One manifestation is the incredible flow of literature dealing with development and involving the contributions of scholars from different disciplines. Benjamin Higgins describes the movement in the following terms:

There has been a general move toward a more inter-disciplinary approach to development problems, with a widening and deepening of interest in the political, socio-cultural, and psychological aspects of development. It is recognized now that simple transfer of the move to advanced technology of the richer countries, even if accompanied by significant capital inflow as well, is not enough. In addition it is necessary to create a whole range of skills. Some would argue that it is also necessary to inculcate certain attitudes, values, and incentives. This heightened interest in the "human factor" has found its most striking expression in the incredible rate of growth of the literature on "investment in human resources," or the economics of education; but it also appears in the efforts of the economists to analyze sociological, anthropological, psychological, and political factors in development and in the efforts of the sociologists, anthropologists, and political scientists to analyze economic development.³⁰

Academic disciplines, as suggested in Higgins's quotation, have found new areas for research. It seems that the first in line was development economics, symbolizing the age of planning and the dominance of the economist in public policy. The sociologists and social workers embraced something they called community development. The educationists and political scientists have introduced terms such as "development education," "development politics" and "development administration."

Public administration, in particular, has witnessed some of its most important developments during the last decades. Comparative public administration and development administration have emerged as new areas of inquiry. Their importance seems to be related to factors stressed by James Heaphey:

(a) General dissatisfaction with reliance upon American experience as the sole basis of an administrative science. Books titled "Introduction to the Study of Public Administration" are really books about American public administration; (b) uselessness of American administrative principles in the new societies. Americans learned that administrative principles that worked at home did not necessarily work in other countries; (c) intellectual revolution that took place after World War II, especially in comparative government studies. All these factors made public administrators aware of the need for cross-cultural studies, and cognizant of the importance of comparative public administration.³¹

Comparative public administration is generally defined as that facet of public administration which is concerned with making cross-cultural comparisons of the structures and processes involved in the activity of administering public affairs. The goal of such comparison is the development of a theory or "general propositions about administrative behavior transcending national, societal, or cultural boundaries; in other words, a general science of public administration."³²

It seems that all the authors perceive the goal of comparative administration as theory building; however, a development administration seems to place greatest emphasis upon action-oriented problems. Development administration has been associated most closely with economic and social change and all those actions taken by governments to foster development. Milton Esman, for example, identifies "development administration" as "those activities of government that foster economic growth, induce social and behavioral changes, and strengthen human and

organizational capabilities."³³ The general idea is that the new trend of public administration is practice-oriented, for it deals with action programs of immediate usefulness.

The above illustrates the scope of the movement inspired by the "ideology of development" and its impact in the academic fields and particularly in administration. The significance of this phenomenon is that it has inspired in the social sciences interdisciplinary concerns from which a vast, varied and sophisticated body of knowledge has already emerged. However, despite evidence of progress, contemporary theories of development leave something to be desired; for example, there is no satisfactory, integrated theory because social scientists have not yet been able to develop a general and commonly accepted concept of development. Rather, they have focused their attention on different features of the phenomenon--studies on attitudes, communication, administration, politics.

Dissatisfaction with this state of affairs has motivated a continuous search for new approaches. This is illustrated by the growing scholarly interest shown recently in the role of organizations in the process of social change in transitional societies.

The Case Study: Nature, Scope and Importance

The purpose of this study is to make an analysis of the process of institution building and development of the Center for Economic Development and Administration (CEDA), a public organization recognized as the only think-tank of Nepal to provide technical know-how, research assistance and training facilities to the Nepalese government officials, public corporations and private enterprises.

The objectives of this study are: (1) to improve on institution building concepts as tools to be used in the study of institutional development functions and processes; (2) to describe the institution-building research and operational capacity of CEDA and its links with the internal and external environment; and (3) to document the process of institutional development at CEDA.

This study is descriptive and analytical, based on empirically oriented research utilizing questionnaires, interviews and field observation. Three hypotheses have been generated to analyze the internal and external variables and to ascertain whether CEDA has become an institution protected by its environment and able to survive and function.

Hypothesis No. 1.

The success achieved by CEDA has been determined by its ability to pattern its relationship with the environment so as to gain support from its environment linkages.

The purpose of this hypothesis is to gauge the extent to which CEDA has been able to establish favorable relationships with other organizations and groups in the environment. The analysis is based on four categories of linkages provided by Milton Esman's Institution-Building Model: enabling, functional, normative and diffused. This analysis is elaborated in chapter V.

Hypothesis No. 2.

The responsiveness of CEDA and its capacity to induce changes in national, regional, district level and local sectors is a function of its doctrinal legitimacy, the effectiveness of its program, the quality of its leadership, the adequacy and availability of its resources, and the flexibility of its organizational structure.

This hypothesis is aimed at determining CEDA's administrative capacity. The analysis of the interacting conditions of the different internal variables such as doctrine, leadership, programs, resources and structures will produce evidence to determine weaknesses and points of strength within the organization. Chapter VI is devoted to the analysis of this hypothesis.

Hypothesis No. 3.

CEDA has become an institution protected by its environment and able to survive and function.

The aim of this hypothesis is to determine the extent to which CEDA has become an institution. In considering this hypothesis, we must bear in mind three basic facts:

First, that institutionalization is a matter of degree. We cannot define it in absolute terms or determine the point in time when an organization becomes an institution. We can only speak of a trend and identify certain indicators of the institutional character of an organization.

Second, it is also important to have in mind the basic difference between organization and institution. Both organization and institution represent poles on a continuum, and the transition from one extreme to the other is the result of a sequence of events or processes.

Third, not all organizations have the capacity to become institutions. Very often, organizations fail to gain acceptance for their doctrines and are not valued by their environments.

There are numerous examples of organizations in the developing countries which never become institutions because they are ineffective in achieving their goals. In this respect, Milton Esman comments:

While formally organized and provided with adequate resources, staff and skills, they [organizations] nevertheless frequently fail to gain acceptance of their doctrine and technology. When cultural and social values or economic and bureaucratic interests are perceived by significant actors in the environment as

being in conflict with the innovative goals of the organization or when its leadership does not perceive its task in an institutional perspective but rather as the mere implementation of a program or the transfer of technology, the organization, while serving as a shell, may never become an institution.³⁴

Importance of the Study

The study aims at achieving the following objectives:

- A. To study the process of institutionalization of CEDA in order to determine to what degree the organization has become an institution;
- B. To test the usefulness of the institution building model as a research tool for studying institutions in developing countries, especially Nepal;
- C. To ascertain the characteristics of political and administrative behavior in Nepalese public administration; and
- D. To test the impact of communal and parochial behavior of public officials in the socioeconomic and administrative development process in Nepal.

Some major contributions expected from this study are outlined here.

1. The most important contribution will be to the Nepalese public administration. The work reveals administrative weaknesses, perceptions and feelings. This information might be used by the national government as input in an evaluation of the organization and also as a frame of reference for future public organizations.
2. The second contribution is in the area of research. It is hoped that this study will stimulate research interest in Nepal, especially in the administrative process and development and organization building. This study explores the complexities of the political and administrative behavior of the Nepalese bureaucracy.
3. A third contribution is the light shed on the organization building process in Nepal, which should prove useful in avoiding failures of institutionalization.

Methodology

During the winter of 1982-83 (December to March), a questionnaire containing a variety of items relating to CEDA's present and future roles,

its place and position, its programs and objectives, its relationship with government agencies, university and public corporations and private enterprises, as well as to Nepalese administrative behavior, was administered to a sample of one hundred in Kathmandu, Nepal. In addition, since formal interviews were difficult to coordinate in Nepal's political environment, informal meetings with the staffs of CEDA, officials of the planning commission and professors and the student body of Tribhuvan University were organized.

Of the one hundred questionnaires distributed in different sample units, an average of 90 to 95 percent valid questionnaires were returned. As stated above, the respondents were not interviewed directly, as this would have been considered a breach of privacy and of official norms and standards and would have placed inordinate pressure upon the respondents to search for answers they believed the interviewer would find pleasing. To promote spontaneous answers and to overcome resistance to the questionnaire, every effort was also made to assure the respondents that their answers would remain confidential and that the respondents would remain anonymous.

Much of the data for this study has also been collected from various agencies and institutions, such as the Ford Foundation, New York; the Center for Economic Development and Administration, Kathmandu, Nepal; the Planning Commission of Nepal; and United States Agency for International Development, Nepal.

The best practical research design was found to be the Institution-Building Model developed by Esman. It provides the necessary framework for the orderly collection, classification and analysis of the data for

the case study, namely: "(a) institution; (b) linkages; and (c) transactions."³⁵

Institution. Under this analytical category, the concern is with structuring of the institution as a system with a set of elements or variables which, in their interrelationship, determine the behavior of the entity in the performance of its program of action. The Institution-Building Model³⁶ outlines two groups of variables, the institutional variables, which are concerned with the organization itself and the "linkage variables," which are concerned with external relations, i.e., the relationship of the institution with its environment.³⁷ Institutional variables are the most significant aspects of an organization which enable it to alter and make more favorable its relationship with elements in its environment. These institutional variables are: leadership, doctrine, program, resources, and internal structure.

1. Leadership. Leadership "is considered to be the single most critical element in institution building because deliberately induced change processes require intensive, skillful and highly committed management both of internal and of environmental relationships."³⁸ Leadership is central to institution building because it affects each of the other institutional variables: it articulates and possibly alters doctrine; it sets the organization's program; it mobilizes and allocates resources; and it fixes or changes the internal structure of the organization. In each of these sets of activities, the person or persons comprising the leadership will be acting in terms of two different groups, those persons inside the organization and those outside, in the environment.

Leadership requires political viability, i.e., the political acceptability and survival power of the members of the leadership group; professional status, the status or rank in the professional group and field of activity within which the institution operates; technical competence with regard to the functional area and technologies used by the institution; organizational competence, the ability to design and implement effective structures and processes for the operation of the institution; role distribution, the distribution of roles and functions to permit the utilization of the complementary assets which leadership group members bring to the situation; and continuity, the continuous association of members of the leadership group within the institution.³⁹

Grant defines the importance of leadership in the following statement:

. . . [O]f prime importance to the institution is the quality of the administrative leadership and direction of the agency. The administrative qualities of the leadership should include those of outstanding competence in administration. The leadership of an institution in the process of its creation can fail if it does not have status and influence in controlling power structure, if it does not have the respect and confidence of staff, or if it does not have sympathetic understanding of the novel purposes and functions and methods of the program or service to be accomplished.⁴⁰

A man with qualities of leadership and understanding as well as competence can be, and often is, the margin of difference between a successful project and failure.⁴¹

Leadership is usually collective. It is a "group process in which various roles such as representation, decision-making, and operational control can be distributed in a variety of patterns among the leadership group."⁴² The individual-oriented style of leadership is not productive in managing the relationship between internal and external

transactions. Moreover, this style increases the workload and "does not produce the more complex linkages and organizational and administrative decisions on which larger programs depend."⁴³

2. Doctrine. This refers to the specifications of values, objectives, standards and operational methods underlying social action. For an organization to be cohesive and effective in an environment, it needs to have a clear idea about what it stands for, what it hopes to achieve and what styles of action should be used to promote its objectives. Esman defines institutional doctrine as

. . . the specification of values, objectives and operational methods underlying social action, . . . a series of themes which project, both within the organization itself and its external environment, a set of images and expectations of institutional goals and styles of action. Among the sub-variables . . . are specifically, relationship to [or duration of] existing roles and relationship to [emerging] societal preferences and priorities.⁴⁴

Institutional doctrine is the system of assumptions of the institution which serves to communicate to all persons with an organization what the strategic objectives of the organization are, what defenses must be maintained or strengthened against interference from outside, and what the preferred modes of initiative and response are. Overall organizational activity can achieve a greater consistency of performance and predictability of result to the extent that doctrine is clearly articulated and widely understood within the organization. How productive it will be depends, of course, on what the doctrine is substantively and what value will be placed on it by sectors of the environment. Thus, doctrine has also both internal and external implications, helping to coordinate activities from inside and to elicit support from outside. Saul Katz points out two distinct purposes of institutional doctrine:

(a) a substantive process concerning the organization's anticipated contributions to developmental objectives--in terms of outputs and innovation provided by the society (both manifest and latent); and (b) an instrumental purpose relating to the survival, growth and change of the organization--the goal of gaining "institutionality" as per the Institution-Building Model.⁴⁵

3. Program. This refers to actions which are related to the performance of functions and services constituting the output of the institution. Programs are designed to fulfill the goals of the organization as set forth in legal mandate or official doctrine, and are needed and demanded by the environment to be served. The doctrine is "translated into a concrete set of activities"⁴⁶ through programs. "This involves a set of choices about how the organization will apply the resources it has available and what stream of products or services it intends to provide."⁴⁷ Practically, there are many considerations shaping an organization's program--legal mandate, demands from the environment, and the priorities set by leaders. However, program represents the most concrete means for reaching into the environment and affecting its relationship to the organization. Moreover, allocation of available resources over time for achieving desired outputs is the essence of program. This is the variable which people see and experience and which mobilizes their support or raises opposition to the institution.

A program which is seen to provide substantially more benefits than dissatisfactions for various sectors in the environment will do more to mobilize support than to evoke opposition. When we talk of programs in the institution-building context, we are not talking about

simply providing whatever persons in the environment desire. Meeting directly felt needs is one thing; getting a new or physical technology accepted and used is likely to evoke resistance, at least from some sectors. Thus, program has to be calculated quite carefully in terms of what sectors will or will not enjoy net benefits (benefits greater than costs) as a consequence of the resource allocation represented by the program.

In any organization, the resources available are likely to be inadequate to engage in all activities that would be desirable from one standpoint or another. Resources are invariably limited, whereas wants are most commonly not. This necessitates making choices among alternative activities, setting priorities and arranging sequences of activity. Those things which attract needed support from crucial sectors of an environment require priority.

Relevant variables of the program are: consistency with rules and specifications contained in the doctrine and among the programmatic elements; stability, the reliability of the output in terms of quality, quantity and time perspective; feasibility, regarding physical and human resources, complementary production of other organizations, and the absorptive capacity of the society; and contribution to needs, i.e., the actual contribution made through program actions to satisfying the specified needs of the society.⁴⁸

4. Resources. Resources are organizational inputs that are converted into products and services, and they constitute the outputs of an organization as well. An organization is linked to its environment through various transactions whereby resources are secured as inputs

from the environment and, after being converted into outputs, are transmitted back to it. The most tangible resource inputs are staff, information and money, while goods, services and information are tangible outputs. However, there are a number of less tangible resources involved in organizational activity and particularly in institution building. What is important here is to identify them collectively as a principal institutional variable.

Organizations require resources to operate. When first started, they may receive some granting of resources without having to make immediate compensation. These resources are given with the expectation that the organization will subsequently be productive enough to generate the grants. Beyond some "start up" period, however, an organization needs to "earn its way" in the world.⁴⁹ This means maintenance and operation of programs and generation of resources from internal and external sources are vital for an organization to become an institution.

It is possible that the resources for starting and for maintaining an already established or newly established organization can come from various sources outside the country, in particular from foreign governments, private or public foundations and international agencies and organizations.

However, it cannot be said that an organization has become an institution until it has become for all practical purposes indigenous, relying upon and receiving resources almost exclusively from domestic sources. The scarcity of resources necessitates making choices among alternative activities, setting priorities and rearranging sequence of activities.

5. Internal structure. This factor includes the relationship of formal and informal patterns of authority, division of responsibility

among different units of the organization, channels of communication and means of resolving differences and formulating consensus on priorities, policies and procedures. It is defined as "the structure and processes established for the operation of the institution and for its maintenance."⁵⁰

Internal structure is a variable insofar as the allocation of resources or pattern of resource flows within an organization can be changed, altered and controlled. Thus, in order to function smoothly and progressively, the internal structure of an organization is expected to be flexible (open to continuous innovation), cohesive (having coordinated activities), dynamic (expanding and growing as needed), stable (having definite and predictable consequences), and receptive to demands from the environment and yet responsive to the requirements of leadership. The productivity of each of these characteristics will vary. At some point, cohesiveness will be more important than flexibility, while at another point, the reverse may be true. It is fundamentally true that cohesiveness, stability and responsiveness to the leader's directions are the most important elements in the early stages of institution building. However, even if there is usually some balance to be struck between various characteristics, which are to be preferred and promoted by the leadership at any particular time depends on the prevailing relationships with the environment and on which structural characteristics will contribute most to strengthening linkages.

Leadership, doctrine, program, resources and internal structure comprise the internal variables of an institution. They are acting upon and being acted upon by variables in the external environment. Through

these variables the institution can alter and create more favorable relationship with elements of the external environment.

Linkages. The external or environmental variables are linkages. Linkages represent interdependencies and interrelationships which exist between an institution and the relevant parts of the environment; linkages are those points at which exchanges (information or energy transfers) actually take place.⁵¹ This concept has proved to be one of the most fruitful in the institution-building scheme because it treats explicitly the organization's external environment, and disaggregates that environment into identifiable structures and patterns of relationship that are both analytically and operationally capable of manipulation.⁵² The institution cannot be studied in isolation. It is dependent on other social organizations for its authority to function and for the acquisition of resources. It is dependent on the complementary production of other organizations and on the ability of its environment to use its resources. It is also concerned with and subject to the norms of relationship and action which are established in the society. In order for the institution to survive and play a productive role, it must have sound linkages with contemporary institutions and with the internal and external environments. The institutional linkages are the points where the institution maintains exchange relationships with the environment.

The Institution Building Model distinguishes four categories of external linkages. They differ not so much in terms of what resources are involved in each as in how each affects the institutionalization process.⁵³ These linkages are:

1. Enabling Linkages. Enabling linkages are those connections with the environment, commonly with one or more government institutions or agencies, which furnish the resources needed to establish the organization and maintain at least some minimal level of operation.⁵⁴ Enabling linkages provide the institution with legitimate authority to start up and to operate, providing access to necessary funds and other support.⁵⁵ The enabling linkages represent the linkages with organizations and social groups which control the allocation of authority and resources needed by the institution to function. In the creation stage of a new institution, they are the prime target of institution builders. It is through the enabling linkages that the change agents seek to further their cause and that the competitive claimants and other forces of opposition seek to withhold authority and resources from the new institution. Also, for continued functioning, the institution is dependent on its enabling linkages.

2. Functional Linkages. These are linkages with institutions performing functions and services "which are complementary in a productive sense, which supply the inputs, and which use the outputs of the institution."⁵⁶ Functional linkages provide task-related, substantive exchanges of function with the environment.⁵⁷

3. Normative Linkages. These are concerned with the establishment of values and standards in the institution⁵⁸ which are relevant to its doctrine and program. This applies to both sociocultural norms and operating rules and regulations. As an example, an institution may be affected by the rules and regulations of a civil service commission, even though no enabling or functional linkage exists with that body. Similarly,

certain norms and values may be protected by a religious or political organization, without a direct linkage (enabling or functional) existing between the institutions and the norm-protecting organizations. Yet, the presence of these norms and values in other parts of the society will affect the feasibility, processes and strategy of institution building. Depending on the nature of the linkage, it can enhance or hamper the institution building process and is a strategic element for action and analysis. The significant elements in this category are those norm- and value-sustaining institutions which enhance or hinder innovation.

4. Diffuse Linkages. These are relationships with individuals and groups who are not aggregated in formal organizations or collectives but who influence the standing of the innovative organization in its environment.⁵⁹ Diffuse linkages are utilized to build a widespread base of understanding for the institution.⁶⁰ Thus, diffused linkages refer to public opinion and general relations with the public, as expressed in the news media and other channels for the crystallization and expression of individual and small-group opinion not reflected in formal organizations. All linkages have the explicit purpose of influencing the environment.⁶¹

The linkages discussed above provide a bridge between institutional variables and environmental variables. Enabling linkages need to be established in order to build up functional linkages, and these in turn are affected by normative linkages and, finally, diffused linkages.

Environment and Linkages

Any environment encompasses diverse individuals and groups with differing interests and resource endowments. This diversity and these differences are particularly significant when considering institution

building because the changes which are to be introduced in the environment affect individuals and groups quite differently. Some will benefit while others will be affected adversely.

Many such changes which seem to be purely technical and rational to the foreign change agent and even to domestic leaders and innovators may, however, be perceived by local people as damaging or threatening to their material interests, their occupational or social status, familiar relationships or well entrenched habits. Those who resist innovations are not necessarily only the rich and powerful or the poor and illiterate; they may be found also among the most "enlightened" and educated, like professors who resist curriculum changes or civil servants who fight organizational improvements. Because innovations often involve important changes in attitudes and behavior and do not readily fit into local practices and institutions, they are inevitably implicated in social change.⁶²

It is not necessary that everybody in the environment be beneficially affected and therefore supportive of the emergent institution. What is necessary is that there be enough sectors of the environment linked favorably to the organization that it can survive and perform its intended functions.

1. Government. Governments, whether central, regional, district and local or foreign, are the dominant groups relevant to environment for the institution because they provide enabling linkages through legitimacy and resource support. They also provide functional linkages by providing inputs and utilizing outputs of the institution.

2. Interest Groups. Interest groups represent those individuals who have formed themselves into organizations to advance their particular interests. They are parts of the organized public. They are of concern to an institution because they are capable of giving or withholding resources more effectively than can individuals. They also provide functional linkages by supplying needed inputs and receiving outputs produced by the institution.

3. Opinion Leaders. Opinion leaders represent the attentive public; that is, individuals who are reasonably well informed and influential. They pay attention to the doctrine and programs of the institution. They provide normative linkages by having definite opinions and evaluations of the institution and communicate them to the less attentive public.

4. General Public. This includes persons who are neither organized nor particularly attentive. They generally affect an organization only marginally. By providing diffused linkages, they represent a possible source of institutional support.

The development of organized groups depends to a large extent on the degree of literacy, urbanization, occupational opportunities, social mobility and use of mass communication media. Where these factors are poorly developed, groups may not have sufficient resources to make effective demands upon the institution's inputs or to make significant contributions to its resources.

The institution building classification of linkages has practical value for the detailed designing, management and evaluation of interactions between the organization and its environment. If linkages are mapped and analyzed, the process can reveal unattended or neglected relationships important for further planning. Such maps also provide valuable information for decision-making on leadership, governance, organization and resource allocation.

The establishment of an institution is not enough for institutionalization. It has to go a long way before an institution becomes productive and accepted of its output by the environment, as is the case

of staff of an institution. The appointment of the people alone will not institutionalize the organization unless they can demonstrate their capability and be innovative and finally creative.

An alternative approach can be developed in order to judge the functioning mode of behavior of an institution as well as to provide guidelines and insight of the leadership to design the future course of action. We can suggest three major categories of elements which should be considered for the purposes of institutionalization; they are institutions, staff and clients. The institution passes through different stages, as do the contributions of the staff and the acceptance level of the client group. Innovation is difficult to introduce. It has to be planned through the institutions. The development of an institution can be analyzed according to the stages of development as shown in figure 1:⁵³

FIGURE 1

Development of an Institution by Stages					
Elements	Stage I	Stage II	Stage III	Stage IV	Stage V
Institution	Establishing	Incubating	Demonstrating	Institutionalizing	Reproducing
Staff	Instilling	Distilling	Distilling	Innovating	Creating
Client	Indifference	Tolerance	Involvement	Recognition	Acceptance

The level of institutionalization also definitely depends on the acceptance level of the client group. Therefore, for the acceptance of an institution by its clients and within its environment, the staff must plan consciously at all stages for creativity and product acceptability.

Transactions. This is the third set of analytical categories and is defined as the exchange of goods and services, and of power and influence. Thus, it is not restricted to physical inputs and outputs, but includes such social interactions as communication, support acquisition and the transfer of norms and values.

A specification of the transaction which takes place between an institution and the social entities in its environment may be made in terms of the purpose of the transactions. This is relevant for the study of flows of different kinds of transactions and their effect, of the institutional linkages through which the transactions take place, and of the institutional variables which affect the transaction patterns. Four categories of transactions are considered here.

1. Gaining Support and Overcoming Resistance. An important element in the transactions of a new institution with its surroundings is to strengthen or create a base of support for the organization and its programs. In part, this consists of overcoming opposition by creating a favorable relationship, by neutralizing or by isolating opposition groups and forces.

2. Resource Exchanges. Resources are a necessary element of institutional production, generally being seen as goods and services. These are both in inputs and outputs of organizations. The acquisition of necessary resources provides a better relationship with other factors for the operation of the institution-building process.

3. Structuring the Environment. Frequently an institution will be created in an environment which is ill prepared for the fulfillment of the complementary services on which the institution is dependent for

the effective performance of its functions. Thus, a number of transactions of the institution will be designed to create complementation by creating new units outside the existing organizational complex which provide the necessary complement.

4. Transfer of Norms and Values. In the process of introducing new relationships and action patterns which are normative for other individuals and organizations in the society, some transactions of the institution will be directed to that purpose. Giving attention to this kind of transaction is both essential to and characteristic of institutional organizations. The diagrams on pages 44 and 45 show an overview of the institution-building model.

Institution-Building Strategy

The choice of a strategy that will lead to institutionalization depends on the leadership of an organization. Given this as the ultimate objective, they allocate resources to variables in the environment in order to establish linkages and get resources in return. Some environmental contacts, of course, are more important than others to the institution-building effort. Emphasis should be placed on linkages which provide basic sources of legitimacy and support.

In formulating a strategy of institution building, it should be clear that not all sectors or groups of persons, whether organized or not, are equally important:

No responsible leader in an organization striving toward institutionalization . . . can assume that each contact the organization has with its environment is of equal value and importance to the institution building effort. By virtue of potential inputs, potential demand for the organization outputs or complementarity of norms and values, some portions of the environment can be more

significant to the organization's institution building prospects than other portions. . . . The first task of an organization leader if he is to successfully institutionalize his organization . . . then, is to recognize that some environmental contacts are more important than others.⁶⁴

The institution-building strategy involves several sets of factors and sectors. For example, some sectors or groups of persons, whether they are organized or not, will possess more of the resources which the organization needs; they will be more likely to demand or accept organizational outputs and will be more inclined to be sympathetic to and supportive of the functions which the organization performs. Linkages in these sectors will be more fruitful and thus should be attended to first in any institution-building strategy.

Whether a sector or group of persons is organized affects its relevance to the organization. A group which is organized is better able to mobilize resources which it can contribute to organization building. It can articulate demands both to the organization and to the government, asking that it furnish more resources; it can develop more channels of communication; and it can foster favorable normative attitudes to the support of an organizational goal.

For example, a training institute will require prestige to fulfill its role as an innovative institution. The strategies that may be followed for gaining prestige may either be to place the training institute in the organizational framework of the government, to attach it to a university with a reputation of excellence and scholarship, or to establish it as a semiautonomous institute outside the government and university. The choice rests with the leadership.

Another strategic area in acquiring prestige for a training institute concerns the prestige that is attached to serving in it. The

perception of prestige on the part of the participants involved in attendance and completion of the training programs is also strategic for institution building.

The strategies that may be followed by a training institute for developing effective linkages with its clients involve developing an intimate knowledge of the problems and needs of these clients, establishing on-going consultative relationships with these clients and providing continuing service to the participants in the training program.

Any strategy of institution building involves putting together a combination of sectors that will provide the organization with its basic source of support. Each sector in the environment can make different contributions and will require different compensation or inducements. The goal is to identify and associate with a set of sectors which, taken together, provides sufficient resources at not too high cost. It is likely to be the case that certain sectors are not very compatible with one another. It is possible that a skillful leader may reconcile these divergencies, but more often choices must be made between and among sectors to arrive at a stable and sufficient combination. Of course, the combination selected is likely to change over time and, if successful, will be broadened to include a larger portion of the environment. Some sectors are more useful at one stage of development than are others, so the mind must be altered over time.

One finds in most of the literature on institution building a clear counsel of prudence directed to the leadership. Institution building is an approach concerned with the diffusion of innovations within the social environment through which new technology and ideas are introduced. It

is concerned with innovations that imply qualitative changes in norms, in behavior patterns, in relationships, in new perceptions of goals as well as means.⁶⁵ The Institution-Building Model does not recommend radical strategies of social and environmental change. Rather, it advises gradualism and accommodation in building an effective organizational relationship with the government, with other organizations and with the public. This may appear incongruous and even inconsistent with the idea of environmental change with which the organization is charged, but there is considerable logic to this advice, given the prevailing assumption that the environment is not initially supportive. Otherwise, there would be no difficulty in institution building.

Since institution building involves development of an institution from a mere organization and [achievement of] certain innovative purposes, leadership may find the two goals conflicting in some instances. In such cases, the leader will have to make any decision to resolve the contradiction on the basis of the cost of sacrificing one, to guarantee the other goal. The survival of the institution as an organization has to take precedence over rigid adherence to innovative purpose; the ability to fight another day is a greater virtue, in this case, than is the prospect of defeat for the good cause.⁶⁶

Milton Esman explains that the Institution-Building Model does not prescribe a unique or dramatic change. Rather, there are several categories of change in the social and political environment. From the institution-building perspective, five major classifications of change are important (see figure 2).

1. Evolutionary Change. This entails the "gradual spread of new ideas or technologies usually associated with diffuse 'felt needs,' demands or change readiness in appropriate sectors of the society."⁶⁷ The change process in this situation is more or less autonomous and it is not sponsored, directed or manipulated by official authority. The

FIGURE 2

INSTITUTION BUILDING: CLASSIFICATIONS OF CHANGE

	Directed/Nondirected	Environment Permissive or Manipulated
1. Evolutionary	ND	P
2. Revolutionary	D/ND	M
3. Dialectical	ND	P
4. Coercive	D	M
5. Guidance	D	P
D = Directed change P = Environment Permissive ND = Nondirected change M = Environment Manipulated		

SOURCE: Milton Esman, "The Elements of Institution Building," p. 66.

evolutionary model of change implies a permissive environment in which individuals and organized groups express their interests, preferences and reservations through pluralistic communication channels, and freely accept or reject innovation and change.

2. Revolutionary Change. This is produced by the violent rejection of institutional status as well as organizational doctrine, program and leadership. This sort of change is guided by a small and highly organized group, or it may be directed by mass pressure. The strategy of revolutionary change is physically tactic-oriented and psychologically coercive. It may be directed or nondirected. It implies a manipulated environment in which individual and organized group interests are not free to apply their preferences to the acceptance or rejection of proposed changes.⁶⁸

3. Dialectical Change. In this situation, changes occur by noncoercive and nonviolent methods in which both parties or organized groups resolve their differences, choices and preferences by mutual adjustment, compromise, accommodation and modification in a permissive environment. It is not guided by an authority.

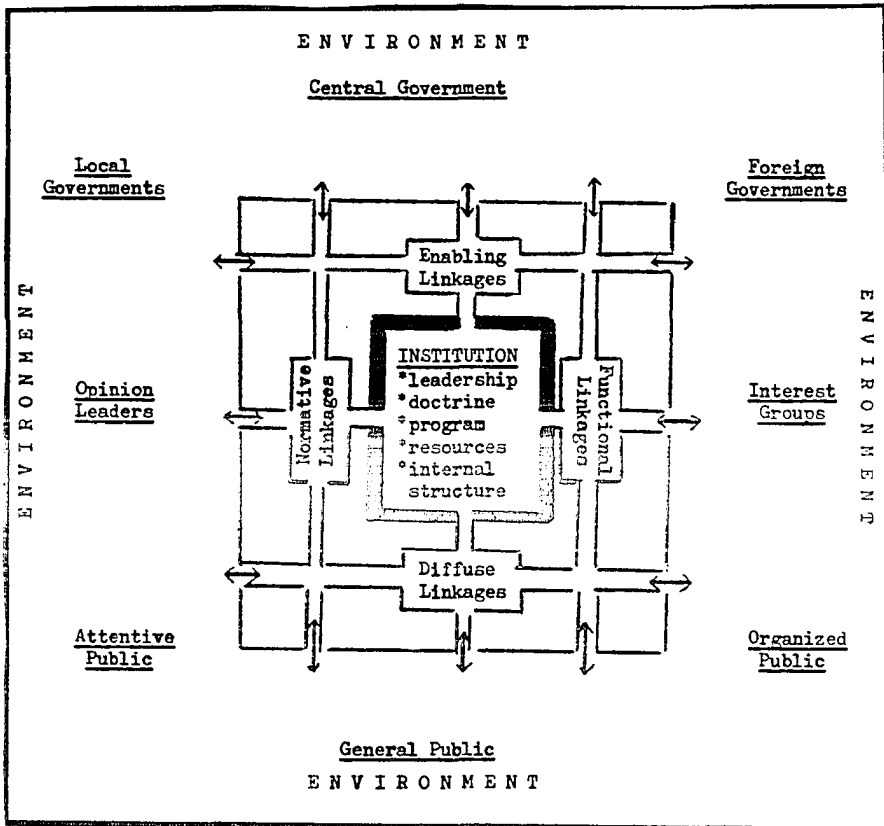
4. Coercive Change. This is imposed by internal or external agents of change using force or pressure as their principal methods. Coercive change is guided, and it implies a manipulated environment in which preferences cannot be freely expressed and action must comply with manifest force.⁶⁹

5. Guidance Change. This involves a deliberate effort to induce innovation and change. It is directed and guided by persons enjoying an official authority and sanction. It implies a permissive environment in which no coercive and violent tactics are permitted. Individuals and organized groups are able to express their preferences and the terms on which they are prepared to accept or reject the innovations which change agents are attempting to introduce by providing useful services (functional tactics), manipulating values (normative tactics) or deploying power (political tactics).⁷⁰

Thus, institution building is an induced and guided model of social change in which innovations are introduced in a permissive environment which permits an exercise and practice of democratic norms and values. Institution building is not a unique social change model; it is influenced by the different internal and external factors of existing political and social environmental systems, but it does apply to innumerable situations in contemporary societies in which: (1) change

agents, usually enjoying some measure of official sponsorship or indulgence, attempt to impress their goals, their images or their preferred norms and action patterns on a society; (2) the components of the society that are relevant to the proposed innovations must be induced --they cannot merely be coerced--to accept the innovations, and have the capacity to resist or reject them if the inducements fail; and (3) formal organizations are employed as the media or vehicles through which change agents develop the technical capacities and the normative commitment needed to guide, sustain and protect the intended innovations.⁷¹

FIGURE 3



A Graphic Representation of the Institution Building Model:
Institution (outlined by heavy lines) connected
 with Sectors of surrounding Environment
 through different kinds of Linkages

SOURCE: Norman T. Uphoff, An Introduction to Institution Building: What It Is, What It Can Do (1971).

FIGURE 4

THE INSTITUTION BUILDING MODEL

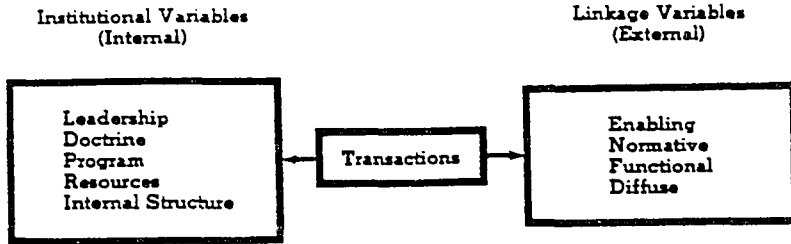
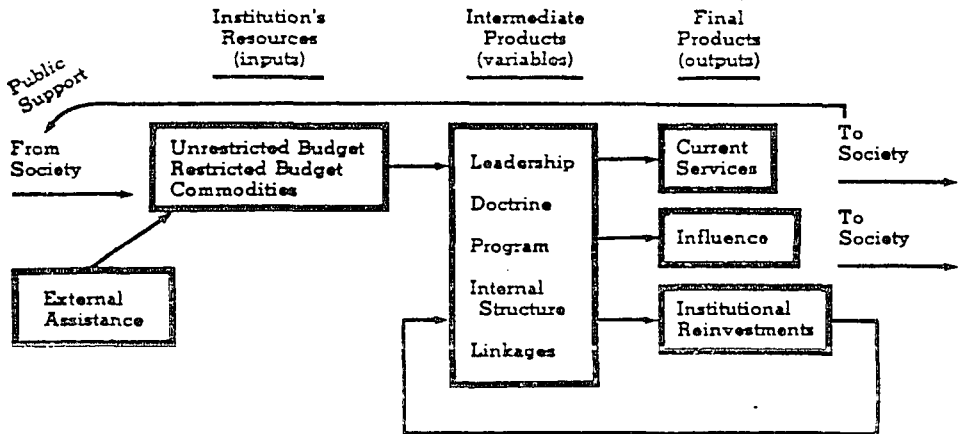


FIGURE 5

THE INSTITUTION BUILDING PROCESS



SOURCE: Rodolf P. Lynton, Institution Building for University Programs: A Short Guide for Policy-Making (1974).

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many were multifunctional at any given time." This statement helps to make clear the diversity of connections between the institution and its environment.

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71. Ibid., pp. 66-67.

CHAPTER II

THE GENERAL ENVIRONMENT

This chapter provides a general idea of the environmental setting in Nepal in which different types of organizations, including CEDA, operate. This is based on the assumption that administrative institutions can be better understood "if the surrounding conditions, influences, and forces that shape and modify them are identified and ranked in order of relative importance."¹ In every setting there are factors of differing nature that effect the establishment, operation, and institutionalization of an organization, factors which have deep roots in the society as a whole and generate enough pressure to cause a variety of dysfunctions in organizational behavior.

Complex organization theorists emphasize environmental factors which affect administration. (George Homans, 1950, "Human Group"; and Philip Selznick, 1957, "Leadership in Administration") They consider the environment as a critical variable, not only because it influences administrative practices, but also because it can release forces and generate new conditions which could determine the survival or disintegration of the system itself.

In the area of comparative public administration, Fred Riggs (1961) has developed what he refers to as the "Ecology of Administration."

Essentially, the study of administrative ecology is an attempt to determine in what ways and to what extent differences in social, cultural, political, economic or other aspects of the environment affect the way in which public administration is conducted.

Environmental factors are interdependent and interact in a complex net of influences and counterinfluences, and administrative organizations are very much under the constant pressure of these factors. Organizations have to respond to the demands and pressures coming from the environment if they are to survive. It is very common to find organizations that exist only on paper, are struggling for survival, or are making minor or perhaps negative contributions when they should be playing important roles in development. It is common in developing countries to find revenue offices that fail to collect assessed taxes, agricultural colleges with almost no students with rural backgrounds, poor laboratory facilities for training technicians, and civil service systems which still are operating on predevelopment models. The reasons and excuses are varied. Most of the time, the climate for reform is not favorable. Often the power structure and the elite groups are opposed to change. Sometimes, the institutional leadership and staff have not kept pace with the needs and demands of the environment, or it may be that the environment is unfavorable for the development of particular modernizing institutions.

Economic Factors

Nepal is one of the poorest countries in the world with a Gross Domestic Product per capita of Special Drawing Rights 100.² In 1971, twenty-five countries were identified by the United Nations on the basis

of a number of economic and social indicators as the "least developed" in the world. Nepal was one of them, ranking somewhere within the bottom five and with a per capita income of less than \$100 a year.³

Most of these countries suffered, as does Nepal, from geographic isolation, poor internal communication and difficult terrain. Sixteen of the twenty-five, Nepal included, were land-locked. Many of these countries were characterized not only by their extreme poverty and general lack of development and dependence on large and relatively powerful neighbors, but also by considerable internal inequalities in the capital and social distribution of resources and of income.

In 1974, a United Nations report opened with the following statement: "Nepal is poor and is daily becoming poorer."⁴ One authority on Nepal has written of the period 1956 to 1965: "[T]he limited available economic data suggest that overall national output during this period grew at the average rate about 2 per cent per annum, while population growth tallied about 2.5 per cent per year."⁵ Despite the formal initiation of a series of three- and five-year economic plans, there was little success in stimulating significant growth in per capita production.

Agriculture accounts for over 60 percent of Nepal's GNP and 80 percent of its export earnings; 90 percent of the labor force is employed in this sector. During the past decade, agricultural production has fallen short of expectations.⁶ Nepal's present economic situation may be explained by the following facts: first, 90 percent of the families in the hills own less than 0.6 hectares of land, and 98 percent of the families in the plain (Tarai) have less than 1.7 hectares of land; second, more than half the rural population man-days are unemployed and more than 40 percent of the population lives in poverty.⁷

The bulk of the population lives in the hills, and it is there that the crisis is most apparent. Already an area of food deficit for the most part, the hill regions are beginning to experience more frequent and more widespread food shortages, rapid growth of population, "14 million and growing at 2.4 per cent annually,"⁸ and overall declining per capita income "at only \$120 a year."⁹ This has caused a very desperate socioeconomic situation in Nepal.

TABLE 1
POPULATION GROWTH RATE 1911-76

Year	Population	Year	Population
1911	5,638,749	1952-54	8,473,478
1920	5,573,788	1961	9,799,320
1930	5,532,564	1971	11,556,000
1941	6,283,649	1976	12,393,000

SOURCE: Central Bureau of Statistics: Kathmandu.

N.B. Annual rate of growth is 2.3 percent.

Because of this sort of economic deterioration in the hills, the additional economic opportunities in the plain have encouraged the hill people to migrate. Most important has been the opportunity for the land-hungry to obtain land, either free or at relatively little cost.¹⁰ Although the opening of the plain to settlement by people from the densely populated hills is providing an additional outlet for Nepal's overpopulated regions, it is also creating new problems in the political, economic and administrative system. First, the increasing deforestation of

portions of the plain is reducing the country's timber resources, increasing soil erosion, flooding, and ecological imbalance. Despite warnings by the Food and Agricultural Organization and the World Bank that the forests of Nepal will be gone in less than a decade, if deforestation continues at this rate, the government of Nepal has not taken positive measures. It has been reported that about 4,000 square miles have been identified as "destified,"¹¹ and the process seems to be intensifying. Second, the settlement of hill people in the plain has increased the possibilities of political conflict between them and plains people, most of whom are Indian in race, language and sociocultural setting. Third, a more deep-seated problem is the alienation of the plains population from the national government. Linguistic and other cultural differences between the plains people and hills people have been accentuated by the government's citizenship policy, which makes it difficult for the plains people to obtain citizenship certificates.¹² In the absence of a compulsory birth registration plan, Myron Weiner observes another foreseeable problem:

In the Tarai, tensions may arise over divergent views as to who is "local" and who is an "outsider," for, while the plains people are native to the Tarai, the hills people may view themselves as more representative of Nepali culture and nationality.¹³

Nepal's foreign trade is characterized by the slow growth of exports and rising imports. Table 2 reveals the absolute values of exports, imports and the balance of trade for Nepal.

The trade deficit is growing at an alarming rate. Economic growth has deteriorated with rising inflation, the high cost of petroleum, and a decline in the price of rice. Rice, raw jute, and purified

TABLE 2

NEPAL: EXPORTS, IMPORTS AND BALANCE OF TRADE
(in millions of Rs.)

Year	Exports	Imports	Balance of Trade
1956-57	95.5	169.9	- 74.4
1957-58	73.3	158.4	- 85.1
1958-59	117.9	223.4	- 105.5
1959-60	131.7	287.5	- 155.8
1960-61	209.7	398.0	- 188.3
1961-62	265.2	444.4	- 179.2
1962-63	278.7	604.0	- 316.3
1963-64	291.2	604.6	- 313.4
1964-65	440.6	818.9	- 387.3
1965-66	375.1	782.0	- 406.9
1966-67	426.6	481.3	- 54.7
1967-68	393.0	499.3	- 106.3
1968-69	572.2	747.9	- 175.7
1969-70	489.5	864.6	- 375.9
1974-75	889.6	1,814.6	- 925.0
1975-76	1,185.8	1,981.7	- 795.9
1976-77	1,164.7	2,008.0	- 813.3
1977-78	1,125.9	2,658.4	-1,532.5
1978-79	1,400.2	3,047.8	-1,647.6

SOURCE: N. P. Banskota, Asian Survey 21 (March 1981).

butter account for over 45 percent of Nepal's exports. Because the price of rice on the international market fell in 1977 and 1978, Nepal's export earnings declined 90 percent from the average level recorded in the two previous years.¹⁴

About 50 percent of Nepal's trade is with India, and the remainder, with overseas countries, is conducted under the Transit Treaty with India. It is remarkable that about 20 percent of the cost of Nepalese export commodities at Calcutta (India) is the transit cost. This has limited Nepal's competitiveness on the international market. Foreign aid is another major factor in Nepal's socioeconomic development program. Nepal has received substantial aid ever since it came out of its self-imposed isolation. For example, in 1962, external assistance to Nepal totaled \$8.3 million; by 1967, it had nearly doubled to \$15.8 million, and, by 1970, it was up to \$30 million.¹⁵ In 1978 and 1979, total foreign aid flows reached \$80 million, and, in the 1982 to 1983 budget, foreign aid grants and loans both by bilateral and multilateral sources went up 3,188.1 million rupees (\$218.36 million). See table 3 for detail. Nepal derives half of its developmental-expenditure budget from foreign aid.¹⁶

While the amount of foreign aid available to Nepal has substantially increased, it has also raised a problem no less consequential from the planning viewpoint: "how to co-ordinate economic aid programs stemming from such divergent sources as the United States, India, the Soviet Union and China, all of which may be presumed to have their own ideas and objectives in granting aid."¹⁷ Apart from this, the Planning Commission of Nepal has a limited ability to order its own priorities in planning and inviting foreign aid for suitable, locally designed, projects. In the words of a Nepalese planner in summarizing the experience of his country: "Try one form of organization, no result. Try something else, no result. The result is always the same."¹⁸ Thus, the

TABLE 3
FOREIGN AID DISBURSEMENT BY SOURCES
(In Million Rs.)

	1977/78			1978/79			1979/80			1980/81			1981/82 (Estimate)		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
A. Bilateral	372.6	84.1	456.7	457.4	81.4	538.8	696.8	149.6	846.4	707.1	151.0	858.1	1087.7	206.8	1294.5
Canada	6.7	—	6.7	9.5	—	9.5	61.0	—	61.0	1.0	—	1.0	30.6	—	30.6
China	76.2	—	76.2	40.3	—	40.3	35.9	—	35.9	50.5	—	50.5	28.4	—	28.4
Denmark	—	25.0	25.0	—	—	—	—	4.8	4.8	—	—	—	6.4	—	6.4
Federal Republic of Germany	17.0	2.9	19.9	27.6	—	27.6	66.9	—	66.9	69.0	—	69.0	126.3	—	126.3
India	117.7	0.1	117.8	121.4	—	121.4	182.9	—	182.9	213.7	—	213.7	281.9	—	281.9
Japan	1.2	—	1.2	28.6	45.8	74.4	50.4	87.7	138.1	126.0	33.1	159.1	86.9	68.0	154.9
Kuwait	—	56.1	56.1	—	35.6	35.6	—	57.1	57.1	—	117.9	117.9	—	47.9	47.9
Switzerland	3.9	—	3.9	34.0	—	34.0	37.4	—	37.4	46.0	—	46.0	82.8	—	82.8
United Kingdom	73.9	—	73.9	114.4	—	114.4	184.4	—	184.4	128.0	—	128.0	208.8	—	208.8
United States of America	66.6	—	66.6	54.7	—	54.7	32.4	—	32.4	61.4	—	61.4	209.4	—	209.4
Other Countries*	9.4	—	9.4	26.9	—	26.9	45.5	—	45.5	11.5	—	11.5	26.2	91.0	117.2
B. Multilateral	94.0	297.7	391.7	141.9	308.7	450.6	108.8	385.3	494.1	161.8	542.3	704.2	312.6	1581.0	1893.6
Asian Development Bank	—	80.1	80.1	—	88.9	88.9	—	102.3	102.3	—	147.1	147.1	—	805.8	805.8
International Development Agency	—	165.6	165.6	—	203.2	203.2	—	273.8	273.8	—	382.6	382.6	—	639.6	639.6
OPEC Fund	—	52.0	52.0	—	16.6	16.6	—	—	—	—	—	—	—	114.7	114.7
UNCDF	—	—	—	8.4	—	8.4	10.5	—	10.5	8.6	—	8.6	50.3	—	50.3
UNDP	36.8	—	36.8	55.9	—	55.9	29.1	—	29.1	50.1	—	50.1	80.8	—	80.8
UNICEF	17.7	—	17.7	24.5	—	24.5	18.2	—	18.2	20.6	—	20.6	32.6	—	32.6
World Food Programme	37.0	—	37.0	38.8	—	38.8	29.2	—	29.2	21.3	—	21.3	29.1	—	29.1
Others**	2.5	—	2.5	14.3	—	14.3	21.8	9.2	31.0	61.3	12.6	73.9	119.8	20.9	140.7
Total (A+B)	466.6	341.8	808.4	599.3	390.1	989.4	805.6	534.9	1340.5	868.9	693.3	1562.2	1400.4	1787.8	3188.1

* Includes Yugoslavia, New Zealand, Austria, Australia, Netherland, etc.

** Includes EEC, UNFPA, FAO, W.W.F., UNESCO, NORAD, INF, CARE, WHO & Other institutions.

NOTE: Figures have been rounded off.

SOURCE: Ministry of Finance.

dependence on foreign aid had led to even higher inflation. Most of the foreign-aid assistance is directed to solving internal problems, such as salary payment, royal family securities and royal palace expenditures rather than socioeconomic growing problems of the country. No significant improvement in this discouraging economic picture was evident in 1982; indeed, the trend may have been in the opposite direction.¹⁹ This discouraging economic environment results from the fact that "Nepal has neither been able to promote micro-economic growth nor to mobilize resources for local service delivery."²⁰ Other situations are also aggravated by the low level of planning and managerial capacity within the central government ministries. The USAID Mission in Nepal argues that a "major structural constraint is the limited ability of the [government of Nepal] itself to identify, plan and execute productive policies and projects."²¹

Despite the continuing undesirable economic environment of Nepal, CEDA has received most of its financial support and research funds from the government budget, the Ford Foundation grant, and several other international institutions. As a well-equipped, well-staffed, newly created autonomous research institution of Nepal, CEDA has attracted many competent scholars and staff to conduct problem-oriented research projects for government, corporations and other private enterprises.

Financing is highly ranked in any list of environmental conditions if developmental projects are to be carried out effectively, and if development-oriented institutions are to function properly they must receive adequate financial support from the government. In this respect, the writer's questionnaire posed the following question: "Whether or not

the financial support CEDA receives from the government is more than adequate, just adequate, not adequate, or don't know." Among the one hundred respondents, eighty-five answered the question as follows:

TABLE 4
THE FINANCIAL SUPPORT CEDA RECEIVES
FROM THE GOVERNMENT IS:

Items and Scale	Number	Percentage
1. More than adequate for current programs.	6	7.06
2. Just adequate for current programs.	33	38.82
3. Not adequate at all.	27	31.77
4. I don't know.	<u>19</u>	<u>22.35</u>
Total	85	100.00
Not responding: 15		

If the economic conditions of the country are not favorable, institutions like CEDA, no matter how well organized they are, tend to malfunction and ultimately die. This could be the case with CEDA because of the deteriorating economic condition of the country as well as the emergence of several other competitive private and public research institutions, especially the Administrative Staff College--an institution heavily funded and organized by the British Council, Agriculture Project Service Center, Industrial Service Center, Population Commission, etc., financed and supported by His Majesty's Government of Nepal and several international institutions.

Political Factors

The Nepali political system has been described by such terms as Constitutional Monarchy, Partyless Panchayat System,²² and Representative Democracy, but in practice, it is a system where the king is above the constitution and his decisions and authority can never be challenged.

During the past decade, the crown has become the pivot around which the traditional interest groups,²³ the sacred elite, the military, and the landowning aristocracy, still revolve. These groups gain access to the Royal Palace through their supporters and representatives on the staff of the Palace secretariat. The Palace secretariat has become the nervecenter of administration and political structure in Nepal, even though its dominant policy and decision-making role is not defined via the law or within the constitution of this country. The function of the Palace secretariat can be closely compared with the previous, all powerful function of the hereditary Rana²⁴ Prime Ministers office. That is, the Palace secretariat today functions not only as a relay-station between the king and the Government, but also as a decision-making component, frequently using the central Government secretariat as an instrument for the implementation of decisions. This situation has led to a "dual government" structure.²⁵

However, the liberalization of the political system and the development of more representative government within the framework of the monarchy had started in 1950 and 1951 when the hereditary Ranas were overthrown in the 1950 revolution. Since that time, the political process of Nepal has undergone various experiments and changes. The first general election based on adult franchise took place in 1959, in which the "Nepali Congress Party" was elected by a majority as against "Gorkha Parishad"---a party which is supported and financed by hereditary Ranas, feudals, religious priests and business groups. The new "Congress Party" cabinet formed by B. P. Koirala²⁶ exerted its full responsibility toward the organization of the entire administrative system in Nepal. No further interference in the cabinet affairs from the Royal Palace was indicated at this point. The Congress cabinet announced drastic

reorganization plans, such as abolition of land in the grant system, abolition of private forests, introduction of land reform programs and abolition of caste systems. All these drastic administrative reorganization plans proposed by the elected government challenged the status of the traditional and conservative forces which were manipulating political and administrative processes for more than a century.

The democratic political process lasted for only eighteen months, when the late King Mahendra declared, in December 1960, that the parliamentary system of government borrowed from western philosophy had been proven unsuitable to the soil of Nepal. He promised to initiate a new kind of democratic government native to the political culture of Nepal, suited to the climate and rooted in the soil. This new political arrangement was modeled to some extent on experiments of the late fifties, such as India's Panchayat Raj, Pakistan's Basic Democracy, Indonesia's Guided Democracy and Egypt's Class Organization. King Mahendra named his self-imposed political system the Partyless Panchayat Democracy, "rooted in the life of the people in general and in keeping with the national genius and traditions, and as originating from the very base with the active cooperation of the whole people, and embodying the principle of decentralization." (The Constitution of Nepal, 1962, Preamble, part II)

The new political system created kingship as the only powerful force in the country. No place is given to political parties. Instead, seven class organizations²⁷--peasants, labor, women, students, youth, children and graduates--were formed to replace the vacuum created by the absence of political parties. Thus, the principal functions of the class organization appeared to be twofold: "to serve as substitutes for the

banned political parties and to reorganize them for the development purpose."²⁸ These class organizations could not fulfill the duties of ventilating public opinion because of the fact that they were arbitrarily chosen by the regime simply in order to bridge the gap created by banning political parties. They were ineffective because they had to move according to the directions given by the government. Gradually, these organizations developed more class conflict, rather than class coordination as visualized by the Partyless Panchayat System.

Regarding the political arrangement, the Council of Ministers, headed by the Prime Minister, is directly nominated by the king from among the members of the National Assembly, and the Ministers retain their positions only so long as they retain the confidence and approval of the king. The absence of a party-based political system, given the virtual lack of political involvement by the mass of the population, means that power remains formally within the bureaucracy and is concentrated at the top.²⁹

For over fifteen years following the royal take-over in 1961, the late King Mahendra dominated the political process in Nepal by means of such devices as charismatic speeches and the "Royal Tour Program" and through political and economic institutions such as the National Development Council, the Research and Enquiry Center--the Palace's special investigation and political, economic and social data-gathering unit--and the Go to the Village National Campaign--"a powerful political body of the king, consolidating the feelings of nationalism and national solidarity in conformity with the principles of the Partyless Panchayat System and non-alignment foreign policy."³⁰

After the death of King Mahendra in 1972, King Birendra, who had a solid educational background from Eton, Harvard and Tokyo University,

succeeded to power when he was in his late twenties. As a young and energetic king, he identified himself with the twin objectives of nationalism and development, but continued the same Panchayat-oriented political process which was designed by his father. It was believed in the political circles of Kathmandu that King Birendra was severely warned by his family not to introduce any substantive changes in the political process which might challenge the basic elements of the partyless system. There was no doubt that he was development-oriented. He had publicly announced his intentions of "unleashing the forces of development," and also his full responsibilities to the task of eradicating the perennial problems like hunger and disease. He had to deal with these problems while adhering to two contrasting values: first, the values which he inherited as a "divine right of kings" from the Hindu mythology (kings as the incarnation of Vishnu, the Hindu God of Preservation); and, second, his strong commitments to modernization. As portrayed by Louis D. Hayes:

Here lies the king's dilemma. If he attempts to modernize certain elements of the system in order to accommodate certain elites, he alienates the traditional elites; the only durable basis of support for the regime of monarchy. But if he does not pursue modernization in the face of social change he draws the hostility of new elites, who will become increasingly oriented toward regime transformation, i.e., elimination of monarchy.³¹

Despite several political, economic and foreign-policy crises, the partyless character of the Panchayat polity survived. However, prospects for change appeared in 1979, when Prime Minister Bhutto of Pakistan was executed by the government of General Zia-ul-huq. This event brought indignation and outrage which later turned into a strong political movement through which the university and college students organized a massive political campaign throughout the kingdom against the Panchayat

system and demanded a more liberal, democratic and people-oriented system. Supported by peasant communities, political leaders, youth organizations, businessmen and teachers, the 1979 antipanchayat campaign forced King Birendra, on May 24, 1979, to announce a national referendum to consult the people on the type of government they wished. The choice offered was between the Partyless Panchayat System "with timely reforms" and what was called the multiparty system.³² The referendum was a recognition that the existing Partyless Panchayat System had not worked and was not generating the policies and energies required to move the country forward. This was the first time in Nepal's modern history that a monarch saw fit to consult the people on the kind of government they wished and, implicitly, to commit himself to the results.³³

By early 1980, the referendum campaign was in full swing. The supporters of the existing system, who had seemed demoralized at the announcement of the referendum, organized and mounted a widely publicized and energetic campaign. The multiparty groups, who were strongly confident of their success, had taken full advantage of the unaccustomed freedom of assembly and speech and were in greater prominence at the start of the campaign. The referendum took place on May 2, 1980. The Panchayat side won the referendum by a ten percent margin, a clearcut victory, but still close enough to signal to the king and the government that the country was deeply divided on the issue presented to it and that the minority view could not be ignored in whatever constitutional and political arrangements might emerge from the referendum process.³⁴

Results of the referendum showed support for the Panchayat system but by a margin of only 54.7 percent to 45.2 percent. That 45 percent

of the population favored liberalization of the political structure led the king to call for the constitutional revisions. The result was the third amendment, issued on December 17, 1980, that provides for, among other things, popular election of the National Panchayat.³⁵ A national election was held in May 1981, but was boycotted by most political parties, including B. P. Koirala's faction of the Congress Party and the Nepal Communist Party.

Although the Panchayat spokesmen deny it, there are indications that the word went out that a vote for the Panchayat side was a vote for the king, whereas a vote for the multiparty system was a vote for B. P. Koirala.³⁶ However, all things considered, the referendum was a net victory for the traditional forces surrounding the king and his family. But this has not helped King Birendra, whose problem is not his regime's legitimacy but the challenge of creating a stable political order with attendant elementary norms of decent and honest public life that can deliver the goods he has promised to his people.³⁷

At a time when economic problems as well as international relations are growing complex, it appears that Nepal's so-called reformed Panchayat system is proving a nonstarter. The new political order has not been able to assimilate diverse political forces into its fold: it is simply a continuation of the same old process, despite the referendum, the constitutional revision and the general election. In view of the fact that the political crisis in Nepal still remains unresolved, the much-talked-about referendum, sequentially followed by the enactment of the third constitutional amendment and the holding of general elections on the basis of universal adult suffrage, has proved to be merely a series of exercises in futility.³⁸

The Public Administration Factor

In spite of its political division into central, regional, zonal, district and local levels, the Nepalese public administrative system is highly centralized. It places overwhelming power in the hands of the central government, with the Palace secretariat at the top.

The reasons for this degree of centralization are several. First, the Zonal Commissioners (Nepal has four regions, fourteen zones, and seventy-six districts) are appointed by the king and serve at his pleasure. This effectively places the zonal governments under the control of the central government and the Palace administration. Second, the district and local governments have extremely limited independent financial resources; almost 96 percent of the revenue for the district and local governments is provided by the central government through various grants. The result is that all major and minor issues of district administration are decided by the central government. Another powerful reason for this over-centralization seems to be lack of confidence in the ability and willingness of zonal, district and local officials to fulfill their responsibilities.

However, administrative reform has been a regular process in Nepal since the 1951 revolution in which the hereditary rule of the Rana family was overthrown. Since then, more than eight dozen foreign experts and advisors from different countries have visited Nepal to provide consultancy services for administrative reform. In addition to such advisory services, many ad hoc commissions for administrative reform, i.e., Buch Commission (1951), Administrative Reorganization Planning Commission (1956), Administrative Reform Commission I (1968), Administrative Reform

Commission II (1976), have already worked and presented their recommendations. Moreover, administrative reform has been promised on many occasions by King Birendra as well as by political and administrative levels of government. Nevertheless, serious efforts to improve the administrative machinery to make it efficient and development-oriented have not yet eventuated.

The merit system exists in theory but has not been applied freely. For example, recruitment of public officials in the upper administrative hierarchy is not conducted on the basis of achievement criteria, nor are promotions and retirements. They are appointed by the king on the basis of ascriptive ties. As far as promotion is concerned, subjective and particularistic considerations play the leading role. As a result of this, a mystique of public service has been slow to develop with a resultant low level of efficiency and alleged widespread corruption.³⁹

The vast majority of administrators in the Nepalese civil service come from families in which the father, grandfather, brother or other relatives had worked for the government service. They come from groups having diversified social and cultural orientations associated with religion and caste. The groups constitute the bureaucratic elite in Nepal and form "the largest and the most obvious reservoir of members of the national political life."⁴⁰

The educated class in Nepal belongs to the tiny uppercrust of the privileged section of society closely affiliated with the Palace, the army and the institutional structures of the state. They differ in style and behavior from the majority of the middle class. The educated class is considered as a modernizing force in Nepal's political and

administrative process, but in recent years the gap between all the educated modernizing elites--the political, the bureaucratic and the military--and the masses has grown more rapidly and become much wider than that between the traditional or feudal elites and the masses.⁴¹ Since they are closely attached to the Palace and army, the political opinion of modernizing elites is often narrow, sectarian and parochial. Thus, political thinking regarding such issues as administrative development and socioeconomic planning lacked cohesion and integration. On the other hand, "the political elite merely bound by selfish interests for the maintenance of the status quo, however cohesive it may appear outwardly and temporarily, cannot withstand the pressure of social forces generated by the process of modernization."⁴² The attitudes of these elites were fragmentary and conflicting. They sought to achieve nation-building and modernization without giving up their love for traditional values and loyalties to traditional institutions. Attempts to harmonize, synthesize and integrate the elements of the two at the conceptual level were neither systematic nor serious. Nepal does not have a unified administrative power center. It has two unique administrative power locations: the Royal Palace Secretariat and the Central Secretariat.

Royal Palace Secretariat. Since the accession of the late King Mahendra in 1955, monarchy has become an increasingly powerful institution in the contemporary Nepalese political system. In practice, the king is the key figure in the policy-making process. No bill can be introduced into the National Panchayat, House of Representatives, dealing with taxation, appropriation, matters of the Royal Family, public debt, military matters and fundamental rights without the prior approval of

the king. Bills passed by the Panchayat must have the king's approval before they become law. Under certain conditions, he can enact legislation without National Panchayat approval.⁴³ He can even alter legislation enacted by the National Panchayat if he wishes. Constitutionally speaking, there is nothing beyond his control. In fact, these powers of the king are exercised through the Palace Secretariat. The legislative, administrative and judicial branches of government are all dependent upon the initiative of the Royal Palace. The administrative branch of government is duplicated by the Palace Secretariat and, in practice, is inferior to it. In addition to government ministers, there is a group of secretaries, mostly members of a Newari family⁴⁴ (an ethnic as well as a dominant business community in Kathmandu Valley), and "the Brahmin⁴⁵ royal priests and astrological technicians,"⁴⁶ who, because of their close association with the king, are more powerful and influential than are the ministers. The various branches of government have developed into satellites of the Royal Palace with little autonomy in their own field of activity. The Royal Palace now receives about one-sixth of the total revenue, and an additional one-third of the total revenue is received by the army and police, on whose support the Royal Palace rests.⁴⁷ Gradually, King Birendra has increased the size of the Palace Secretariat by bringing some of the administrative agencies directly under his supervision--the National Development Council, Center for Supervision and Enquiry, Commission for the Prevention of Abuse of Authority and the Tour Commission, among others. Today, "as the procurer, purveyor, and censor of all communications channeled to the king, the Palace Secretariat is in a highly strategic position in the decision-making process."⁴⁸

The Central Secretariat. The Central Secretariat is a secondary center of power, responsible for the implementation of government decisions. Although most of the crucial decision-making process takes place in the Palace, a great many less important decisions for running day-to-day administration are made in the Central Secretariat. The Central Secretariat is a much larger, more loosely organized and diverse body than the Palace Secretariat, and, among the administrators working there, at least a few are representative of groups traditionally unrepresented or under-represented in the center of power.⁴⁹

In summarizing his findings on the Palace and the Central bureaucracy, Merrill R. Goodall finds that the top bureaucratic elites in Nepal are divided into two clusters: those with a "prestige-oriented" view of their jobs, and another group which seems to have what might be called a "performance-oriented" view.⁵⁰ In fact, these differing outlooks are conditioned by ethnic origins⁵¹ and caste and family background. However, it can be said that the Palace bureaucracy is a more prestige-oriented group than the central bureaucracy because the former is staffed by ex-army officers, royal priests and astrologers, feudal lords, and a dominant ethnic and business community from the Newari family of Kathmandu Valley.

However, the administrative machinery is still too weak to contribute to speedy development, and many crucial socioeconomic problems have been left unsolved. It seems that the administrative reform activities during the last three decades have brought only a superficial and physical change in administration, rather than substantive and qualitative change. As a result, because of inefficiency and lack of innovative

capability in administration, the institution-building process in Nepal has suffered severely. Institution building should be identified by all missions: the institutional capacity of national ministries and local governments must be assessed and assistance provided to address gaps or deficiencies.⁵² Financial and technical assistance must be provided to local governmental and nongovernmental organizations for improving planning and management and for maintaining services and facilities after they are established. Institution-building activities are successful only to the degree that innovative programs are implemented without vested interest and developmental changes achieved in all sectors. In this regard, several questions were asked regarding administrative support received by CEDA from government officials. Ninety-seven participants out of one hundred responded to the question. Thirty percent agreed that support is inadequate, 29 percent indicated that they do not know, and 41 percent offered differing views such as "excellent," "very good" and "adequate." (See table 18 on p. 156)

Important requirements for institution building in most Asian countries are administrative decentralization, eradication of corruption, improvement of administrative capability and recruitment of competent officials. With respect to the problem of over-centralization, the National Economic and Social Development Board in Thailand observes of the educational sector that "the over-centralization of educational administration aggravates the problem of bureaucratic redtape as considerable delays are created by local education units having to wait for the decisions to be made by central authorities. This centralization also makes it difficult to provide educational facilities in accordance

with local needs and leads to the failure to mobilize resources from the people who take part in the provision of education."⁵³ Moreover, over-centralization causes serious administrative problems in social and economic planning. It results in low levels of decision-making capacity and lack of managerial and supervisory capability at all levels of government, which causes grave difficulties in coordinating effective plans and programs.

In recent years, as a result of attention given to the environment, political factors have received greater attention in the analysis of public administration. Politicians in power use the positions in the administrative system to reward their supporters, and they attract powerful, influential educated elite members by offering positions in the administration. In this sense, public administration is being used to strengthen the political system. Thus, far from being discrete enterprises, politics and administration interact and are interdependent--they are not functionally separated. Regime stability is the first national priority, and administrative efficiency is secondary.

Table 5 shows that public administration does not enjoy high prestige in Nepal. The majority of the educated Nepali population has a low regard for bureaucrats. Out of ninety-four respondents, 66 percent evaluated Nepalese bureaucrats as not doing innovative work, 21 percent indicated that Nepalese bureaucrats are doing adequate work, but 4 percent and 9 percent of respondents indicated "very good" and "good" evaluations, respectively.

TABLE 5

HOW DO YOU EVALUATE NEPALESE BUREAUCRATS IN TERMS
OF INNOVATIVE WORK THEY ARE DOING?

Items and Scale	Number	Percentage
1. Excellent	0	0
2. Very Good	4	4.25
3. Good	8	8.51
4. Adequate	20	21.28
5. Inadequate	<u>62</u>	<u>65.96</u>
	94	100.00
Not responding: 6		

Bureaucratic Factor

The upper echelons of the bureaucracy, particularly in the central government and administration, derive overwhelmingly from the land-owning classes, especially from the aristocracy. They also include a significant number of what might be termed "traditional officials," predominantly of Brahmin, Chhetri, and Newar castes, employed under the Ranas as civil servants, but acting in effect as clients of the aristocracy and still in service despite the formal termination of Rana rule in 1951.

Distinct from these, there is another increasingly important group in the administration which can be termed "modern bureaucrats" recruited from somewhat more diverse social backgrounds and having advanced education and technical expertise. Even if some of these, however, come from the middle class, the majority are the sons and daughters of landowners

who have received their education at the University of Kathmandu and abroad. These two groups, "traditional officials" and "modern bureaucrats," having conflicting ideologies, values and interests, might be expected to clash within the political and administrative framework of Nepal. The modern bureaucrats are committed to a greater extent than their traditional counterparts to the idea of economic development and social change. This group, given its technical and organizational attributes, might be expected, in the long run, to hold an increasingly influential position in government as the crisis in Nepal deepens. For the present, however, it is still the fact that all too often:

Instead of being valued for their specialized skills, they are often treated with contempt by the politically appointed administrators and even more so by the administrators' transient bosses. In such a situation, the technical elites often find it necessary to devote attention to the complicated and fascinating game of intra-secretariat politics, to the detriment of contributions in their fields of specialization. Without the proper recognition and utilization of technical elites, however, it is inconceivable that any of the programs for the modernization and industrialization of Nepal can achieve any substantial success except for the few essentially symbolic industrial projects established by the various foreign aid programs.⁵⁴

In its social and political structure, the bureaucracy reflects most of the inequalities prevalent in Nepalese society. But the perpetuation of privilege, patronage, discrimination and regional and ethnic inequality within the system is damaging to Nepal's prospects because it is this essentially conservative apparatus that would have to conceive, plan and implement measures capable of preventing the coming crisis. So far, despite the existence of some men of high quality, caliber and commitment in the higher echelons of the bureaucracy, the overwhelming tendency has been conservative and traditional.

The traditional attitude of the bureaucracy has been highly resistant to innovations. The bureaucrats have always hesitated to accept novelties which might disturb their positions as well as established bureaucratic structure and procedure. Concerned mainly with potentially sensitive proposals, they have reacted especially to those aspects of administration dealing with land reform, expansion and governmental control over the different aspects of the economy and preservation of political discretion. Naturally, they have also been very interested in everything related to their own privileges, career plans, promotions, working conditions and the preservation of bureaucratic discretion. All this has led to an absence of that fundamental and innovative change which a society like Nepal needs in order to transform its age-long traditional bureaucratic machinery into an effective and efficient instrument.

The politicization of the bureaucratic machinery has been a serious impediment to effective planning and administration. It has held to the use of administrative data as a political commodity and caused faulty reporting, deficient processing of information and the use of inaccurate data as the basis for planning.⁵⁵ Furthermore, politicization prevailed throughout the bureaucracy and therefore resulted in unsatisfactory standards of recruitment of personnel and inconsistent administrative procedures and policies. This, in turn, led to reluctance on the part of most officials to assume responsibility and a tendency to apply political considerations to administrative acts.

Notes

1. Ferrel Heady, Public Administration: A Comparative Perspective (Englewood Cliffs, NJ: Prentice-Hall, 1966), p. 58.
2. N. P. Banskota, Indo-Nepal Trade and Economic Relations (New Delhi: B. R. Publishing Corp., 1981), p. 213.
3. International Bank for Reconstruction and Development (IBRD). It assists in the reconstruction and development of its member countries by facilitating the investment of capital for productive purposes, then by promoting long-range growth of international trade and improvement of living standards.
4. Asian Regional Team for Employment Promotion (ARTEP) (1974). A Challenge to Nepal: Growth with Employment (Bangkok, Thailand: International Labour Organization--ILO (1974).
5. A Beenhakker, A Kaleidoscopic Circumspection of Development Planning with Contextual Reference to Nepal (Rotterdam: Rotterdam University Press, 1973), p. 3.
6. N. P. Banskota, "Nepal and Regional Economic Cooperation," Asian Survey 21 (March 1981): 343.
7. Employment, Income Distribution and Consumption Patterns in Nepal, report published by National Planning Commission (date of publication is not available), p. 36.
8. William Claiborne, "Deforestation, Erosion of Himalayas Threaten Nepal," Washington Post, July 18, 1983, p. A-15 (an interview with Mr. Sakaya, former forest officer of his Majesty's Government of Nepal who resigned his job because of technical conflicts between traditional forest officers and development-oriented officers).
9. Ibid.
10. Frederick H. Gaige, Regionalism and National Unity in Nepal (Berkeley: University of California Press, 1975), p. 66.
11. Economic Times, August 16, 1978.
12. Frederick H. Gaige, "Nepal: The Search for National Consensus," Asian Survey 10 (February 1970): 103.
13. Myron Weiner, "Political Demography of Nepal," Asian Survey 13 (1973): 621.
14. International Monetary Fund (IMF) Survey, July 31, 1978.
15. Pasupati Shemsher Rana, "India and Nepal: The Political Economy of a Relationship," Asian Survey 6 (July 1971): 212.

16. United States Agency for International Development (USAID) Report, 1981 c.
17. Leo E. Rose and Margaret Fisher, The Politics of Nepal (Ithaca, NY: Cornell University Press, 1970), p. 142.
18. Naomi Caiden and Aaron Wildavsky, Planning and Budgeting in Poor Countries (New York: A Wiley-Inter-Science Publication, John Wiley and Sons, 1974), p. 216.
19. Tulsi Upreti, "Nepal in 1982: Panchayat Leadership in Crisis," Asian Survey 23 (1983): 147.
20. United States Agency for International Development, Report, 1979 c and 1980 a.
21. Ibid., 1979 a, p. 17.
22. Partyless Panchayat System. The Royal takeover of December 15, 1960, initiated a new phase of the kind of direct rule under the name of Panchayat system, which relies fundamentally on the same mystical glory of the past as the Indian Panchayat Raj, with one important difference. While in India the Panchayat Raj is considered as a mechanism of people's participation in district and local-level decisions, under a multi-party framework, in Nepal the Panchayat system provides the basis of "partyless democracy." Thus, electoral representatives of the village Panchayat become voters for the district Panchayat. The district Panchayat in turn normally elects representatives to the national Panchayat, which is the highest legislative body of the nation. All the members of this body, therefore, are considered as people's representatives under the partyless system, run under the guidance of the monarch.
23. Traditional Elite Group. The traditional elite group in Nepal comprises several self-interest groups who oppose political and economic modernization. They believe that political and economic modernization will result in an erosion of their authority, influence and power. They are mostly Royal Palace officials, business communities, army officers, landowners and top-level bureaucrats.
24. Ranas Period. During the period from 1846 to 1950, Nepal was autocratically ruled by the hereditary Prime Minister of the Rana family, who, by eclipsing royal authority, had enjoyed a veritable monopoly of political, economic and administrative power in the country for 104 years. The Prime Ministership became a family affair of the regimes, and the status of the Rana family within the political structure was institutionalized in the Royal Decree of 1856. Thus, Royal Decree absolutely granted the Rana family an enormous power in civil and military administration, justice and foreign relations, furthermore including the right to ignore the commands of the king.

25. Beenhakker, Kaleidoscopie Circumspection, p. 23.
26. B. P. Koirala is a leader of Nepali Congress Party. He was the first elected Prime Minister of Nepal in 1959. B. P. Koirala stood for the attainment of socialist objectives through democratic and parliamentary means. But the experiment of parliamentary democracy proved to be short-lived. On December 15, 1960, the late King Mahendra, in exercise of his emergency powers on the ground of the preservation of "unity, national integrity, and Sovereignty," dissolved both houses of the legislature and imprisoned B. P. Koirala, ministers and other party members of the nineteen-month-old elected government.
27. Class Organizations. In order to bridge the gap created by party system, Panchayat system visualized the establishment of organizations belonging to women, youth, peasants, graduates, workers and adults. These organizations were hierarchial with primary committee being formed at the village Panchayat levels. At the apex were the national-level workers elected through indirect election. In the second constitutional amendment, the organizational structures have been changed. All the class organizations will no longer have officers at the national level; they will be limited only to the village and district levels. "This apparent demotion seems to have occurred as a result of the tendency of class organizations at the national level to raise embarrassing issues for the government ranging from the failure of land reform to the need of electoral reform." Resolution by Class Organization, 1st National Conference, 1971.
28. Leo E. Rose, "The Himalayan Border States: Buffers in Transition," Asian Survey 3 (February 1963): 117.
29. Cameron J. Blaikie and David Seddon, Nepal in Crisis: Growth and Stagnation at the Periphery (New Delhi: Oxford University Press, 1980), p. 22.
30. Lok Raj Baral, "Party-Like Institutions in Partyless Politics: The GVNC in Nepal," Asian Survey 21 (July 1976): 673.
31. Louis D. Hayes, "The Monarchy and Modernization in Nepal," Asian Survey 15 (July 1975): 616-17.
32. Douglas Heck, "Nepal 1980: The Year of Referendum," Asian Survey 21 (February 1981): 181.
33. Ibid., pp. 181-82.
34. Ibid., p. 183.
35. Louis D. Hayes, "Education Reform in Nepal: An Evaluation," Asian Survey 21 (June 1981): 686.
36. Heck, "Nepal 1980," p. 185.

37. Devendra Raj Pandey, "Nepal in 1981: Stagnation Amidst Change," Asian Survey 22 (February 1981): 159.
38. Rishikesh Shaha, Essays in the Practice of Government in Nepal (New Delhi: Monahan Publication, 1982), p. 233.
39. Fred Levey, Economic Planning in Venezuela (New York: Frederick Praeger, 1968), p. 8.
40. Shaha, Practice of Government in Nepal, p. 127.
41. Rishikesh Shaha, Nepali Politics: Retrospect and Prospect (New York and London: Oxford University Press, 1975), p. 3.
42. Shaha, Practice of Government in Nepal, p. 129.
43. Gaige, Regionalism, p. 141.
44. Newari Family. A widespread and complex ethnic group which is mostly concentrated in the Kathmandu Valley, but also has spread to all the commercial centers of Nepal. They are divided into two groups--Buddha Margi (followers of Buddha) and Shiva Margi (worshippers of Shiva)--but there is a high level of religious tolerance. During the period from about the thirteenth century to the nineteenth century, Nepalese art, metal-work, painting, sculpture, architecture and literature were entirely the work of Newars. "They achieved one of the highest levels of culture in Asia." Basil C. Hedrick, Historical and Cultural Dictionary of Nepal (New Jersey: The Scarecrow Press, 1972), p. 120.
45. Brahmin. The priestly class or caste who serve as astrologers in the Royal Court. The Brahmin also constitutes a rich and landed aristocratic group in Nepal.
46. Rose and Fisher, Politics of Nepal, p. 73.
47. Merrill R. Goodall, "Bureaucracy and Bureaucrats: Some Themes Drawn from Nepal Experience," Asian Survey 11 (May 1973): 617.
48. Rose and Fisher, Politics of Nepal, p. 73.
49. Gaige, Regionalism, p. 167.
50. Goodall, "Bureaucracy and Bureaucrats," p. 894.
51. Ethnic Origins. Nepalese society is divided by different ethnic groups with their own caste hierarchies. Culturally, there is tolerance among various groups, provided that certain caste norms are generally accepted as a basis for interpersonal behavior. The rigidity of such norms varies between different regions in the country, reflecting partly the fact that many ethnic groups in the hill and mountain regions are Buddhists and do not come under the orthodox Hindu tradition.

52. Dennis A. Rondinell, "International Assistance Policy and Development Project Administration: The Impact of Imperious Rationality," International Organization 30 (1976): 578.
53. Thailand: The Fourth National Economic and Social Development Plan (1977-1981) (Bangkok: Government of Thailand National Economic and Social Development Board, 1977).
54. Bhuwan Lal Joshi and Leo E. Rose, Democratic Innovation in Nepal: A Case Study of Political Acculturation (Berkeley: University of California Press, 1966), p. 517.
55. Aron Schloss, "Making Planning Relevant: Nepal's Experience, 1968-1976," Asian Survey 22 (October 1980): 109.

CHAPTER III

THE CEDA INSTITUTIONAL PROGRAM

Physical Teaching Environment

The quality of the students and of the teaching staff are of paramount importance in any educational institution; at the same time, the physical facilities and working environment are important elements of the teaching function. Respondents, including CEDA officials, government staff and university lecturers, were asked several questions regarding how they rate CEDA's instructional and training program, CEDA's response to new programs in the public sector and the type of working environment CEDA provides.

One hundred respondents were asked the first question, of whom sixty (63.15 percent) answered that they had participated in instructional programs conducted by CEDA. Thirty-five (36.85 percent) responded that they had not, and five did not answer the question. The findings were: thirty-seven (61.67 percent) out of the sixty felt that CEDA's instructional program is "more theoretical than practical," four (6.67 percent) responded that the program is vague, and six (8.33 percent) said that they did not know.

TABLE 6

HAVE YOU PARTICIPATED IN INSTRUCTIONAL OR SEMINAR
PROGRAMS CONDUCTED BY CEDA?

Items and Scale	Number	Percentage
Yes	60	63.15
No	<u>35</u>	<u>36.85</u>
	95	100.00
Not responding: 5		

TABLE 6(A)

(If Yes:) HOW DO YOU RATE CEDA'S INSTRUCTIONAL
AND TRAINING PROGRAMS?

Items and Scale	Number	Percentage
1. Exclusively practical	4	6.67
2. More theoretical than practical	37	61.67
3. Not related to the present needs of Nepal.	10	16.67
4. Vague programs.	4	6.67
5. I don't know.	<u>5</u>	<u>8.32</u>
	60	100.00

The second question asked for opinions as to how CEDA responds to new programs in the public sector. Among the ninety-two who answered, seventeen (18.48 percent) stated that CEDA responds to such programs politically, while forty (43.48 percent) said that CEDA's response is

conservative (the old-fashioned way). (For reference see table 9, p. 106.)

Of eighty-five who expressed an opinion about CEDA as a place to work, twenty-two (25.88 percent) said "good" and twenty (23.53 percent) said "inadequate," while the remainder gave a variety of responses (see table 7).

TABLE 7
IN YOUR OPINION, WHAT TYPE OF PLACE
IS CEDA TO WORK?

Items and Scale	Number	Percentage
1. Excellent	6	7.06
2. Very Good	16	18.82
3. Good	22	25.88
4. Adequate	11	12.94
5. Inadequate	20	23.53
6. I don't know	<u>10</u>	<u>11.77</u>
Not responding: 15	85	100.00

CEDA has relatively new physical facilities, which include an ultra-modern building designed by a United Nations Development Project engineer, three seminar rooms, classrooms, a library and documentation center, well-equipped cafeteria, a separate room for each research scholar and administrative staff member and a beautiful landscape on the Tribhuvan University campus.

Nevertheless, when this research was conducted in February 1983, the respondents felt that the physical and working environment was not favorable in CEDA. They saw considerable room for improvement of these facilities. They also felt that the instructional program should be related to the present needs of Nepal and should be more practical than theoretical. That part of the research which was based on "participant observation" showed that the present physical teaching environment in CEDA was not adequate to attract students, participating government officials and its working staff. For example, the classrooms and seminar halls were poorly maintained, broken chairs and tables were not repaired, competent teaching staffs and lecturers were more inclined to work with His Majesty's Government, the Administrative Staff College, or some of the corporations which are heavily financed and supervised by the government. The library was poorly organized, the cafeteria was closed, transportation facilities were curtailed and landscaping was not maintained.

Good progress in developing CEDA's physical teaching environment is possible if sufficient institutional support can be secured. In a good physical and instructional environment, student involvement will increase, competent professional staff members will be attracted, training facilities can be enlarged, foreign scholars can be secured, and international grant and donations will become more adequately available. The general attractiveness of the campus is also an integral part of instructional development as well as the organization-building effort.

Teaching Methods and Techniques

Although the CEDA teaching staff relied heavily on lecturing as a method of instruction, the general feeling of students and other

participants was that teaching methods should be based on informal discussion that could provide both students and lecturers an opportunity to exchange ideas. It was also indicated that there should be more use of seminars; however, it was recognized that many students were shy and unwilling to participate in these because of lack of familiarity with the technique and acquaintance with the subject matter. Moreover, there was reluctance to engage in open discussion because some participants would have been required to perform in front of their superiors and others in front of their subordinates, with all the practical and psychological risks that would entail.

In September 1970, one year after its establishment, CEDA, at the request of Tribhuvan University, took the responsibility for teaching the Public Administration Diploma Program. This program was open to persons holding a bachelor degree and provided an overall theoretical background in the field of public administration. It was comprised of six courses for a total of sixty-four credit hours. Examinations were held after each course, and a diploma was awarded upon successful completion of all six courses. This diploma course in Public Administration was designed for both His Majesty's Government officials and the public in general.¹ The courses taught were:

1. Principles of Public Administration,
2. Administrative Organization,
3. Modern Management Practices and Technique,
4. Personnel Administration,
5. Financial Administration, and
6. Development Administration.

Between 1969 and 1975, CEDA conducted several of these diploma courses. The teaching methods used were basically theoretical (illustrated in table 6(A), page 83).

After 1975, in order to meet the growing demand for training and seminars for senior personnel of His Majesty's Government, corporations and private enterprises, CEDA organized "specialized seminar programs consisting of project analysis and management, development planning and development administration seminars."² It was felt by such senior personnel that there was nothing that people of their experience could be taught, especially not by other, younger Nepalese. By establishing the seminars as a medium in which no one taught but all learned from each other, CEDA accomplished part of its training objectives. Further, by the use of case studies, workshops and exercises, the subjects of the seminars were kept highly practical, unacademic and pertinent to real events in Nepal. Where lectures were used, high-level personnel, like departmental secretaries, managers and chairmen of companies, as well as well-known foreigners, were brought in to give glamour and dignity to the seminars. Thus, a "dialogue" between practitioners in which CEDA helped to analyze problems and suggest solutions became the characteristic teaching method and technique. As a result, the participants found seminars of real value.

The use of well-planned and well-conducted field trips is considered by many to be one means of acquainting practitioners and students with problems and relating classroom activity to the real needs of development programs and administration. When surveyed, more than 75 percent of the respondents considered field trips a valuable device for

converting theoretical knowledge into practice. In order to meet this challenge, CEDA organized a package of training and field trip programs for the Chief District Officers (CDO). This three-month program was designed to acquaint the District Officers with basic concepts of "formulation, implementation and evaluation of development plans in the district."³ Two months were devoted to theoretical training on organization and procedures for development planning, program implementation and review at national, regional and local levels. In addition, a field trip program was designed to familiarize the trainees with "emergency relief measures, such as first aid and preliminary nursing, motor driving, shooting and horse riding; and discussions were organized on Nepalese art and culture, social reforms, rules and regulations concerning district administration and also the geography and history of Nepal."⁴ The other teaching methods and techniques were changed and modified to conform to the types, ranks and qualities of participants. In addition, CEDA also organized a "training-cum-workshop" program on a regular basis.

General Teaching Effectiveness

General teaching effectiveness includes reciprocal understanding between teachers and students, classroom participation, informal discussion and participation in seminars. The effectiveness of the teaching program is also related to the set of courses which the institution designs and conducts. Special emphasis must be placed on the Nepali setting and the unique aspects of the Nepalese government, society, administrative system, finance and economy. These materials are presented in conjunction with relevant material from other developing countries in order to provide a comparative basis for analysis. This technique is

extremely important for the development of teaching effectiveness in CEDA.

Teaching effectiveness is also related to relevance to the specific problems and procedures of social, political, administrative and economic development. Teaching staffs should provide clearcut, independent, objective analysis of how these problems are rectified and solved.

Additionally, it is necessary to shift from institutional description to process analysis--administrative, developmental, social, political, etc. This presents a dynamic rather than a static picture, and emphasizes that change is possible and, in many cases, desirable. In order to elaborate on general teaching effectiveness in CEDA's instructional program, brief discussion of the following points is needed.

1. Relevance of Course Taught. CEDA's diploma program, as well as its seminars, training and training-cum-workshops, is designed to prepare students and participants to contribute their knowledge to national development. When asked a question about the purpose of their training in CEDA, however, 40.37 percent considered it as a means to improve their chances for "promotion and advancement," whereas only 7 percent responded that the training would help them to contribute their knowledge to national development (see table 8 for reference, page 105). In either case, there was criticism that the training had too much of a theoretical rather than a practical emphasis. Training programs were considered "vague" and far removed from reality. Others expressed concern that they might not be able to find employment in the occupational area for which they had studied, and some complained that CEDA has not been able to develop and introduce new techniques and research methods relevant to the current

needs of Nepal (see table 12 for reference, page 132). Similarly, many complained that CEDA puts "too much emphasis on foreign principles and approaches" which are very difficult to apply in the Nepalese environment.

2. Teaching Staff and Lecturer Effectiveness. In evaluating the quality of teachers and lecturers, students and participants gave an average score of "unsatisfactory" (78 percent). A number of respondents expressed dissatisfaction with the quality of teaching on the ground that students and participants lacked sufficient proficiency in the English language as well as prior knowledge of the subject matter taught. This seems a reasonable rating, given that CEDA mostly hires fresh university graduates for teaching. The young Western-educated teaching staff have assimilated broad, theoretical concepts of the problems of nation-building, which the participant students and government employees, because of their tradition-oriented training and education, find close to unintelligible. Moreover, the student participants commented that the lecturers had not properly prepared for their classes and that students lost interest. This problem emphasizes the need for teachers to be well qualified, well prepared, competent in the subject they teach, regardless of the degrees they hold, and capable of translating their knowledge into terms that are intelligible and susceptible of local application. It can be suggested further that a Ph.D. should not be considered as either a necessary or a sufficient qualification for those who are teaching the diploma degree and/or conducting training and seminars.

3. Appraisal of Examinations and Grading System. Questions were also asked as to whether the examination and grading system gives a fair

appraisal of student knowledge of the subject matter studied. Student participants were very much concerned about this. In general, their responses were negative.

Senior officers of His Majesty's Government refused to take any kind of tests because they thought that low grading might jeopardize their career and promotion opportunities. Some student participants suggested more examinations and written reports as a basis for grading and less reliance on final examinations. In addition, many participants believed that some instructors were biased and that there was too much informal grading. There was also considerable criticism of variations in the grading scales used by different instructors in the same course. As is common with all letter grading systems, CEDA participants complained that a fair and scientific type of grading was impossible with only one letter grade. They suggested that grades should be given in numerical terms in order to facilitate fair comparative evaluation of the participants.

Institutional Concerns of Students

That CEDA students and participants do not live in campus dormitories simplifies many of the problems of providing students services; on the other hand, it adds to the need for certain services such as transportation. Participant responses indicated a need for the availability of more up-to-date text books, an expanded campus library, improved bus services to and from the campus, improved food services, including less expensive food of a better quality and in greater portions, a clinic to provide emergency medical care, and better sports facilities.

One may question how far CEDA should and can go in providing these educational, physical, recreational and other such services to student participants, particularly to those not living on campus. But it should be noted that these sorts of extracurricular facilities can play an important role in institutional development. It is also true that such activities are extremely important in Nepali culture and society. Thus, a modest investment in improving such facilities, and professional staff time devoted to them, should definitely help to enhance institutional growth.

Notes

1. CEDA: Progress Report, July 1969 to July 1973 (Kirtipur, Kathmandu: Tribhuvan University), p. 9.
2. CEDA: Progress Report, February 1971 to July 1972, p. 7.
3. CEDA: Progress Report, July 1973 to July 1976, p. 4.
4. CEDA: Progress Report, July 1973 to July 1975, p. 5.

CHAPTER IV

THE RESEARCH PROGRAM

In the beginning, the Center's objectives and programs were mainly concerned with research, training and consultancy. Priority, however, was given to helping the authorities directly involved in making and executing national development policy. The Center's current priorities include the encouragement of positive intellectual competition within the educated community and emphasis on experimental and problem-oriented research with a view to broadening the field of general knowledge.

The Center's principal objectives have been to analyze policies, evaluate current projects and development programs, advise on the basic framework for the implementation of development plans, conduct policy research and suggest alternatives conducive to national development.

Financial Support for Research

Given the vital role of research in the achievement of all of CEDA's objectives, suitable financial support was greatly needed. There were five broad categories of financial support for CEDA research projects: His Majesty's Government budget, the Ford Foundation, the United States Agency for International Development, the United Nations Development Project (UNDP), and miscellaneous sources.

CEDA received its basic operational and research support grant through His Majesty's Government budget. The research grants were supplemented by "contract funds" provided by the National Planning Commission, the Ministry of Commerce and Industry, the Ministry of Public Works, Transport and Communication, the Ministry of Education and the Department of Tourism, in conformity with the specific needs of these agencies. Additional funds were supplied by government agencies for the support of activities like executive training programs, case studies and consultancy services.

The Ford Foundation has supported the Center most extensively by providing full- and part-time advisory services, instructional services, study fellowships, library research materials and support for the case-study programs. The Ford Foundation support has been indispensable for the institutionalization of CEDA.¹

The United States Agency for International Development is another important financial supporter whose help has proved a productive force in organization building in CEDA, particularly in the development of the research library, the expansion of the Documentation Center project and the organization of research-oriented seminars.

The United Nations Development Projects (UNDP) advisors were of great assistance in the instructional support of the various CEDA training programs. The United Nations Asian Institute for Economic Development and Planning in Bangkok² has likewise provided substantial instructional assistance, training and advice.

The Center also receives a significant amount of research support in the form of travel grants, fellowships and library materials from the government of the Union of Soviet Socialist Republics and the governments of Canada and Israel. Support has also been received from the German Development Institute of West Berlin,³ the World Bank, the Institute of Economic Development,⁴ the British Council and the Organization for Economic Cooperation and Development in Paris,⁵ as well as from various Indian institutes.

The Organization of CEDA Research

The "Research Center Management Board" of CEDA serves as the focal point of the research program. Below it is a "Research Advisory Board" with the Executive Director of CEDA as chairman. (See organization charts 1978, page 101, and 1981, page 103.) The composition of the Board and its present members are as follows:

1. Executive Director of CEDA;
2. Two Research Officers of CEDA nominated by the Executive Director;
3. Three persons nominated from the concerned offices of His Majesty's Government of Nepal; and
4. Five persons nominated by the Research Advisory Board from among research experts.⁶

The functions, duties and responsibilities of the Research Advisory Board are as follows:

1. To recommend the areas and priorities in research programs on the basis of the evaluation of the plans submitted;
2. To recommend equipment and facilities necessary for research programs;

3. To evaluate the programs and submit them to the Board of Management committee;
4. To implement the directives given by the Research Center Management Board; and
5. To perform other duties specified by rules and regulations.⁷

In keeping with the objective of insuring the highest quality of research endeavor "in line with the background, interests, experiences, career development of its faculty and the development needs of the country, the center has set up four core groups for conducting development research."⁸ It is also specified that the "operation of the program should be such that the theories and principles of economics and sociology are applied to the basic problems and policies of Nepal so that a significant contribution can be made in decision-making and/or improvement of policies."⁹

According to CEDA's 1981 reports, the following are the major areas assigned to the research organization groups:

1. Planning and Economic Policy Group:

This group is concerned primarily with the sectoral and spatial allocation of resources, the operation of the mixed enterprise system, identification and analysis of developmental strategies, their strength and weaknesses, and alternative strategies, impact of internal constraints on development, distribution of national income and wealth, public policies towards inflation, pricing and distribution of essential consumer goods and utilities, harmonization of macro-economic policy instruments, and mobilization and utilization of internal and external resources.

2. Rural Development Group:

This group is concerned primarily with the identification of rural poverty and basic human needs, upliftment of backward areas and classes, land tenure and land reforms, pricing of agricultural inputs and outputs, mechanization of farms, rural credit, cooperatives, landless peasants, socio-economic surveys of villages, evaluation of integrated rural development programs, agricultural planning under different socio-economic and ecological systems, etc.

3. Population and Human Resources Group:

This group is concerned primarily with the growth, utilization, development and mobilization of human resources and its welfare, e.g., studies in the area of demography, employment, migration, resettlement and other aspects related to human resources.

4. Management System Group:

This group is concerned primarily with the study of policies designed to provide incentives and controls on private investment behavior, pricing policy of public enterprises and the implementation aspects of development.¹⁰

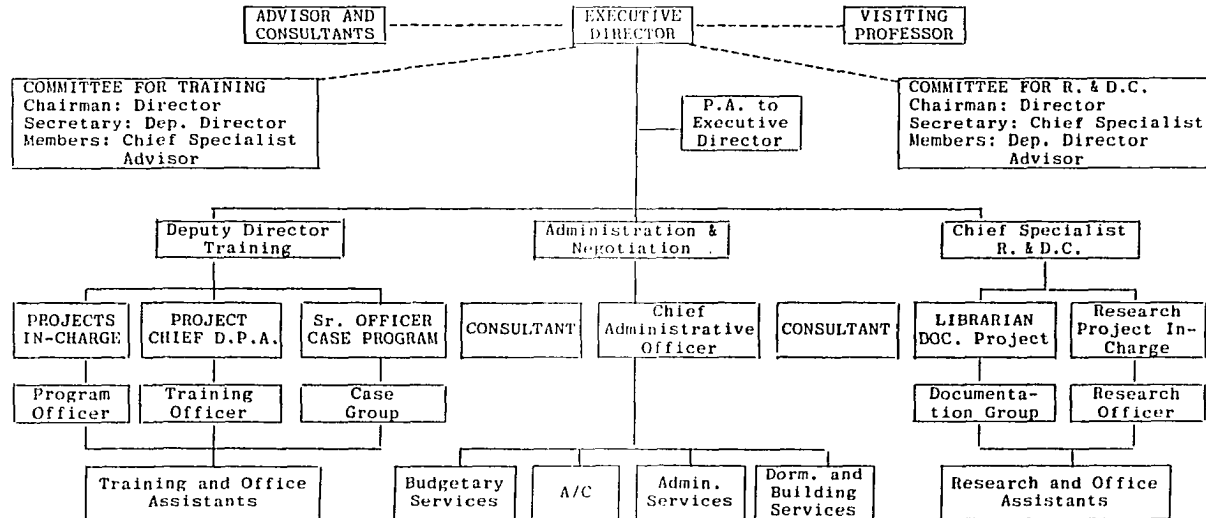
According to 1978 arrangement, the Center created a "Research Faculty" under the supervision of the Deputy Director of CEDA. The Research Faculty has outlined seven problem areas of research activities, such as Human Resources, International Relations, Rural Development, Administrative and Behavioral Change, Quantitative Analysis, Planning, Implementation and Evaluation, and Economic Policy and Management. These problem areas are subdivided and grouped under several specialized persons according to their interest and specialization on academic and research orientation. (See Organization Chart III(A), page 102, for the composition of "Research Faculty"; see Chart V, following, for a comparison of research activities of CEDA).

The Importance of Research

To obtain information on the degree of commitment to and introduction of new techniques and research methods at CEDA, two groups of respondents were chosen randomly: one group consisted of CEDA's officials; the other consisted of officials working in the Administrative Staff College and Banking Institutions, and University lecturers. The respondents were asked to comment on the question: "To what extent has CEDA

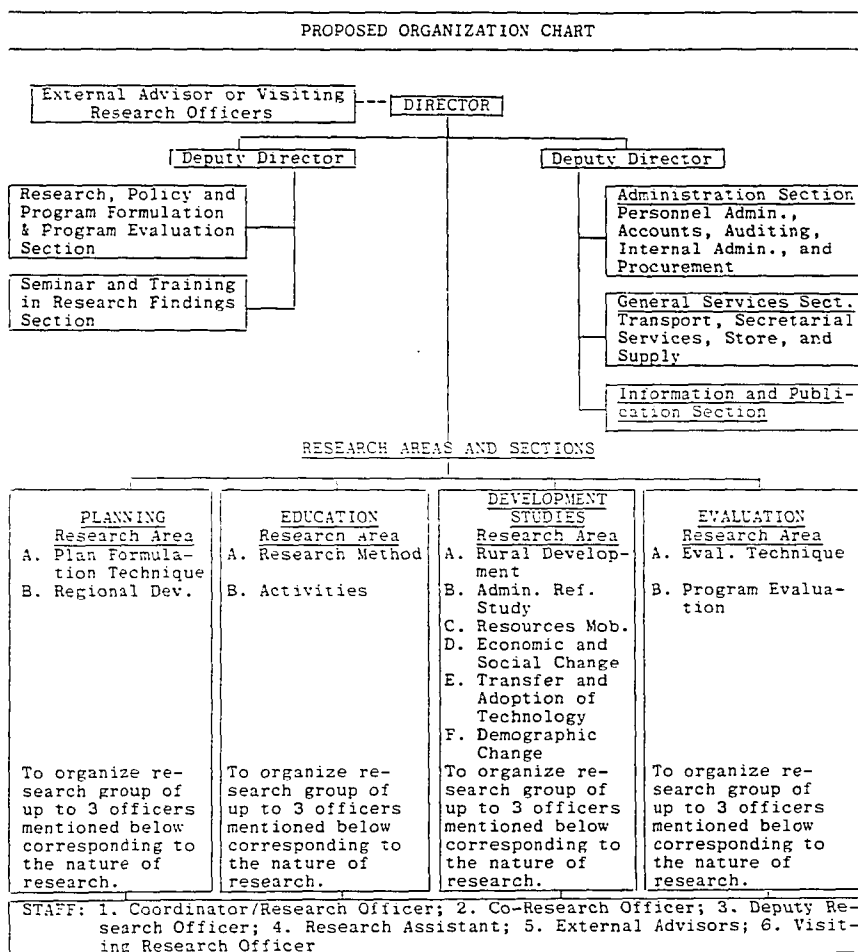
CHART I

C.E.D.A. ORGANIZATION CHART



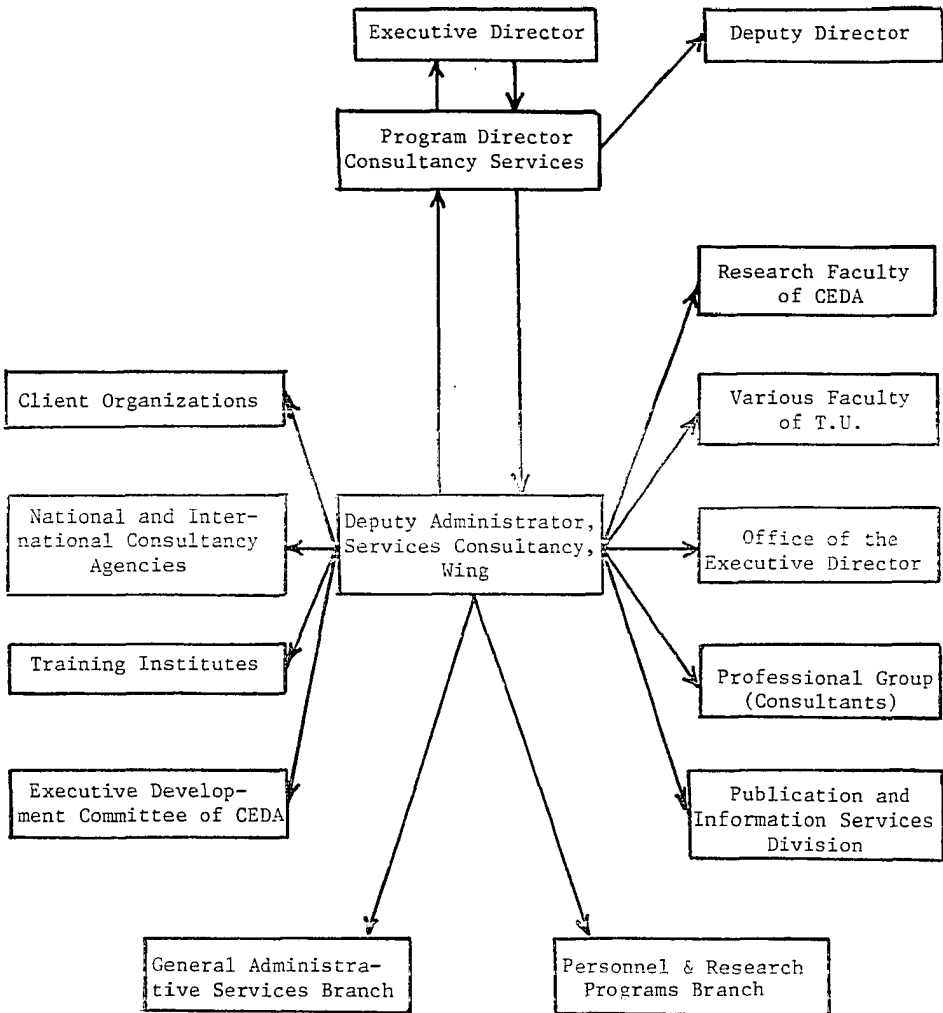
Source: Center for Economic Development and Administration. Proceedings: Seminar on Institution Building and Development, June 26 to June 30, 1971. Kirtipur, Kathmandu, Nepal: The Center 1971.

CHART II



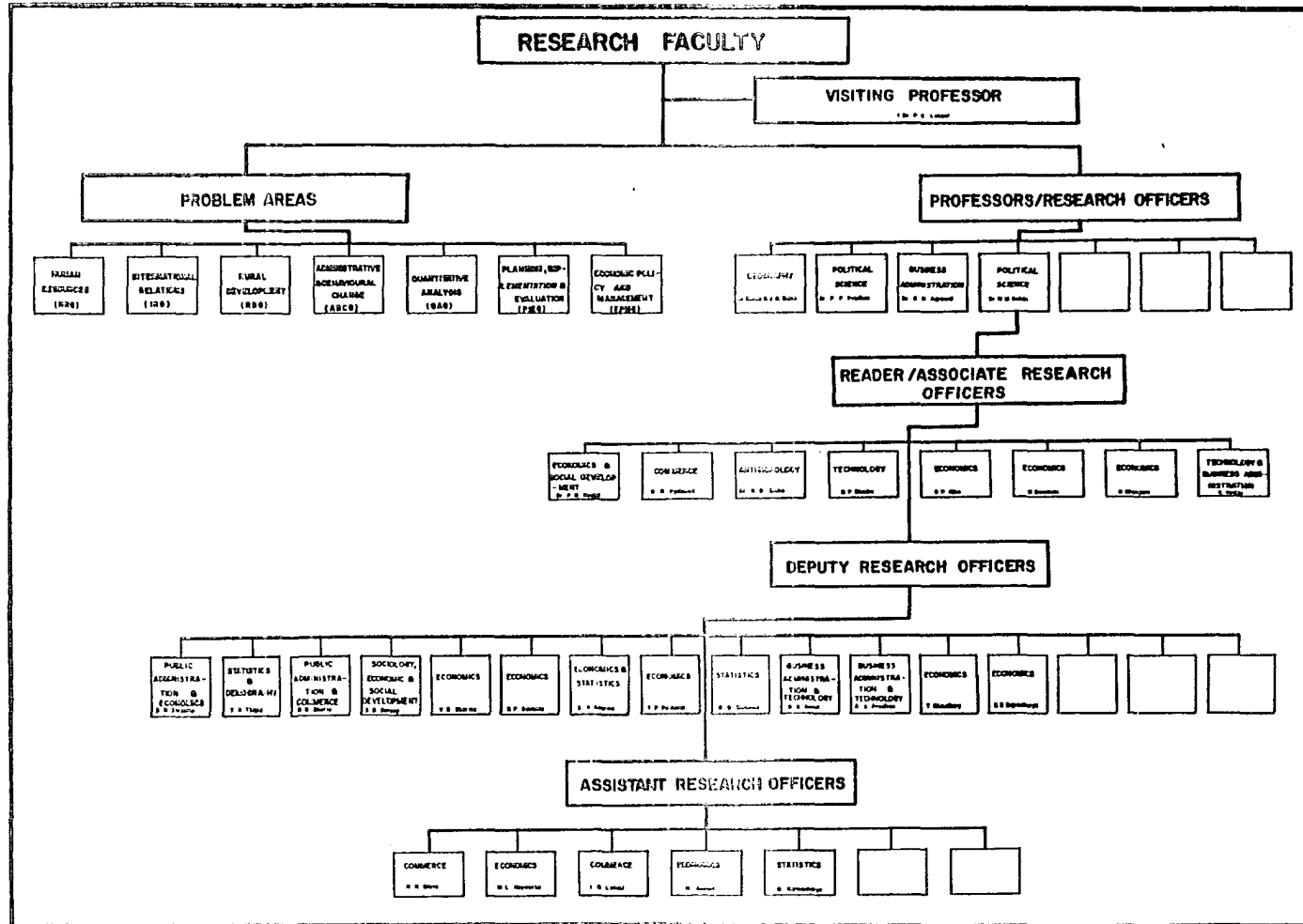
Sources: Patna Shumshere Rana (1974). *Report on Center for Economic Development and Administration.*

CHART III



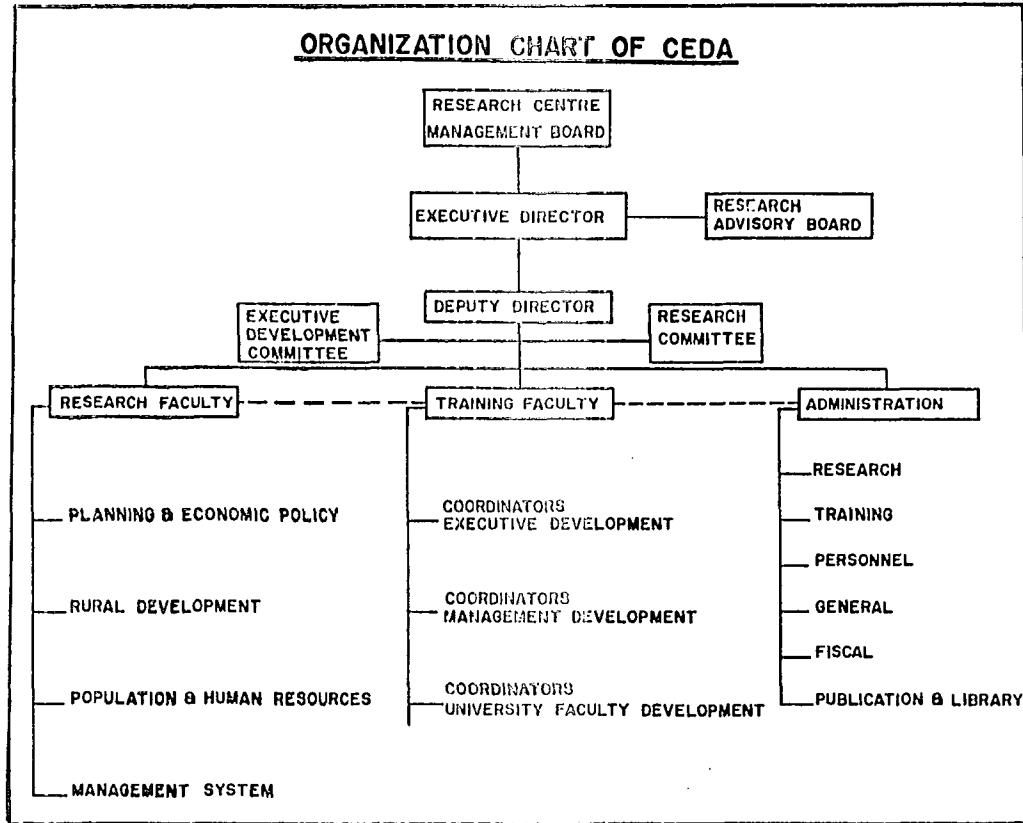
SOURCE: Madhukar Samser J. B. Rana, Organizational Manual CEDA as an Organization.

CHART III(A)



SOURCE: CEDA Progress Report (1973).

CHART IV



SOURCE: CEDA Progress Report (1981).

CHART V

CEDA: COMPARATIVE RESEARCH ACTIVITIES
1969, 1974, 1978 AND 1981

1969 ARRANGEMENTS	1974 ARRANGEMENTS	1978 ARRANGEMENTS	1981 ARRANGEMENTS
1. Research	1. Planning: a. Plan Formulation Technique b. Regional Development	1. Human Resources	1. Planning and Economic Policy
2. Training	2. Education: a. Research Methodology b. Education Materials Development	2. International Relations	2. Rural Development Group
3. Consultancy	3. Development Studies a. Resources Mobilization b. Rural Development c. Economic and Social Change d. Transfer and Adoption of Technology e. Demographic Change f. Administrative Reform 4. Evaluation a. Evaluation Technique b. Project Evaluation	3. Rural Development 4. Institutional and Behavioral Change 5. Quantitative Analysis, Research Methodology and Experimentation 6. Planning Implementation and Evaluation 7. Economic Policy and Management	3. Population and Human Resources Group 4. Management System Group

SOURCE: Compiled from CEDA Progress Report 1969-71; Report on CEDA prepared by the Task Force, 1974; Organization Manual, CEDA as an Institution 1978; and CEDA Progress Report, 1981.

been able to develop and introduce new techniques and research methods for the current needs of Nepal?" Among 18 respondents, 15 from CEDA (41.67 percent) and 3 from the other group (5.36 percent) said to a "great extent"; 9 from CEDA (25 percent) and 30 from the other group (35.71 percent) favored "moderate extent"; and the remainder, 6 from CEDA (16.66 percent) and 30 from the other group (53.37 percent), replied "some extent." (For reference see Table 8.)

TABLE 8

TO WHAT EXTENT HAS CEDA BEEN ABLE TO DEVELOP AND INTRODUCE NEW TECHNIQUES AND RESEARCH METHODS FOR THE CURRENT NEEDS OF NEPAL?

ITEMS AND SCALE	CEDA OFFICIALS	PERCENTAGE	OTHERS	PERCENTAGE	TOTAL NUMBER
1. Very great extent	6	16.67	0	0	6
2. Great extent	15	41.67	3	5.36	18
3. Moderate extent	9	25.00	20	35.71	29
4. Some extent	6	16.66	30	53.57	36
5. No extent	0	0	3	5.36	3
	36	100.00	56	100.00	92
Not responding: 8					

This indicates a feeling on the part of a majority of the respondents that new techniques and research methods have not been introduced to a degree. They seemed to feel, further, that the techniques employed were either too quantitative and/or too theoretical.

Another question asked was whether the research techniques developed by CEDA are being applied by government agencies, corporations and other organizations. Both groups of respondents offered similar judgments. Of 45 replies from CEDA, 12 (26.67 percent) indicated "moderate extent"; of 47 replies from the other group, 15 respondents (31.19 percent) supported this evaluation. (For detail, see following Table 9.)

TABLE 9

TO WHAT EXTENT DO YOU AGREE THAT THE TECHNIQUES, METHODS AND PROCEDURES DEVELOPED BY CEDA ARE BEING APPLIED AND PRACTICED BY GOVERNMENT AGENCIES, CORPORATIONS AND OTHER ORGANIZATIONS?

ITEMS AND SCALE	CEDA OFFICIALS	PERCENTAGE	OTHERS	PERCENTAGE	TOTAL NUMBER
1. Very great extent	5	11.11	0	0	5
2. Great extent	16	35.56	2	4.26	18
3. Moderate extent	12	26.67	15	31.91	27
4. Some extent	10	22.22	17	36.17	27
5. No extent	2	4.44	13	27.66	15
	<u>45</u>	<u>100.00</u>	<u>47</u>	<u>100.00</u>	<u>92</u>
Not responding: 8					

As was, perhaps to be expected, the responses of CEDA officials are more positive than those of the other group. Some participants indicated that CEDA could be reevaluated as "very good" if a well-organized in-service training program were to be conducted regularly, and as "excellent" if good, practical and problem-oriented research

activities were to be carried on. Good research is essential for the policy-making process. It is also essential for identifying problems and providing alternative courses of action, for conducting seminars and case study writing, and for developing teaching materials as well as teaching itself at an institution such as CEDA.

Effectiveness of the Research Fund

The effectiveness of a research program depends on the availability of adequate research funds and trained, competent and scholarly research staffs. Currently, His Majesty's Government's research fund, which comes through different agencies on the basis of their priority and choice of research projects, is not sufficient to provide adequate incentives and attract research scholars. Moreover, the research priorities of His Majesty's Government are guided more by political and administrative necessity than by the developmental needs of Nepal. Thus, the allocation of research priorities and funds is subject to frequent change. The allocation of research priorities and funds is geared only to those areas where political interest is high and the research output can be presented immediately to the decision-making body. Such areas are, especially, Kathmandu and its neighboring districts, where transportation and communication are easy, and direct approach to the authority of the central government is feasible.

In order to attract research scholars from inside as well as outside CEDA, a 50 percent salary supplement fund has been arranged. When asked whether they agreed with the statement, "The Research Promotion Fund 50% salary supplement has resulted in a significant increase in output of research results," 77 percent of 94 respondents agreed;

18 percent were undecided; and 5 percent disagreed. There was much stronger agreement among those receiving the salary supplement and similarly strong disagreement among those not receiving the salary supplement.

This response does not provide sufficient evidence for conclusions regarding the effectiveness of the research promotion fund through the 50 percent salary supplement program, but it is possible to argue that results would have been worse without it. In summary, those who received salary supplements had a more positive attitude with respect to CEDA salaries and other benefits than did those not receiving support from the fund. Thus, if morale is a factor, we may tentatively conclude that the Research Promotion Fund has been a significant factor in building professional staff capacity.

Research Constraints

Opinions differed widely on the extent of CEDA's progress in research as well as on the possibilities of alleviating its research constraints. One former executive director commented that removing constraints was "impossible for all practical purposes. Major constraints are intellectual, cultural, political, financial, and institutional." Some senior officials, when interviewed, indicated that constraints to research would be reduced by "the passage of time, CEDA's maturation, advanced training, the reward system, and financial well being."

The Center felt that there was a need for institutionalizing research projects through its own funds and personnel. Although the demand for CEDA's commissioned research was expected to increase, this

would not necessarily increase research effectiveness. Further, contract research is ordinarily specific to certain problems; it has its own limited boundaries. This does not provide CEDA with the opportunity to research areas of wider policy concern. This is why the Center has planned not to limit its research activities only to contract research, but rather to carry out its own funded programs on its own priorities.

The Center has also initiated a recommendation to keep its administrative authority and research personnel separate. It has clearly indicated that administrative authority should not meddle with the job of the research experts nor should it be misused to impair their dignity. There should be collective participation in policy making whereby the maximum cooperation of all staff members can be obtained. Aware of the problems faced in the past by the officers working in the different research sections in meeting multiple administrative formalities, the new research section was placed directly under the control and supervision of the Executive Director of the Center.

The emphasis on research at CEDA began when the Ford Foundation provided long-term and short-term research advisors. This led to more research and case-study projects. This development, however, caused some to expect too much rapid progress in research in the early years of CEDA's development in view of the many activities that needed to be initiated and the shortage of professional staff members with the necessary advanced education, research orientation and experience.

Emphasis had to be given to the teaching function in the early years of CEDA's development. During the 1969 to 1975 period, most of

those with master's degrees were involved in administration, curricula and course development, and teaching. It has only been within the past five to six years that a significant number of staff members have returned from advanced training and degree programs to be available for research work. It is not intended to suggest that those with master's degrees cannot make a contribution to the research program, but research leadership requires the combination of theoretical concepts in a discipline and sound research methodology in problem solving that must come from those who have had training at the doctoral level. The effectiveness of the Research Center has been limited because of a lack of appropriate emphasis on staff development. Further, there have been many changes in personnel assigned to the Center as well as changes in the top leadership. These circumstances have made it difficult to build a strong research program in CEDA.

Similarly, due to a lack of administrative staff support and services and facilities to encourage publication, there are large numbers of unpublished manuscripts. Such a backlog is a discouraging element both for those who have done research and for those who are currently engaged in it. Faculty services must be strengthened to facilitate publication of research reports, bibliographies, case studies, seminar reports and occasional papers. The Center feels that the major objective in publishing manuscripts "is to provide a forum for communication between social scientists, both Nepali and foreign, engaged in the general area of development,"¹¹ but there remain hundreds of unpublished studies resulting from a lack of administrative support, poor "quality of printing paper"¹² and the various impediments to publication posed by the intricacies of the Nepalese partyless political system.

Research Area Inadequacies

As mentioned earlier, the Center has organized its research activities into four broad areas, Planning and Economic Policy, Rural Development, Population and Human Resources, and Management Systems, as a guide to the future conduct of research. This would seem to be a good beginning in delineating areas of priority; however, some of the areas are so broad that it is necessary to be very specific in allocating research resources. Additional attention is needed to establish priorities within each of the four program areas according to the needs of Nepal.

When asked if they thought additional research was needed, the responses of university graduates were varied. Most of them suggested the need for research on government and politics, bureaucratic corruption, rising inflation, public health, human behavior, and sanitation. While these suggestions, in most cases, do not specifically identify the focus for research projects, they should be useful to the CEDA professional staff as an indicator of both general and specific problem areas that may deserve research attention.

NOTES

1. CEDA: Progress Report, 1969 to 1975, p. 4.
2. The United Nations Asian Institute for Economic Development and Planning in Bangkok. The Asian Institute is an institute initiated by the Economic Commission for Asia and the Far East (ECAFE), which works under the Asian Center for Development Administration (ACDA). The major goal of this institute is to provide qualified development managers to help close the gap between planning and implementation. Similarly, Asian Industrial Development Council (AIDC) is also ECAFE's specialist body on industrialization.
3. The German Development Institute of West Berlin. The major objective of this institute is to provide the technical and economic knowledge of overseas countries, particularly the developing countries.
4. The Economic Development Institute. This institute was set up in Philippines Manila by the Asian Bank in 1955 as a staff college for senior officials concerned with economic affairs in the developing countries.
5. The Organization for Economic Cooperation and Development (OECD) in Paris. This was founded in 1961. Among 24 members, 19 are from the West European governments and 5 are from Canada, the United States, Japan, Australia and New Zealand. This organization seeks to stimulate economic cooperation between member countries for economic growth, expanded world trade and coordinated aid to less developed areas, in an effort to achieve world prosperity and to contribute to peaceful and harmonious relations among the people of the world. It cooperates with several of the United Nations agencies and with other international organizations. The committees of this corporation include: Agriculture, Development Assistance, Economic and Development Review, Economic Policy, Manpower and Social Affairs, and Environment, among others.
6. CEDA: Progress Report, 1981, p. 5.
7. Ibid., p. 4.
8. Ibid., p. 3.
9. Ratna Shumshere Rana, 1974, p. 4.
10. CEDA: Progress Report, 1981, p. 5.
11. Ibid., p. 6.
12. CEDA: Progress Report, 1973 to 1976, p. 12.

CHAPTER V

CEDA LINKAGES TO OTHERS

An institute such as CEDA that is expected to have an impact on a country's economic, social and administrative development through pursuing the objectives to provide education in administration, economic development and development of social planning, to do research, and to promote technical knowledge and higher administrative skills must have diverse and complex relationships with other organizations and individuals and groups in the environment.

Linkages to Government

CEDA's relationships with government, its unique role in providing the diploma degree in public administration,¹ and its obligation to conduct training, seminar and workshop programs for government and corporation officials illustrate its important and integral relationship with several other government units, e.g., the National Education Committee, the Planning Commission, the Finance Ministry, the Public Service Commission, the Ministry of Transport and Communication and others. There are also many relationships of a less formal nature. Many of the students and participants in various programs and activities, after completion, return to their former positions in government departments. The Training

Center conducts a variety of training activities primarily for government departments; in addition, the research team of CEDA conducts several research projects, and faculty members serve in a consulting and advisory capacity in a number of government agencies. These kinds of relationships, which are termed "enabling linkages," with the government, discussed in Chapter I, have been continuously strengthened since the establishment of CEDA.

In the early stages of its development, for example, the cabinet decided to allot to CEDA the responsibility for training under-secretaries of His Majesty's Government and agreed to bear the total administrative cost.

As mentioned above, seminar-course type training has been provided to many high-level government officials and other intellectuals. It is a reflection of the increasing good will that has been won by these courses and other CEDA activities that the level of officers attending the courses has risen steadily. The growth of interest among government personnel in participating in CEDA's seminars indicates that the utility of services offered by CEDA is being appreciated; thus, further support for this institution can be anticipated.

Institutional Autonomy

CEDA was initially established as an autonomous organization governed by a board composed of representatives from His Majesty's Government and Tribhuvan University. This autonomous character provided it with considerable freedom to mobilize its resources, recruit its staff, provide incentives and manage its program.² It became the only

organization in the country conducting the functions of Executive Development, Policy Research, Management Consultancy and also providing information related to Development. There was little doubt that it had received recognition and support both at home and abroad.

CEDA lost its status of institutional autonomy "on July 16, 1973, when it was integrated into Tribhuwan University on an experimental basis, as part of the Institute of Business Administration, Commerce and Public Administration, following a decision of the National Education Committee."³ This decision had consequences for resource mobilization, staff recruitment, incentives and program management. CEDA had to endure a difficult test during this transitional period of institutionalization.

In the face of many problems, CEDA did endeavor, although with considerable difficulty, to carry out all of its planned programs and projects, with a view to fulfilling its commitments. It obviously had to redefine and modify its goals, organizational structure and programs. It continued to remain the innovative force it was intended to be. At the same time, however, the period of transition was a period which shed considerable light upon the kind of atmosphere in which a research institute like CEDA could best be run.

A decision to return to CEDA's institutional autonomy "finally materialized on 15th December, 1975."⁴ In conformity with a decision taken by the Tribhuwan University council, CEDA was restored to its original status of autonomy within the Tribhuwan University, having a permanent statutory Board of Directors to which it was solely responsible for its activities.

The CEDA professional staffs were questioned as to whether they preferred a "semiautonomous" status for the institution, to continue as at present, to be a separate government department under the Ministry of Education, or to be a completely autonomous entity. A majority of staff members commented that complete autonomy is not politically feasible or practical in Nepal's present political context because the government wants to control institutions of any kind, foreign and domestic. Institutions need government money and support; international grants for research need to be approved by the government; and foreign consultants and advisers for the institution must come through governmental channels. Some staff members favored the idea of constituting a "separate department" under the Ministry of Education. They commented that no matter whether it is Tribhuvan University, the Ministry of Education or public corporations, there is a highly bureaucratic exercise of power, with plenty of red tape and a slow decision-making process in Nepal. In addition, some staff members expressed the concern that under any arrangement the Center can no longer maintain its innovative character, which it had during the late seventies, due to lack of effective leadership, programs and resources.

It is quite obvious that many Nepalese organizations lack the autonomy to make decisions. For instance, managers of many corporations in Nepal often have very few genuine managerial functions to perform. The example of one cotton factory illustrates the situation: The factory was producing a commodity which required imported raw materials. The factory was then faced with two choices: either to change its prices in order to be competitive or to withdraw from the market. It decided

to change its prices but it took one and one-half years to obtain clearance from the government to do so. During that period the factory was forced out of the market. If the factory managers had had the authority to make this decision instantly within their own organization, possibly the factory would not have lost its market.

This kind of autonomy to make internal decisions is lacking in almost all Nepalese institutions. One of the difficulties with many of these kinds of specialized institutions has been that they were created to carry out a particular government policy or, conceptually, were established as arms of the administration so that the idea of autonomy is just not considered. For the central bureaucracy, the idea of such autonomy for public institutions is both conceptually alien and a threat to its power and position.

CEDA's Relationship With Tribhuwan University
and Professional Organizations

The Center is now governed by a Management Voard with the Vice-Chancellor of Tribhuwan University as its ex officio chairman. (See Organization Chart IV for reference, page 101.) The composition of the Board is designed in a strictly bureaucratic pattern--the Vice-Chancellor as ex officio Chairman at the top, the Rector as a Vice-Chairman below him, and the Executive Director of the Center as a member secretary of the Board. The members of the Board represent secretaries from His Majesty's Government, the Executive Directors from university controlled research centers and the chairmen of some selected departments of Tribhuwan University. No members outside the government are included on the Board. This arrangement, strictly in the bureaucratic

pattern both in theory and in practice, does not provide a congenial relationship with Tribhuwan University. At present, the University has become a highly centralized bureaucratic authority in which even small decisions regarding a few months' study leave must be approved directly by the Vice-Chancellor, the Rector, the Registrar, the Dean of the college, and the Chairman of the department. Given this situation, CEDA's relationship with Tribhuwan University is difficult despite its ostensible autonomy. CEDA's professional staffs, university teachers and officials from the government were asked to react to the following statement: "To what extent do you agree that CEDA and the University have a mutual coordination and work understanding?" The general response from all groups was that CEDA's relations with the University are "to some extent" good. Among 85 respondents, 46 (54 percent) expressed this opinion, while 4 percent said "to a great extent" and 35 percent responded, "to a moderate extent." (See the following Table 10 for reference.)

TABLE 10

TO WHAT EXTENT DO YOU AGREE THAT CEDA AND THE UNIVERSITY HAVE
WORKABLE UNDERSTANDINGS AND COORDINATION AND THEIR
RESPECTIVE SPHERES OF RESPONSIBILITY?

ITEMS AND SCALE	NUMBER	PERCENTAGE
1. Very great extent	1	1.18
2. Great extent	3	3.53
3. Moderate extent	30	35.29
4. Some extent	46	54.12
5. No extent	<u>5</u>	<u>5.88</u>
Not responding: 15	85	100.00

Some advisors and consultants were informally asked about their feelings concerning CEDA's relationship with the University. The majority of them indicated that they did not know. Some university professors were dissatisfied with the lack of quality of research and the decreasing academic reputation of the Center. They also felt that salary supplements alone do not provide sufficient incentive for conducting quality research.

CEDA's relationships with other professional organizations, such as the Research Center for Nepal and Asian Studies, the Research Center for Applied Science and Technology, the Research Center for Educational Innovation and Development, and others, also seemed unfavorable because these research centers were dominated by the University's bureaucracy and were strong bureaucratic arms of the University authorities. As far as CEDA's relationships with the Administrative Staff College and the Institute of Public Administration are concerned, these institutes have come to conduct most of the functions and activities which CEDA used to perform, e.g., training, seminars, and the Diploma Degree in Public Administration, which implied conflicts of jurisdiction and role. Recently, CEDA has been compelled to concern itself more with the revision and repetition of old programs than with the institution of new ones. At present, with the establishment of a wide variety of specialized research organizations such as the Agriculture Project Research and Service Center (APRSC), the Industrial Service Center (ISC), the Population Commission, the Integrated Development Services (IDS), the Agriculture Development Bank, the Royal Nepal Academy of Science and

Technology, and others, CEDA's research and training activities have significantly declined. These new organizations, which are supported by the government and several international institutions have shown a substantial ability to generate both internal and external attraction and funding.

Linkages to the Private Sector

CEDA's relationship with the private business community is almost nonexistent. Although it attempted to provide business consultancy and market services and research to the private sector, its efforts have proven unproductive. Since Nepal does not have huge business establishments in the private sector, securing technology and consultancy services from CEDA is rather expensive. Moreover, with the establishment of small, private research groups, such as the Development Research Consultant Groups (DRCG), the Institute of Third World Economic Studies, the Market Services Center and the New Education Research Association, other cheaper and private sources for providing services in improving management skills, consultancy, market information and other assistance have come into being. Further, since these private research groups are staffed by former ministers, former United Nations representatives, members of the Planning Commission and Professors of Tribhuwan University, they have demonstrated their effectiveness and quality of services in their respective areas of interest.

In addition, CEDA has not maintained close relationships with its graduates, former participants, officials and staff members. The Center did not maintain a file of current addresses and employment status of

graduates. The Training Center does not have well-maintained records of those who have participated in its programs. In the absence of these records, CEDA is not able to maintain its relationships with its participants, whose support would undoubtedly be important to the institutionalization process.

Linkages to Regional and International Organizations

CEDA has made excellent progress in developing relationships with a wide range of regional and international organizations. Through advanced training, staff members have developed relationships with universities in the United States, the United Kingdom, the Philippines, India and Germany. This has had an important impact on the development of functional, normative and diffuse linkages with international institutions and communities. On several occasions, CEDA has participated formally as the official representative of His Majesty/s Government of Nepal in different regional and international seminars and conferences, such as the International Institute of Administrative Sciences, the United Nations Group Meeting on "Institution Building in Public Administration for Planned Development in the Least Developed Countries, New York, 1977,"⁵ the Integrated Rural Development Program and many others. It is obvious that such participation can add not only to the personal growth and professional status of staff, but also that it may contribute to greater institutional culture and international understanding.

CEDA has cooperated in research projects of regional interest with the Regional Institute for Higher Education and Development⁶ as

well as the Asian Institute of Economic Development and Planning. The Document Center, as well as other CEDA units, such as those concerned with the case-studies program, publications and project reports, has provided library facilities and exchanged information with a wide variety of organizations, such as the United Nations, the Economic Commission of Asia and the Far East,⁷ the Asian Institute of Technology,⁸ the Asia Foundation,⁹ the Food and Agriculture Organization, UNESCO, and the International Labor Organization.

One can conclude that CEDA has made excellent progress in developing relationships with other organizations abroad. Its international seminars on Institution Building 1971,¹⁰ and Population Seminar 1972,¹¹ both conducted in Kathmandu, have earned an extensive international recognition. Such activities will become increasingly important as research is broadened and strengthened.

As defined and discussed in Chapter I, linkages have practical value for the detailed designing, management and evaluation of interactions between organizations and their environments. As stated, these linkages can be described as enabling, functional, normative and diffuse. As for enabling linkages, CEDA required a specific grant of authority, an official statement of legal status, which could be obtained either from the government or the University. Such linkages are derived from those organizations and social groups which control the "allocation of authority"¹² and resources needed by the institution in order to function. In its initial stage, CEDA obtained enabling linkages both from the government and the university. It maintained institutional autonomy

and innovated different development programs suitable to the needs of Nepal. With the passage of time, it conducted different types of seminars, workshops and training programs for officials of His Majesty's Government, corporation officers and private groups, and provided consultancy services to the government and corporations. However, it could not fully exploit its enabling linkages in the political and administrative environment of Nepal because its institutional autonomy was inconsistent with the local political situation and system. As a consequence, CEDA's authority gradually tended to decline. It carried out only those activities which were legally authorized and listed in its organization chart.

Linkages can involve private as well as public sector groups. Different governmental agencies, as well as various private organizations, are likely to be the providers of needed resource inputs. The input suppliers are mostly those organizations that provide financial resources and technical and advisory assistance;¹³ these, as noted above, include USAID, Ford Foundation, and the United Nations. This specification of types of functional linkages helps to avoid the problems which would arise if the central government were the organization's sole client.

Normative linkages involve a wider range of individuals and groups, particularly those in the private sector which incorporate norms and values relevant to the doctrine and program of the institution. They will serve to mobilize legitimacy for the organization and thereby contribute to its institutionalization. To the extent that opinion leaders, representatives of political institutions, the mass media and government officials in the communities and districts come to know and

value its work, favorable attitudes are engendered. They influence the legislative and executive arms of government which provide the institution its authority to operate, its essential resources, and its protection against attack. Normative linkages to CEDA are: the University; the Planning Commission; the Finance Ministry; the Ministry of Education; and the Institute of Public Administration.

Diffuse linkages relate the general public to an institution in an unorganized way. They are not necessarily expressed through formal organizations such as are the enabling, functional and normative linkages. Although diffuse linkages are not likely to amount to very much individually, they can add up to a great deal of legitimacy and support because the general public is so numerous. CEDA's diffuse linkages are almost nonexistent. The mass of the population does not know what CEDA stands for, its purpose, or its pattern of relationship with the public.

It should be noted that this classification of linkages is not absolute; they overlap each other. Clear or meaningful distinctions between linkage categories is frequently impossible. Moreover, they are not static phenomena; "they are constantly changing and what happens at time 1 influences what happens at time 2, and so on and these variables affecting linkage development vary in their importance across time."¹⁴

The analysis of CEDA's linkages with its environment indicates that the organization has been able to establish favorable relationships with several international agencies, especially with international organizations like the Ford Foundation, USAID, the United Nations, and several international regional communities. But it has failed to

establish proper and harmonious relationships with the University and other important professional organizations in the Nepali sociopolitical environment. Its relations with the University, the most important of its functional linkages, were somewhat strained. It was also obvious that its relationships with normative and diffused linkages were not favorable. In fact, organizations may not survive if linkages are not sufficiently strong. The importance of linkages may also depend in part on the organizations's stage of development. An organization experiencing critical challenges to its development needs strong linkages in order to survive and function. Of course, it must also be kept in mind that a serious decline in the strength of linkages, for whatever reason, may generate problems in many different types of organizations.¹⁵

In conclusion, the Hypothesis Number 1, "the success achieved by CEDA will be determined by its ability to gain support from environmental linkages," has to be rejected because, although these linkages have in part been weak, the organization survives and functions. Nonetheless, weak linkages are unfortunate and can frequently create problems for organizational institutionalization.

NOTES

1. CEDA: Progress Report, July 1978 to June 1979, p. 1.
2. CEDA: Progress Report, 1973 to 1976, p. 2.
3. Ibid., p. 2.
4. CEDA: Progress Report, 1973 to 1976, p. 1.
5. Prachanda Pradhan, "Institution Building in Public Administration for Planned Development in the Least Developed Countries," a paper presented in the United Nations Group Meeting, New York, 1977. Published by Tribhuwan University, Institute of Business Administration, Commerce and Public Administration 3 (December 1980): 1.
6. Regional Institute for Higher Education and Development. This institute is a regional educational branch of the United Nations Education, Scientific, and Cultural Organization (UNESCO). In the realm of education, there have been four areas of concentration: educational reconstruction; fundamental education; formal education; and education for living in a world community. This institute provides fellowships, scholarships, seminars, field work and training in order to promote higher education in the regions. It also assists in developing far-reaching plans for education in many underdeveloped countries.
7. Economic Commission of Asia and the Far East (ECAFE). The ECAFE was set up in 1947. The present headquarters of the Commission is Bangkok, Thailand. The main tasks of the Commission are to initiate and participate in measures to facilitate concerted action for the economic reconstruction and development of Asia and the Far East, raising its level of economic activity, maintaining and strengthening the economic relations of these areas among themselves and with other countries. It also undertakes investigations of the region's economic problems.
8. Asian Institute of Technology. The Asian Institute of Technology and the Asian Statistical Institute both are located in Bangkok, Thailand. These institutes are funded by international grants and private contributions. The major objectives of these institutions are to provide professional exchanges, training and assistance in Asian regions.
9. The Asia Foundation (TAF). The Asia Foundation was established in 1954. It is not a membership organization. It is supported by the United States government grants and private contributions to strengthen Asian economic and social development with private American assistance. Emphasis is on the development of human resources, assistance to Asian institutions engaged in national development, facilitation of professional exchanges and justice; communication; educational, community, economic and national development; international cooperation; Asian regional exchange; and Asian-American exchange.

10. Institution Building Seminar. This seminar was held in Kathmandu in 1971. The main objective of this short-term seminar was to reflect the importance of institution building, its activities and its relation to the planning of institutes not yet established, newly initiated institutions and already existing institutions. Discussion was focused chiefly on three institutions: (1) Panchayat Training Institutes which have already been established; (2) CEDA, an institute just initiated; and (3) the proposed educational institutes not yet initiated at that time. This seminar consisted of five experts: Dr. Norman Uphoff, professor of government and fellow of the Center for International Studies, Cornell University; Dr. Robert T. Holt, professor of political science, University of Minnesota; Dr. Prachanda Pradhan, professor of political science, Tribhuvan University, Kathmandu, Nepal; Dr. James W. Green, Chief Methodology Division Technical Assistance Bureau, Department of State, Agency of International Development, Washington, D.C.; and Dr. George H. Axinn, Executive Director, Mid-West University Consortium for International Activities, Champaign.

Among other expert observers were three from India and four from Afghanistan, and 35 other participants were selected from different government agencies, corporations and other institutions. The entire cost of this seminar was borne by USAID, Nepal.

11. Population and Development Seminar. This seminar was organized to acquaint the decision-makers and influential people with the population problem in Nepal. The discussions were: (1) Population Growth and Agriculture; (2) Population Growth and Social Welfare; (3) Population Growth and Government; and (4) Population Growth and Development. Emphasis was especially given to the impact of population growth on the socioeconomic aspects of the country's development. The cost of this seminar was supported by USAID, Nepal. The seminar consisted of 16 experts and 42 participants.

Similarly, Research Methodology Seminar was also held in 1974 and 1975 in order to expose researchers to the field of social sciences, to the different analytical and statistical concepts of research design and analysis. The papers presented in the seminar included such topics as applied social science research, techniques of research design and problems of field study.

12. Gabriel A. Almond and Bringham G. Powell, Jr., *Comparative Politics: A Development Approach* (Boston: Little, Brown and Co., 1966), p. 35.
13. Technical and advisory assistance were provided by different international agencies. The short-term consultants from 1969 to 1973 were Drs. Roul De Guzman, Norman Uphoff, Warren Ilchman, Fred Riggs, John D. Montgomery, Milton J. Esman, Merrill Goodall, Amara Raksataya (National Institute of Development Administration, Bangkok), G.R. Kulkarni (Indian Institute of Management), N.R. Seth (IIM), D.K. Desai (IIM), Edward Bock (Syracuse University), Vijay Kelker and Jose Abueva (Ford Foundation Grant).
14. Richard T. Mowday, Lyman W. Porter and Richard W. Steers, *Employee-Organization Linkages: The Psychology of Commitment, Absenteeism, and Turnover* (New York: Academic Press, Inc., 1982), p. 12.
15. *Ibid.*, p. 209.

CHAPTER VI

ANALYSIS OF CEDA'S ADMINISTRATIVE CAPACITY

As indicated in chapter I, the Institution-Building Model considers doctrine, program, leadership, resources and structure as internal variables. This chapter analyzes these variables in order to determine their relative importance to CEDA's ability to respond to environmental demands.

To facilitate the analysis, the following hypothesis is proposed:

Hypothesis 2.

The responsiveness of CEDA and its capacity to induce changes in national, regional, district level, and local sectors is a function of its doctrinal legitimacy, the effectiveness of its programs, the quality of its leadership, the adequacy of resources and the flexibility of its organizational structure.

Doctrine

"Doctrine" can be defined as the specification of values, objectives and operational methods underlying social action (Esman and Bruhns, 1969). Doctrine is the organization's guide; it is the philosophy and basic rationale of the institution; it is the stable reference point of the institution to which, in its interaction with the environment, all other variables are related. Doctrine provides a set of values through

which the organization can measure its performance. The extent to which these values are accepted and diffused both internally and externally indicates the degree of institutionalization achieved by the organization.

The basic values and objectives contained in CEDA's doctrine can be summarized as follows:

- (a) To assist His Majesty's Government in improving planning, management and administrative technique;
- (b) To undertake research and provide consultancy services relating to plan formulation, the evaluation of development activities, sectoral development programs and investment, intersectoral development, the effects of exogenous factors on the national economy and employment and income distribution;
- (c) To help various agencies of Tribhuvan University in their programs in order to enhance their role in national development;
- (d) To undertake the study of rural development;
- (e) To conduct problem-oriented and problem-solving training, seminars and workshops for agencies of government, corporations and private enterprises; and
- (f) To disseminate its results and findings to the interested public and to private organizations.¹

CEDA seeks to foster and diffuse the values implied in the above in its interactions with the environment. These values are complemented by a set of specific objectives, the most important being the improvement of rural development, the diffusion of administrative management techniques through seminars, training and workshops, and to conduct problem-oriented research and case studies.

In the beginning, CEDA's doctrines were vague and ill-defined. As originally stated, the organization was

To provide a high level in-service Training and Career Development for government and private sector personnel;

To provide facilities and conduct applied research activities on a regular basis;

To develop a facility with competence for providing consultancy services; and

To cooperate with T. U. in developing its curriculum, level of instruction, and library research program in relation to economics, commerce, public administration and other related social sciences.²

The doctrine was never clearly related to the specific needs of Nepal, such as rural improvement and problem-oriented research. It was never made clear how to identify such needs and thus how doctrine might be adjusted to them or new doctrine evolved. It continued to be ambiguous, as expressed in CEDA's 1981 Bulletin. When training seminar and workshop programs for government officials were conducted, most of the senior officials refused to join in because they thought it inconsistent with their prestige to go for training to a newly established institution after a long period of government service. Moreover, CEDA could not recruit its teaching and training staff from the senior services. The new, young and fresh recruits from university degree programs could not satisfy the senior bureaucrats in the government administration. In the matter of research projects and case-studies programs, CEDA's research findings have not been implemented. These research findings were technically too sophisticated to implement under Nepalese conditions, where 96 percent of the total population of the country lives in remote rural areas where the literacy rate is hardly 11 percent. Under these circumstances, the people do not know anything about CEDA's activities and are unlikely to collaborate in the implementation of its proposals.

With respect to the doctrinal variables of CEDA, participants were asked: "When new programs in the public sector arise, does CEDA respond

most of the time innovatively, politically, conservatively, or usually does not respond." Among ninety-two respondents, 43.48 percent said "conservatively," and 21.74 percent stated that CEDA "does not respond." (See table 11 for reference.)

TABLE 11

WHEN NEW PROGRAMS IN THE PUBLIC SECTOR ARISE,
MOST OF THE TIME CEDA RESPONDS:

Items and Scale	Number	Percentage
1. Innovatively	15	16.30
2. Politically	17	18.48
3. Conservatively	40	43.48
4. Usually does not respond	<u>20</u>	<u>21.74</u>
	92	100.00
Not responding: 8		

Similarly, considering the doctrinal values as related to the professional orientation of the organization, another question was presented to respondents, including CEDA officials, university lecturers and others. They were asked to rate CEDA in terms of the work the organization is doing. The pattern of answers shows that fourteen of ninety-four (15 percent) feel that CEDA is an exclusively technically oriented organization; twenty-eight (30 percent) see the organization as half-technical and half-political; twenty-one (22 percent) feel that the organization is more administrative than research oriented; and eighteen (19 percent) state that they do not know the work the organization is going. (See table 12.)

TABLE 12

HOW DO YOU RATE CEDA IN TERMS OF THE WORK
THE ORGANIZATION IS DOING?

Items and Scale	Number	Percentage
1. Exclusively technical	14	14.89
2. Half-technical/half-political	28	29.79
3. More political than technical	13	13.83
4. More administrative than research-oriented	21	22.34
5. I don't know	<u>18</u>	<u>19.15</u>
Not responding: 6	94	100.00

From the above, it may be inferred that a substantial majority of respondents do not perceive CEDA as a strictly professional organization.

To summarize, the results indicate a high degree of negative responses and misunderstanding of CEDA's professional objectives and values. It is obvious that CEDA has not been persuasive nor successful in disseminating its innovative changes even among the educated and professional groups within its environment. Therefore, it can be concluded that, to the extent possible, doctrine should be clearly defined, related to actual and recognized conditions, and so presented as to be understood and supported by the leaders of the organization itself and by its enabling, normative and diffuse linkages. In fact, doctrine is a guiding concept of the institution-building process. Vague, ambiguous and ill-defined doctrine can definitely jeopardize the linkage relationship between an institution and leaders of the community it serves.

Effectiveness of Program

The program of an institution is defined as "those actions which are related to the performance of functions and services constituting the output of the institution."³ Program is the translation of doctrine into action. There are a number of problems in program implementation: "how programs are formulated, priorities established and resources allocated; how programatic outputs can be modified or adapted in response to feedback from experience; and how the manipulation of outputs can affect the institutionalization of the organization or of its innovative purposes."⁴

The main thrust of CEDA's activity has been centered in its research program, conferences, courses and seminars. (See, for details, table 13.)

Each program statement also emphasized "research, consultancy, case studies, university collaboration, library and documentation, publication, staff improvement and building construction."⁵ Undoubtedly, in the beginning, CEDA played a significant role as an autonomous and independent thinking institution producing evaluations of past actions and suggesting new ones. To achieve its program goals, a number of values were practiced in the running of CEDA:

The organization was essentially a non-hierarchical one. Administrative control for co-ordinating the various activities was kept at the minimum. Professionals were always given plenty of leeway and professional freedom. Within his "program budget" and "proposal objectives" the professional was free to run the show as he pleased. Help from other professionals or advisors was always available when asked for. Secondly, since the institution's output depended on professionals, those of them on project work were paid higher incentives. Thus it was quite common for a senior research officer to be more highly paid than the director. Thus there was a divorce between pay scale and administrative hierarchy. It is this factor that made it possible for CEDA to attract so many Nepalese who have gone abroad and in a minor way reversed the brain-drain. The atmosphere of free discussion, non-hierarchy, emphasis on output and freedom to criticise within the institution, achieved the necessary appeal.⁶

TABLE 13

CEDA'S MAJOR ACCOMPLISHMENTS: POLICY RESEARCH
AND CONSULTANCY SERVICES

Fiscal Year 1969/1970	Fiscal Year 1970/1971
<ol style="list-style-type: none"> 1. Economic survey and Analysis of the service area of the Dhangadhi-Dandeldhura Road 2. Morong Hydro-Electricity 3. Industrival survey of the Birgung-Hetaunda corridor 4. Balaju Industrial District Survey 5. Impact of development program in Pokhara Valley 	<ol style="list-style-type: none"> 1. Road Feasibility Survey 2. Ropeway Feasibility Survey Bhogpur-Chatra and Pokhara-Baglung 3. Feasibility study on Malt 4. Access of education to women in Pokhara 5. Excise Duty Refund on AR-1 Form 6. Real estate investment feasibility study 7. Study of Agriculture Supply Corporation 8. Regional Planning in Kosi Zone 9. A study on estimation of revenue from textile imports from India.
Fiscal Year 1971-1972	Fiscal Year 1972-1973
<ol style="list-style-type: none"> 1. Analysis of barter and barter-like trade in Nepal 2. Cottage and small scale industry in Kaski-Chitwan 3. Paper requirements under New Education Plan 4. Transport project 5. Price analysis 6. Ropeway feasibility study Jumla-Dialekh 7. Revisit Budhabare 8. District Administration 	<ol style="list-style-type: none"> 1. Royal Nepal Airlines management 2. Evaluation of urban property, 1st, 2nd and 3rd phase 3. Regional planning 4. Choice of technology in road construction 5. Pricing policy for public enterprises 6. Transport Corporation management 7. Agriculture Tools Factory management 8. Family planning

TABLE 13, continued

Fiscal Year 1972-1973 (continued)	
9. Panchayat Development and Land Tax	
10. Economic and social impact in Khajura-Jammi Resettlement Project	
11. Surkhet Valley Project	
Fiscal Year 1972-1973	Fiscal Year 1973-1974
1. Migration and development	1. Delivery of social services and evaluation
2. Mobilization of resources for higher education	2. Study of integrated delivery of social services
3. National Commercial Bank management	3. Rehabilitation of Chepang Community
4. Market study for Janakpur cigarette industry	4. Cost-analysis of the New Educational System Plan
5. Performance of public sector corporation	5. Delivery of family planning services in Kaski District
6. Evaluation of urban property phases 4 and 5	6. The Manpower Approach to Education Plan
7. Job opportunity and New Education Plan	7. Policy implications of Nepal Fertility Survey, 1976
8. Accessibility of education in remote areas by ethnic group and sex	
9. Public enterprise in Nepal	
10. Problems and magnitude of employment generation during Fifth Plan	
11. Nepal Bank Real Estate Feasibility Study	

TABLE 13, continued

Fiscal Year 1974-1975	Fiscal Year 1975-1976
<ol style="list-style-type: none"> 1. Electric transport as an alternative to fuel transport 2. The tax structure of Nepal 3. Immigration pattern in Kathmandu urban area 4. The impact of Pokhara Growth Center on the hinterland areas: Gandaki Growth Axis 5. Water resources development strategy 6. Problem of technology diffusion in agriculture in Nepal 7. Saving and investment behavior 8. Prefeasibility study of trolley bus system 9. Socio-economic indicators 10. Socio-economic evaluation of bio-gas production technology 11. Impact of National Development Service 	<ol style="list-style-type: none"> 1. Regional development and administration 2. Effects of population growth on public expenditure 3. Problems of foreign aid in Nepal 4. Rural development potential in Baglung area 5. Impact of rural development and output of small and big farmers 6. An evaluation of the Executive Development Training Program in Nepal 7. A study of impact of village Sajha Society on the adoption of new varieties of small farmers 8. Evaluation of land reform programs in the selected Panchayats of Nepal 9. Income tax in Nepal 10. Manpower Study of Tribhuvan University 11. Evaluation of selected horticulture research plans in Nepal 12. Development of forest in the previous plans and its future prospects in Nepal 13. Effects of population pressure on agricultural productivity, land tenure and employment 14. Excise taxation in Nepal 15. Import substitution in hotel industries in Nepal 16. Resettlement and migration problem in Tareí (Plain) 17. Status of women in Nepal 18. Socio-economic evaluation of spontaneous land settlement in the Western Plain

TABLE 13, continued

Fiscal Year 1976-1977	Fiscal Year 1977-1978
<ol style="list-style-type: none"> 1. People's participation in rural development 2. Cooperation problems and prospects in Nepal 3. Government expenditure on capital formation and investment in road transport in Nepal 4. Estimation of National Income and Basic Needs in Nepal: A Case Study of Nuwakot 5. Estimation of production function of Nepalese manufacturing industry 6. Domestic terms of trade in Nepal 7. Study of effective protection in Nepal with reference to some selected industries 8. Socio-economic survey of Manang District for micro level planning 9. Administrative problems of project implementation: a case study of selected districts of Nepal 	<ol style="list-style-type: none"> 1. Rural poverty 2. Transfer of technology 3. District plan 4. Indirect taxation in Nepal 5. An examination of administrative decentralization in Nepal
Fiscal Year 1978-1979	Fiscal Year 1979-1980
<ol style="list-style-type: none"> 1. Survey on income generating activities for women in Nepal 	<ol style="list-style-type: none"> 1. Administrative Problems of Project Implementation: A Case Study of Selected Districts in Nepal (project continued)

TABLE 13, continued

Fiscal Year 1978-1979 (continued)

2. Assessment of manpower planning with respect to the demand for higher and middle level skills
3. Local level and district planning studies

SOURCE: Compiled from CEDA's Annual and Progress Reports, Fiscal year 1969 to 1980.

TABLE 13 (A)

CEDA'S MAJOR ACCOMPLISHMENTS:
WORKSHOPS AND SEMINARS

1969-1970	1971-1972
1. Conference of Secretaries	1. Program Budgeting
2. Agriculture Planning in Under Developed Countries	2. Industrial Estate Administration
3. Transport Project Analysis	3. Plan Implementation and Project Analysis
4. Training Methodology seminars	4. Financial Management Seminar-cum-Workshop
	5. Institution Building Seminar
1973-1974	1975-1976
1. Population and Development Seminar	1. Price Policy Analysis
2. Research Methodology Seminar	2. Joint Secretaries Seminar on Planning, Development Planning and Project Operation
3. Law Seminar	3. Foreign Policy and Development
4. Secretaries Colloquium	4. Resource Mobilization
5. Top Management Seminar	5. Inventory Control and Management

TABLE 13 (A), continued

1975-1976 (continued)	
	6. Nepal and Current Regional Development
	7. Seminar on Technical Department Chiefs
1976-1977	1979-1980
1. Plan Formulation Technique	1. A New National Economic Order-- A Search
2. Regional Development	2. Seminar on Water Resources
3. Economic and Social Change	3. Executive Development Seminar
4. Population and Demographic Change	4. Seminar on Nepalese Taxation
5. Development Planning and Project Preparation	5. Migration and Growth Center
6. Marketing Management	6. Social Science Research Methodology
7. Human Resource Management	
8. Program Evaluation	
1981-1982	
1. Environment and Development	

SOURCE: Compiled from CEDA's Annual and Progress Reports, 1969-1981.

TABLE 13 (B)

CEDA'S MAJOR ACCOMPLISHMENTS:
CASE STUDY PROGRAM

1972-1973	1974-1975
<ol style="list-style-type: none"> 1. Brick and Tile Factory 2. Balaju Antra Sala 3. Introduction of Computer in Nepalese Administration 4. Decision-making in District Panchayat 5. Women organization 6. Crisis Management (earthquake in western Nepal) 7. Crisis Management (riot in central Nepal) 8. Inventory Management 9. Decision Making in Village Panchayat 10. Bone Mill 	<ol style="list-style-type: none"> 1. Input Procurement Distribution and Pricing Policy 2. An Empirical Study of the suitability of Labor versus Capital Intensive Techniques Employed by Indian and Chinese Agencies in Road Construction in Nepal 3. Project Identification support 4. An Analysis of Demand for Housing on Installment, ownership or rental basis and a study of its economic viability as a commercial venture 5. Pokhara Project
1976-1977	1978-1979
<ol style="list-style-type: none"> 1. Distribution Management of the Marketing Corporation 2. Animal Husbandry of Sindhupalchok 3. Role of Budget Exercise in the Planning 4. Paddy Market of Sunsari 	<ol style="list-style-type: none"> 1. Handicrafts 2. Cooperatives 3. Technology in Construction Industry 4. Internal Migration and Land Re-settlement in Nepal 5. Small Area Rural Development

SOURCE: Compiled from CEDA's Annual and Progress Reports, 1972-1979.

Early in 1970, at the request of Tribhuvan University, CEDA offered a Diploma in Public Administration program to all graduate students, including His Majesty's Government officials designed, as previously noted, to provide an overall background of knowledge in the field of public administration. This program continued for three years (1970-1973) with at least ten sessions in progress. In addition, CEDA organized programs concentrating on two functional areas: (a) Training; and (b) Research and Consultancy.

Training. With the increase in the numbers and organizational complexity of the public services due to the rapid increase in population, the increase in the numbers of public officials and the need for financial specialization, the training of administrators became the most important function of CEDA. The overall objective of the training has been to improve efficiency, skill and quality of service, especially in public administration, generally, in management and in research.⁷ The Center has provided three types of training programs: (i) Executive Development Training; (ii) Management Training; and (iii) Seminars for Faculty Members and Employees of the University.

(i) The Executive Development Training program was initiated in 1972 and comprised training for Chief District Officers, under-secretaries of His Majesty's Government and senior officers of different public corporations. The basic idea of this training program was to acquaint administrators with basic concepts of Development Planning and its implementation and evaluation, Project Analysis and Management, and Development Administration. Also, this program included training-cum-workshops, theoretical lectures and practical knowledge respecting the problems in implementing administrative management and procedures.

(ii) The Management Training program included a series of seminars and conferences for top and middle level managers of public and private enterprises. This program started in 1981 "with the joint collaboration of the Konrad Adenauer Foundation of West Germany."⁸ The basic objectives of these seminars are to acquaint the trainees with various tools and techniques, ideas and practices of modern management systems.

(iii) The Seminar for Faculty Members and Employees of the University began in 1980, in keeping with the objectives of the National Education System Plan. This seminar included: "Research Methodology for University Teachers, Seminar for Campus Chiefs and Seminar for Administrators of the University on various aspects of University management."⁹

Research and Consultancy: Among the other functions of CEDA, research and consultancy occupied an important role. CEDA undertook applied research which could immediately be an input in policy formulation and application. Its research products were also used in its training programs as an important and integral input in order to make the training programs effective and productive. CEDA has maintained a fairly flexible position with respect to both the types of research undertaken and the conduct of the studies. It has been necessary to seek and develop a constituency which needs the kinds of services which CEDA has to offer. CEDA has also attempted to be selective in areas being studied, giving priority to the development needs and policies of His Majesty's Government. This has been done by developing projects specifically geared to the needs of the various organizations including occasional work for the private sector also.¹⁰ Currently, among many research projects, the following are the most important which CEDA is conducting under international

grants: Effects of Population Pressure on Agriculture Productivity, Land Tenure and Employment (Ford), District Plan Project (Ford), Rural Poverty (USAID), Transfer of Technology (IDRC),¹¹ Manpower Approach to Educational Development (Ford), Migration and Development (IDRC). (For detail, Research Projects, Workshops, etc., also see tables 13, 13(A) and 13 (B), pages 136-138.)

With respect to consultancy services, CEDA became, for a time, the most active "think-tank" in Nepal. For example, the governments' Committee on Trade and Transit invited CEDA's Director and Deputy Director to serve as consultants on Indo/Nepal Trade and Transit. On many occasions the organization served as chief consultant of His Majesty's Government, public corporations and private enterprises. CEDA consultancy, as a rule, involved short-term research aimed at devising practical proposals for the solution of specific problems. The consultancy services were extended to both the public and private sectors. CEDA played a very significant role in this field during its four years of autonomy, 1969 to 1973.¹³

In summary, CEDA's programs are considered to have been well planned and adequately coordinated with His Majesty's Government, Tribhuvan University and various technical and financial institutions. In the past, the practical results achieved by CEDA through these institutions in programming, conducting and evaluating its activities indicated that it had been quite effective in meeting the specified needs of Nepal. But, with the emergence of similar types of institutions financed and sponsored by His Majesty's Government and international agencies, such as the Administrative Staff College, the Industrial Service Center, the Agriculture Project Research and Services Center, the Integrated Development Services, the

the Population Commission, and others, CEDA's programs in training, research and consultancy have declined to the vanishing point. For example, with the establishment of the Administrative Staff College in 1981, the executive development training which CEDA conducted from 1970 to 1980 "has been suspended."¹³ Similarly, a wide variety of social, cultural, economic and administrative research projects which CEDA formerly conducted now have been taken to these newly established institutions.

Thus, the hypothesis introduced at the beginning of this chapter must be considered partially affirmed and partially invalidated.

Leadership

Leadership is generally considered to be the single most critical element in the institution-building process. It applies not only to the people formally charged with the direction of an institution but also to that "group of persons who are actively engaged in the formulation of the doctrine and programs of the institution and who direct its operation and relationships with the environment."¹⁴ Accordingly, leadership includes influential individuals and groups external to the structure of the institution who participate in planning, structuring and guiding it. Strong leadership has a greater chance of achieving success in institution building than does weak leadership. The leadership has to contend with both the internal variables and the external linkages of the organization. Leadership must have sufficient power to carry out this assignment.

In selecting leadership, one must raise the question of where this power will come from. One kind of power, that of authority, comes by virtue of the assignment itself. If one is officially designated as a director of an organization, he may have some authority over both insiders and

outsiders by virtue of that appointment. Other authority, in a transitional society like Nepal, comes by virtue of the age of the leader, the particular family background from which he comes, his personality as demonstrated in the organization, the quality of his educational background and his ability to maintain and demonstrate loyalty to the organization.

On the other hand, leaders may gain power through influence rather than authority. Influence comes through the ability to manipulate resources, sheer knowledge of the subject matter, and title and social status. Another way by which leadership gains influence is through the sheer number of hours of hard work which it invests in the institution-building process. A leader who is willing to devote large amounts of time and energy to the process of institution building can exert much influence through this process, whereas another leader who is unwilling to invest that much of himself may end up with relatively little influence.

With regard to leadership, Siffin provides a vivid illustration:

Effective leadership must relate the organization to its environment in a way that will enable survival and appropriate growth. It must procure and maintain mandates, get resources and allocate them within the enterprise in ways that will largely determine its nature. It must produce an effective adjustment between the needs of the organization and the environmental norms and values that are reflected in such things as operating rules and regulations. Ultimately the leadership must claim and establish the legitimacy of the organization.¹⁵

Analysis of the quality of CEDA's leadership and its ability to run the institution can be based upon the following indicators:

- A. Political viability of leadership, the political acceptability and survival power of the members of the leadership group;
- B. Formal education, including professional status or rank in the professional group and field of activity within which the institution operates; and
- C. Technical competence, involving technical training, practical experience and technologies used in performing assigned tasks.

A. Political Viability: The political viability of leadership in CEDA depends on the ability of its leaders to interact effectively with government in policy matters as well as gaining support from internal and external forces in the environment.

During one period in its history (1969-1975), CEDA demonstrated enormous capabilities of becoming institutionalized, but, after the leadership of that period left the organization, the process of institutional development could not proceed further; its prestige decreased. The leadership in this particular period was recognized as an effective institutional body which demonstrated extraordinary capabilities during the critical transitional stage of CEDA. It influenced government and university forces; it negotiated technical and financial assistance with many international agencies; it maintained cohesiveness between the organization and its body politic and continued its committed innovative research, seminars, workshops and other programmed activities. However, as the leadership changed over time, its effectiveness and quality could not be maintained.

The political viability of leadership also depended on the nature and character of appointments to the Management Board of CEDA. Influential personalities, representing a variety of political, administrative and academic backgrounds, helped in the earlier stages to generate strategies for cooperation and served as buffers against environmental attacks.

In the beginning, the composition of the Board of Directors (1974) included representatives from the government, the university, major corporations and private enterprise. At present, the composition of the Management Board of CEDA is more limited in scope. A majority of the

members are from the university-dominated research centers and the secretaries of His Majesty's Government. This arrangement does not provide active support and influential access to the governing board. The Director of CEDA, because his decision-making power in the organization is strictly limited, can implement only those decisions which are imposed by the Management Board. Moreover, this arrangement does not facilitate the development of strong linkages between CEDA and public and private enterprises.

B. Formal Education: According to the 1981 arrangement, leadership in CEDA is exercised by the Management Board. It has the responsibility for promulgating major policy guidelines for the Center. Implementation of policy is the responsibility of the Director. The Director and members of the staff also belong to the appropriate professional associations and are considered specialists in their respective functional areas. At present, CEDA has sixty-five highly competent and qualified professional staff members capable of carrying out many types of problem-oriented and developmental research as well as conducting highly sophisticated training activities and workshops. (For reference, see table 14 on page 146).

C. Technical Competence: Technical competence is another performance criterion useful in evaluating the quality of leadership. Technical competence is enhanced by formal education, but expertise is more easily achieved through on-the-job training programs and practical experience.

A number of learning and teaching activities and experiences are available to the research faculty of CEDA depending on their needs,

TABLE 14

CEDA'S PROFESSIONAL STAFF, 1981

College Degree	Number of Professionals	
Business Administration Ph.D.	1	
Business Administration M.A.	9	
Business Administration B.A.	<u>3</u>	13
Public Administration D.P.A.	3	
Public Administration M.P.A.	<u>3</u>	6
Statistics M.A.		3
Anthropology Ph.D.		1
Demography M.Sc.		1
Cartographer B.Sc.		1
Economics Ph.D.	8	
Economics M.A.	20	
Economics B.A.	<u>2</u>	30
Political Science Ph.D.	1	
Political Science M.A.	<u>2</u>	3
Language M.A.		2
Geography Ph.D.		2
Library Science		<u>2</u>
Grand Total		64

SOURCE: Compiled from CEDA's Progress Reports 1981, pp. 8-9.

qualifications, performance and opportunities.¹⁶ CEDA provides fellowship programs for short-term and long-term training to its technical and its administrative personnel through various international grants and scholarships. At present, CEDA's qualified members and staff have become the center of attraction of various agencies of His Majesty's Government and Corporations. With respect to technical and academic competence, CEDA still serves as a "think tank" to some extent. (See table 15.)

TABLE 15
IN YOUR OPINION, IS CEDA THE ONLY
THINK-TANK IN NEPAL?

Items and Scale	Number	Percentage
1. True, to very great extent	0	
2. Great extent	4	4.71
3. Moderate extent	14	16.47
4. Some extent	53	62.35
5. No extent	<u>14</u>	<u>16.47</u>
	85	100.00
Not responding: 15		

The foregoing analysis has provided evidence to substantiate the contention that political leadership in CEDA has become very weak in the present environment, whereas the formal education and technical competence of the leaders as well as the professional staff are growing satisfactorily. Insofar as the viability of current leadership is concerned, our hypothesis has been only partially validated.

Table 16 shows that fifty-five respondents of the eighty-five questioned as to CEDA's most pressing needs, specified strong leadership. Along with the importance of leadership, respondents also emphasized "good administration," "research oriented" activities and "availability of foreign experts," respectively.

If the leadership of an organization is initiated by strong personnel and can promote an institution by means of the doctrine it formulates and the program it establishes, and if these meet the needs of the

environment, that organization is usually able to continue even without the particular personnel originally involved.¹⁷

TABLE 16

UNDER PRESENT CIRCUMSTANCES, CEDA NEEDS TO HAVE:
(Check as many as you consider applicable.)

Items and Scale	Number	Percentage
1. More foreign experts	20	11.05
2. Strong leadership	55	30.39
3. Enough resources	18	9.94
4. More qualified personnel	20	11.05
5. Good administration	32	17.68
6. More research-orientation	35	19.34
7. None of the above	<u>1</u>	<u>.55</u>
	181*	100.00

*As multiple options could be selected, the number of responses (181) does not correspond with the number of respondents (86).

Resources

Resources are the factors of institutional production which include physical, human and technological inputs. These are significant not only with regard to those resources which are at the institution's disposal or which it can acquire in absolute terms, but also as respects the sources from which they have been or can be obtained. Program decisions, and even decisions concerning doctrine and leadership, may be affected by the availability as well as ability to mobilize resources. Resources are

among the factors which condition the transformation of an organization into an institution. For the present analysis, the resource variables will be examined in terms of the availability of: A. economic resources; and B. human resources.

A. Economic Resources: CEDA's major revenue source for operational support comes from His Majesty's Government. The government grant is supplemented by contract funds provided by different government agencies and departments for the conduct of research programs, case studies and seminars in their respective areas of interest.

The cost of CEDA's building construction was jointly financed "by the Ford Foundation (25%), USAID (50%) and His Majesty's Government (25%)." ¹⁸ In addition to 50 percent of the overall cost of building construction, USAID has also contributed major funds for furnishing and equipping buildings, updating library facilities and supporting scholarships.

The CEDA building was originally designed by an architect of the United Nations Development Program; the structural design was covered by a Ford Foundation grant; and the supervising engineers were supplied by His Majesty's Department of Public Works.

USAID has continued to fund documentation and library extension projects. In addition, it has helped to design and conduct a wide variety of problem-oriented research projects in the country.

The Ford Foundation's support for institution building in CEDA has been helpful since the original agreement was signed. The Ford grant has supported workshops and funded research projects, case-study programs, fellowship grants and library materials, as well as provide full- and part-time advisory and instructional services.

Similarly, financial aid grants for research projects, advisory and technical services, and fellowships have been provided by other countries and national and international entities, such as the USSR, Canada, Israel, West Germany, Great Britain and India, as well as the UNDP, the World Bank, the Economic Development Institute of West Berlin, the Organization for Economic Cooperation and Development in Paris, the Economic Development Institute, the IDRC, and various Indian institutes.

B. Human Resources: In the initial years, CEDA experienced difficulties in recruiting and retaining personnel. Because of the lack of well trained professionals, the institution had to recruit fresh college graduates and train them on the job. Training assistance was provided by the Ford Foundation in the form of fellowship grants, including Ph.D., M.S., M.B.A., M.P.A. and other short-term programs. (See table 17.)

TABLE 17
FORD FOUNDATION GRANT FOR STAFF
IMPROVEMENT (1971-1977)

Country	Ph.D. Degree	MS/MBA/MPA	Short-Term
United States	4	4	10
Philippines	2	2	3
France	0	1	2
India	<u>4</u>	<u>3</u>	<u>0</u>
	10	10	15

The continuous drive toward greater professionalization within the organization has unquestionably increased the institutional status of CEDA

among government officials and the educated elite, and in national and international agencies. Professionalism has been preserved thus far in the organization; as an institutional value it is probably so deeply embedded that any sudden involvement of CEDA in partisan politics would be demoralizing. Insofar as professionalism is instrumental to institutionalization, CEDA's leaders and professional staff have succeeded.

In this section, CEDA's financial resource variables have been examined. The institution has received financial resources adequate to the execution of its programs. CEDA's human-resource base is indeed promising: a well trained and highly qualified group of professionals who have played and will continue to play a vital role in the institutionalization process. In sum, the evidence presented in this section relative to the availability of resources confirms our hypothesis. CEDA has benefitted from a high order of material and human support. Thus, the hypothesis is accepted.

Structure

A structural analysis of CEDA reveals the bureaucratic characteristics of Weber's model. Conduct is governed by enacted rules and regulations which specify to whom and to what people owe obedience. Decision-making power and chains of command are well defined through a hierarchy of offices. There are also such standard bureaucratic characteristics as division of responsibility among different units of the organization and defined patterns of authority relationships.

In its formal structure, CEDA is governed by a Management Board appointed by the Vice-Chancellor of Tribhuvan University. This Board has full responsibility for defining the objectives of the agency. (See Organization Chart 4, page 101.)

Administration is the responsibility of the Executive Director of CEDA. He establishes working rules and procedures, hires and fires personnel, prepares and executes the budget and engages in all those activities necessary for the effective administration of the organization.

The Executive Director supervises all of the technical and administrative services, such as technical and financial assistance. He also serves as a chief spokesman of the institution as well as a coordinator between His Majesty's Government and grant-giving international agencies.

Another bureaucratic characteristic of CEDA's formal organization is related to the decision-making process. Day-to-day decision-making authority in CEDA is vested very substantially in its Director. Almost every decision involving expenditure of operational funds has to be approved by him. Personnel appointments down to very low levels also require his prior approval. Delegation of authority is limited to the higher authorities except in the most routine matters. This high degree of centralization of authority has been the target of criticism since CEDA's inception.

The original structure of CEDA (1969 to 1975) was flexible, cohesive and dynamic. As an autonomous institution promoting innovative change and development, staffed by highly qualified and competitive personnel, the Center was intended to be different from the governmental bureaucracy. Vital to maintaining these characteristics were the style and quality of leadership which CEDA enjoyed at least for a period of five years. Continuing efforts were also made to expand institutional structure in response to growing activities and international reputation.

The allocation of operational control, research, consultancy and the documentation project were put under the supervision of a chief

specialist. The training program, the Diploma in Public Administration and the case-study program were placed under the Deputy Director. The Executive Director determined the extent of delegation of authority to the various divisions. The policy coordination for CEDA's long-term and short-term programs was achieved through committee meetings. To keep the CEDA staff involved in all the organization's activities, regular staff meetings were held. The meetings were also used for job assignments and performance reporting. This technique helped in strengthening communication within the organization at all staff levels.

With frequent changes in leadership, as well as the pressure for political and administrative centralization which is a fundamental characteristic of the Nepali political environment, CEDA's organizational pattern and division of authority were also restructured several times. (For reference, see Organization Charts 1, 2, 3, and 4, on pages 99-102). As a result, the leadership has varied from dynamic to static, flexible to rigid, competitive to noncompetitive, committed to noncommitted, achievement-oriented to ascriptive, and homogeneous to heterogeneous. When new directors were appointed, many of them tried to consolidate all power into their offices; some of them tried to infuse the partyless character of panchayat politics into the organization in order to get strong political support from the system to survive; others favored a traditional administrative pattern of behavior and some simply tried to protect their official chairs. These personal characteristics of leadership, obviously, have caused problems for the organizational development of CEDA. Most directors, deputy directors and senior officials of the organization have joined the government bureaucracy, politics and administration.

With respect to the cohesiveness of CEDA, three different propositions were presented to respondents. The first was: "What type of place is CEDA in which to work: excellent, very good, good, adequate, inadequate, don't know." Among eighty-five respondents, twenty-two (25.88 percent) said "good," 23.53 percent "adequate," and 18.82 percent "very good." The average trend of responses show that CEDA as an institution still has a good working environment (refer to table 7 in chapter 3, page 84) despite structural and other changes in its organization.

Similarly, a question dealing with "ethnic, religious, regional and linguistic conflict among the participants" was asked. Of ninety-three answers, seventy respondents (75.2 percent) indicated "none" and the rest divided as indicated in table 18.

TABLE 18

DID YOU SEE OR FEEL ANY KIND OF ETHNIC, RELIGIOUS,
REGIONAL OF LINGUISTIC CONFLICT
WITHIN THE STAFF?

Items and Scale	Number	Percentage
1. Very strong	0	0
2. Strong	4	4.30
3. Little	13	13.98
4. None	70	75.27
5. I don't know	<u>6</u>	<u>6.45</u>
	93	100.00
Not responding: 7		

In addition, respondents were asked: "Which one of these factors plays a dominant role in CEDA," ethnic, religious, regional, linguistic,

or none? Among ninety-six respondents, fifty-eight (60.42 percent) were of the opinion that none of these factors plays a dominant role in CEDA, and approximately 39 percent divided opinion, as shown in table 19, below.

TABLE 19
WHICH ONE OF THESE FACTORS PLAYS
A DOMINANT ROLE IN CEDA?

Items and Scale	Number	Percentage
1. Ethnic factor	15	15.62
2. Religious factor	0	0
3. Regional factor	10	10.42
4. Linguistic factor	13	13.54
5. None of the above	<u>58</u> 96	<u>60.42</u> 100.00
Not responding: 4		

These examples testify that despite the multidimensional nature of linguistic, religious and ethnic diversities in Nepalese society, CEDA's cohesiveness in terms of staff integrity is remarkably strong.

The structural analysis of CEDA has indicated that the organization fits into Max Weber's bureaucratic model, although, of course, with limitations. The analysis revealed a high degree of centralization. It also indicated that the organization has been involved in a constant metamorphosis to make its structure more responsive to environmental demands and to meet the administrative and political needs of the Nepalese system of government. Thus, the evidence regarding the

flexibility of CEDA's organizational structure partially validates our hypothesis. The general hypothesis developed at the beginning of the chapter, as tested above in the examination of doctrine, program, leadership, resources and internal structure, indicates partial success in institutionalization. On the whole, however, CEDA has shown little capacity for institutional growth in the Nepalese environment.

Notes

1. Compiled from CEDA: Progress Report, 1981, p. 1; and CEDA: Progress Report, 1969 to 1975.
2. CEDA: Progress Report, 1969 to 1973, p. 1.
3. Esman and Bruhns, Institution Building in National Development, p. 4.
4. Ibid., pp. 4-5.
5. CEDA: Progress Report, 1969 to 1973, p. 7.
6. Ibid., p. 8.
7. CEDA: Progress Report, 1981, p. 5.
8. Ibid., pp. 5-6.
9. Ibid., p. 6.
10. CEDA: Progress Report, 1973-1973, p. 6.
11. Institute for Development and Research Council (IDRC), Canada. Asian scholars attempted to study the "Negative Bureaucratic Behavior" since 1975, and finally IDRC supported collaborative research projects involving Nepal, Thailand, Malaysia, Singapore, South Korea and the Philippines to do comparative study on the bureaucratic behavior. This project was coordinated by the College of Public Administration, University of the Philippines.

IDRC also conducted several studies with the collaboration of National Planning Commission and CEDA in Nepal. Some of the notable studies were: (1) Migration and Development; (2) Regional Development Study; and (3) Transfer of Technology.

The Migration and Development Study is intended to investigate policy options regarding migration and population redistribution on the basis of observed migration patterns and present development policies, whereas Regional Development Study research was directed to develop a perspective and operational regional plan for the far western and far eastern regions of Nepal.

12. CEDA: Progress Report, 1974, p. 8.
13. CEDA: Progress Report, 1981, p. 5.
14. Esman, The Institution Building Concepts, p. 13.
15. Milton J. Esman, The Thai Institute of Public Administration: A Case Study in Institution Building (Pittsburgh: Graduate School of Public

and International Affairs, University of Pittsburgh, 1967), pp. 253-54. (Mimeographed--part of Inter-University Research Program in Institution Building.)

16. Madhukar Samsher Rana, Organization: CEDA as an Institution (Kathmandu, Nepal: Center for Economic Development and Administration, Tribhuvan University, 1978), p. 70.
17. Uphoff, "Introduction to Institution Building," p. 57.
18. CEDA: Progress Report, 1969 to 1973, p. 7.

CHAPTER VII

THE TEST OF INSTITUTIONALITY

The preceding two chapters were devoted to the analysis of CEDA's internal variables and its relationship with the external environment. Chapter V disclosed that the organization is failing to establish favorable relationships with its environment, particularly as regards enabling, functional and normative linkages. Chapter VI indicated that the organization has achieved only partial success in its internal capability to reach its goals.

The objective of this chapter is to ascertain the validity or invalidity of the following hypothesis:

Hypothesis No. 3:

CEDA has become an institution protected by its environment and able to survive and function.

The hypothesis is based on a concept of institutionalization which indicates that the institution-building process has been completed when certain relationships and behavior patterns incorporated into the organization are normative, both to the organization itself and to the social units surrounding it. Moreover, the functions and services performed by the organization will be perceived as valuable throughout the environment.

"Institutionality" means that the organization has attained self-sustaining qualities without losing its ability to produce within the society. John Hanson, in his study "Education, Nsukka" has applied the institution-building concepts, and he views an organization as being institutionalized "to the extent to which it is viewed within the environment as being of value, that is the extent to which it is prized."¹ He offers seven criteria for measuring institutionalization. The following is based upon his study:

1. Use of services--the organization is designed to serve clientele;
2. Survival and growth--maintenance of values and distinctive identity;
3. Outside support--financial, personal, material and physical;
4. Normative spread--the extent to which action and belief patterns incorporated in the organization have become normative both within the organization and for other social units within or related to its sphere of operation;
5. Autonomy--the degree of freedom of an organization to set and implement programs;
6. Innovative thrust--the capacity of the organization to continue to innovate; and
7. Respect and approval.

Institutionalization is a matter of degree and cannot be stated in absolute terms: that is, one cannot identify conclusively the points in time when an organization has become an institution. One can speak only in terms of trends and tendencies, identifying certain indications of the institutional character of an organization.

The degree of institutionalization can be identified through tests of survival, environmental approval and normativeness. These provide evidence of the extent to which an organization has become an

institution. These three tests can be applied to CEDA in order to accept or reject the above-stated hypothesis.

The Test of Survival

Survivability is a result of an organization's ability to continue its operations, to grow and to achieve its objectives. Organizational survival is, in Esman's words, "a necessary but not sufficient condition of institutionality."² Esman further elaborates the concept of institutional survival:

Mere survival is not a test of institutionality. An organization may survive but the price, due to incompetent or uncommitted leadership, to technical inadequacy, or to environmental hostility, may be the abandonment of its innovative objectives. It may thus survive as an additional organization but not as an innovating one, thus of little interest to institution builders. On the other hand, though the organization may go under, its technical and behavioral innovations may be taken on by other structures and thus survive and prosper in other organizational settings. But in the overwhelming majority of cases, innovations depend on the survival and success of the organization or group of organizations which are responsible for protecting and promoting them. This is why in institution-building theory both the organization and the innovations it represents must be fastened and both must achieve societal acceptance and integration.³

Beyond survival, there are other criteria which serve to establish how institutionalized an organization has become. Gilbert Siegal has suggested in his study of institution building in Brazil a continuum of institutional development. The following figure portrays these stages of institutionalization. Siegal offers criteria of each stage, showing also how an organization may fluctuate in its development and may never achieve full institutionality.⁴ The following figure shows the stages of institutional development⁵ (illustrated from Siegal, 1966).

FIGURE 6

Stages: Non-Institution -- Semi-Institution -- Institution
Criteria: Survival -- Normativeness -- Influence Autonomy

After survival is assured, the emphasis in program should be on establishing normativeness of the organization in its environment. Similarly, after normativeness has been achieved the organization receives support from the general public through diffuse linkages. With an accumulation of resources and support, the organization will be increasingly able to influence the environment. When a sufficiency of influence has been accumulated, the organization attains autonomy.

The analysis of CEDA's survival is organized under four indices:

- (1) Political and Administrative Support; (2) Economic Support;
- (3) Capacity to Innovate; and (4) Technical and Professional Competency.

1. Political and Administrative Support. As a technical and research-oriented organization, centrally located on the campus of Tribhuwan University, the status of CEDA as an institution has not yet been conceded in the Nepalese political and administrative environment. This is due to a low literacy rate, the underdeveloped nature of the mass media, over-centralization of political authority and the undemocratic pattern of partyless rule, among other factors. To gain insight into the bases for political and administrative support from the government, a question was posed to CEDA's officials, government employees, University professors, and some political leaders. Four alternative answers were provided.

QUESTION: The political support "The Center for Economic Development and Administration" (CEDA) receives from the government is:

RESPONSE	NUMBER	PERCENTAGE
1. Generally positive at all levels	9	10.59
2. Generally positive at all levels, but with some negative attitudes	17	20.00
3. Generally negative at all levels	15	17.65
4. I don't know	44	51.76
	85	100.00

The distribution shows that 44 out of 85 do not know the answer, while only 10.59 percent feel that the political support is generally positive. The survey suggests that local political leaders and the government are not aware of the role CEDA is playing in the environment.

With respect to administrative support, a similar question was asked the same respondents. Of 97 respondents, 30 (30.93 percent) answered that support is "inadequate," and 29 (29.90 percent) responded that they "do not know" (see the following Table 20 for reference).

2. Economic Support. In Nepal, political support is essential if a public organization is to survive, but it must be accompanied by economic support as well. As discussed in Chapter VI, CEDA receives its basic operational support through the government budget. The grant from the government is supplemented by contract funds provided by different agencies and departments.

TABLE 20

THE ADMINISTRATIVE SUPPORT CEDA RECEIVES
FROM GOVERNMENT OFFICIALS IS:

ITEMS AND SCALE	NUMBER	PERCENTAGE
1. Excellent	1	1.03
2. Very good	5	5.15
3. Good	17	17.53
4. Adequate	15	15.46
5. Inadequate	30	30.93
6. I don't know	29	29.90
	<hr/> 97	<hr/> 100.00
Not responding: 3		

A question regarding economic support from the government was posed to the survey participants.

QUESTION: The economic support CEDA receives from the government is:

RESPONSE	NUMBER	PERCENTAGE
1. More than adequate for current programs	6	7.06
2. Just adequate for current programs	33	38.82
3. Not adequate at all	27	31.77
4. I don't know	19	22.35
	<hr/> 85	<hr/> 100.00

The trend of this survey shows that participants feel economic support to CEDA is barely sufficient. Of 85 respondents, 33 (38.82 percent) felt that support is "just adequate," 27 (31.77 percent) stated that it is not adequate at all, and 19 (22.35 percent) responded that they did not know.

This is a delicate situation which CEDA's leaders have to handle tactfully in order to influence the government to release more funds. In short, it is a test of survival. If CEDA does not succeed in getting adequate economic support from the government, its prestige will decline, its activities will be reduced, and its prospects for survival will be doubtful.

3. Capacity to Innovate. If an organization is to survive effectively, it has to disseminate new ideas and new technologies throughout its environment. Its capacity to innovate increases its chances of growth and development. In short, the extent to which CEDA is innovative determines its survivability and indicates whether it is to survive as a dynamic and change-introducing situation, or merely as a paper institution, lacking capability and effectiveness.

In the beginning, CEDA introduced a series of methods, models, approaches and techniques for socioeconomic and administrative development in Nepal. It extended its innovative programs in accounting, planning, staffing, organizing, budgeting and coordinating in different government agencies, departments and public services. It developed a variety of executive training techniques, workshops and seminars, ranging from top-level government officials to district and local level

officers. It also served as a consultant agency in major decision-making issues in the government.

Thus, in order to test its current innovative activities, a question was asked regarding CEDA's flexibility, responsiveness and innovativeness.

QUESTION: When new programs in the public sector arise, most of the time CEDA responds:

RESPONSE:	NUMBER	PERCENTAGE
1. Innovatively	15	16.30
2. Politically	17	18.48
3. Conservatively	40	43.48
4. Usually does not respond	20	21.74
	92	100.00

The pattern of responses was mixed. Of 92 respondents, 40 (43.48 percent) felt that CEDA's response to new programs was conservative. Fifteen participants (16.3 percent), a very thin margin, believed it to be innovative.

The capacity to respond innovatively is also linked to the adequacy of the economic support which the organization receives from the national government. During the last five years, appropriations have been reduced; its executive development training, workshops and seminars for governmental officials have been suspended since 1981; the presence

of foreign consultants and experts has been drastically reduced; competent personnel have resigned, preferring government and corporate jobs to remaining in CEDA. Thus, in its capacity to innovate, CEDA ranks low on the scale.

4. Technical and Professional Competency. One of the basic values of the organization's doctrine is the professional approach to the economic, administrative and social development problems of Nepal. Since its creation, CEDA has striven to preserve its professional image in the environment, particularly among the educated. In order to test its present technical competency, the following question was raised.

QUESTION: How do you rate CEDA in terms of the work the organization is doing?

RESPONSE:	NUMBER	PERCENTAGE
1. Exclusively technical	14	14.89
2. Half-technical/half-political	28	29.79
3. More political than technical	13	13.83
4. More administrative than research-oriented	21	22.34
5. I don't know	18	19.15
	<u>94</u>	<u>100.00</u>

The pattern of answers is mixed. Respondents do not believe that CEDA is an "exclusively technical" organization, only 14.89 percent supporting this statement, whereas 29.79 percent and 22.34 percent agree that CEDA is "half-technical and half-political" or "more administrative

than research-oriented," respectively. At present, this seems to show that CEDA is perceived to have low technical competency.

Below are ranked the indices of survival according to the findings of the foregoing analysis. The rankings of each indicator are designed to facilitate discussion and to provide a schematic view. Mathematical or statistical precision is not attempted.

CRITERIA:	% HIGH	% MEDIUM	% LOW	% NOT KNOWN
Political Support	9	17	15	44
Economic Support	6	33	27	20
Capacity to Innovate	15	17	40	20
Technical and Professional Competence	14	28	13	18

Note: These figures are compiled from different questions (political, economic, innovative, and technical and professional competency of CEDA), asked of respondents in Chapter VII.

The Test of Environmental Approval

The second test of institutionalization is the valuation of CEDA by its environment: that is, the extent to which the organization is valued and recognized by those it serves and with whom it interacts. The test is comprised of two basic indicators: (1) Influence; and (2) Autonomy.

1. Influence. According to the Institution-Building Model, the expression of influence can take two forms: (a) the extent to which the institution influences decisions made in its functional area; and (b) the extent to which the institution can enlarge its sphere of action inside and outside of the organization. Because of weak political

support from the government, CEDA has not been able to introduce innovative changes through its transactions with other organizations and groups in its immediate environment. However, without hesitation it can be said that innovative changes introduced by CEDA, in the course of its development, in influencing socioeconomic and administrative development in Nepal cannot be discarded. Practical results achieved through its different programs and its impact in the present environment indicate that there have been some positive changes in restructuring, organizing, planning, staffing and accounting in Nepal's developmental process (see following Table 21 for reference).

TABLE 21

PLEASE INDICATE IN WHAT AREA(S) CEDA HAS HELPED TO IMPROVE NEPALESE ADMINISTRATION: (Check as many as you consider applicable.)

ITEMS AND SCALE	NUMBER	PERCENTAGE
1. Accounting	14	8.28
2. Budgeting	9	5.33
3. Planning	43	25.44
4. Fiscal policy	13	7.69
5. Management policy	44	26.04
6. Personnel	12	7.10
7. Organization	34	20.12
	<u>169*</u>	<u>100.00</u>

*As multiple options could be selected, the number of responses (169) does not correspond with the number of respondents (85).

Another indicator of influence is the criterion of technical competence, which extends the organization's prestige and a degree of superiority over other public agencies in the internal environment as well as securing the acceptance of technically influential international agencies in the external environment. At present, CEDA's technical competence has been challenged. The survey indicates (see page 169 for reference) that for a majority it is either "half-technical and half-political," or "more administrative than research oriented."

Despite its relatively influential position in the environment, there are factors which are preventing the organization from enlarging its sphere of action. At present, CEDA's influence-generating activities, such as training, seminars and workshops, are conducted by other institutions. Government agencies and corporations have attracted many of CEDA's technically competent staff to work for them; moreover, the organization has not been able to extend its reach to regional, district and local levels or to demonstrate generally the importance of training and research in generating socioeconomic growth in Nepal. CEDA enjoys considerable influence within its functional area of activities, centered mostly in Kathmandu Valley and its surrounding districts, but its failure to expand its sphere of action nationwide is mainly a result of political factors.

2. Autonomy. The second indicator of environmental approval is the degree of autonomy enjoyed by the organization. It is assumed that an institutionalized organization possesses a high degree of autonomy, permitting it to establish its own rules and procedures. It can acquire resources without being subject to detailed questioning of

specific operational and programmatic items, and it can defend itself against attacks and encroachment from other political and administrative institutions.

As mentioned in Chapter V, many Nepalese organizations lack autonomy to make decisions. In the case of CEDA, however, autonomy was its main characteristic in the beginning. This privileged status meant that CEDA did not have to adjust its policies and procedures to conform to governmental and bureaucratic dictates. The organization thus could devise creative methods to overcome initial obstacles and to evolve as an innovative institution. Further, the leadership (1969-75) was very active and daring in guarding and protecting this status. As a result, it was becoming increasingly clear to the government and the educated public that the survival of CEDA was linked to its autonomy. This definitely helped CEDA to stake out an independent position for its doctrine, program and resources.

With respect to its ability to acquire resources, CEDA has the power to negotiate grants and loans. Chief among these externally acquired funds were grants provided by USAID, the Ford Foundation and the United Nations' specialized agencies, as well as many other international institutions. The organization's reputation as the only professional and technically competent institution in Nepal has won it international acceptance. At present, with the frequent changes of active leadership and departure of professionally talented and competent staff, the assignment of a wide variety of training and workshop activities to other government-sponsored institutions and the inability to diffuse and disseminate programs on a wider basis, the autonomous status which CEDA

enjoyed in the early seventies has noticeably declined. Thus, its image as a professionally prestigious institution has come under serious question.

The Test of Normativeness

The third test of institutionality aims at determining whether specific relationships and behavioral patterns embodied in the organization have become normative for other organizations existing in the environment.

In analyzing CEDA's influence in government agencies, corporations and private enterprises, it was found that the organization has been able to transfer its innovative values by conducting applied policy research and suggesting alternative courses of action. The acceptance of these activities in the environment may be taken as an indication of normative influence. Similarly, the adoption of modern managerial and organizational techniques in the areas of budgeting, accounting, planning and organizing are the most important program activities through which CEDA has received normative recognition. Also, normativeness has been achieved through its training programs, technical assistance, seminars, workshops, conferences, speeches and publications.

As mentioned in the discussion of influence, CEDA's norms and values have failed to reach a wider segment of the Nepalese environment. Its normativeness is confined to the small circle of Kathmandu's public who are aware of its existence and importance. Normativeness involves recognition, acceptance and sanction by a wider range of individuals and groups, opinion leaders, the mass media and political, social and

economic institutions of the effectiveness and capability of the organization. There are certain elements preventing the organization from establishing favorable patterns of normative interaction with other existing organizations. CEDA does not provide a clear-cut and exclusive area of specialization and technical competency. With respect to training programs and workshops, the Administrative Staff College, the Panchayat Training Institutes and the Agriculture Project Research and Service Center provide similar kinds of training facilities. The Panchayat leaders, due to lack of knowledge about the importance of research projects, training and seminars as integral parts of Nepal's development process, do not even know what CEDA is about, what it stands for or its purposes and functions. Government agencies hesitate to recognize an autonomous status for CEDA in carrying out working procedures different from those of government bureaucracy. Moreover, organized political support for CEDA in the Nepali political system is virtually nonexistent. In addition, CEDA's functional linkages with public and private institutions are unfavorable.

The tests of institutionality which have been discussed in this chapter rank CEDA low on the scale. However, there is plenty of room for improving its institutionality--i.e., the organization's ability to survive, continue its operations, grow, and accomplish objectives. But mere survival is not a test of institutionality. The organization needs to induce changes and disseminate new ideas and technologies in the environment. It needs to acquire support from government agencies, public and private sectors, political and economic institutions, international agencies, and its own staff and personnel.

Thus, priority should be given to moving beyond survival, and especially to establishing functional and normative linkages with influential sectors in its environment. Moreover, of critical importance, the Center should be able to generate its own economic sources by conducting meaningful and purposeful training programs and problem-oriented applied research activities. This reduces the Center's dependence on the government and helps to make it a valued institution within the constellation of government institutions.

Autonomy and influence are important characteristics of institutionality. The former has to do with the capacity of the organization to control its own destiny, establish rules and procedures which are independent of the larger system; the latter deals with an organization's capacity to acquire and use resources without being subject to strong control and scrutiny from the government. It is suggested that the Center can accomplish both autonomy and influence through impartial, politically unbiased, talented and dynamic leadership and enlarge, instead of confine, its sphere of organizational activities including innovative values, ideas, and technologies throughout its environment.

NOTES

1. John Hanson, Education, Nsukka. A Study of Institution Building Among the Modern Ibo (East Lansing: African Studies Center and Institute for International Studies in Education, Michigan State University, 1968), Chap. 7.
2. Milton J. Esman, The Institution Building Concepts: An Interim Appraisal (Pittsburgh: Graduate School of Public and International Affairs, University of Pittsburgh, 1967), p. 5.
3. Milton J. Esman, "Development Administration: East and West," a paper presented at the symposium on administrative change in Africa (Syracuse: Syracuse University, May 7, 1970), p. 21.
4. Gilbert B. Siegal, Development of the Institution Building Model (Pittsburgh: Graduate School of Public and International Affairs, University of Pittsburgh, mimeographed--part of Interuniversity Research Program in Institution Building, 1966), p. 49.
5. Illustrated from Siegal, *ibid.*

CHAPTER VIII

OVERALL SUCCESS OF CEDA IN INSTITUTIONAL DEVELOPMENT

Program Suitability to Nepal's Needs

It is not easy to determine the degree to which CEDA has been successful in serving as an innovative and change-inducing institution with programs that are relevant to Nepal's developmental needs. This causes a real problem in defining and identifying programs compatible with Nepal's political system. The suitability of a program, in a strict sense, should be judged in terms of the political setting. As a consequence, most of the development programs presented produce little action; they have to satisfy the partyless character of the Panchayat system, rather than the growing demand for socioeconomic development in the country.

After 1970, many institutions of varying character and having different programs emerged in Nepal, such as the "New Education System, the National Development Services, the Institutionalization of Rice Export, the Go to the Village National Campaign,"¹ and several others. These institutions had been established through the initiative of government agencies and other organizations. They were politically and economically

supported by the government and also were protected by the environment. Despite this support from the government, as well as strong political groups, respondents were asked: "Why could these institutions not survive?" The results of this survey show that institutions collapse due to several factors, among them the nature and type of program. Of ninety-two participants in the survey, thirty (22.61 percent) indicated that institutional failure in Nepal derived mainly from the fact that new organizations are "more political than program-oriented." The remainder of the participants cited such factors as lack of strong leadership, broad and vague programs, corruption and lack of public support. (see table 22 on page 178.)

With the cooperation of His Majesty's Government, international agencies and various experts, CEDA designed and initiated a wide variety of programs to meet Nepal's developmental needs. As previously noted, these included training, seminars, workshops and research projects. Training, seminars and workshops were conducted in order to produce the skilled manpower required for development. These programs included: the Executive Training Program for Deputy Secretaries of His Majesty's Government, Chief District Officer Training, training for second-class officers of His Majesty's Government, and management training for semi-governmental organization and university personnel. This training was intended to prepare officials to develop new administrative and management procedures and practices through which new developmental tasks could be handled.

TABLE 22

FOR WHAT REASONS DID THE "GO TO THE VILLAGE
NATIONAL CAMPAIGN" (GVNC) COLLAPSE?

Items and Scale	Number	Percentage
1. Lack of leadership	17	18.48
2. More political than program-oriented	30	32.61
3. Broad and vague program	18	19.57
4. Corrupt members and staffs	10	10.86
5. Lack of public support	<u>17</u>	<u>18.48</u>
	92	100.00
Not responding: 8		

CEDA's seminars included such subjects as population and development, research methodology, law, secretaries colloquium, institution building and top level management. CEDA has undertaken a wide variety of problem-oriented and crisis management projects at the request of His Majesty's Government and public corporations. Some of the more important projects, compiled from CEDA annual and progress reports, are shown in chapter IV on pages 134-40. In short, to this degree and in its earlier period, CEDA could be evaluated as a successful organization contributing positively to Nepal's development needs; but there was still a need for further improvement and specialization so that CEDA could cope with emerging developmental problems.

Perceptions of the CEDA Degree

CEDA has not conducted an M.S. or M.P.A. degree program other than the Diploma in Public Administration, but it does provide a high level of

in-service training and career development activities for His Majesty's Government and other public and private sector personnel. It also conducts seminars and workshops in the areas of planning, management and administration.

The executive development program--the best offered in Nepal by CEDA--which was initiated at the request of His Majesty's Government to provide an extensive training facility for all senior officials of government agencies and corporations, did not work productively. Senior government officials who possessed longevity in service but not a sound background of education and innovative training felt that this sort of program would denigrate their established prestige and expose administrative inabilities in running the development program. Most of the senior officers who were in the position of Deputy Secretaries of His Majesty's Government did not attend this program and presented such excuses as serious illness or emergencies in family affairs. Those who participated charged CEDA with not providing competent teachers and occasionally boycotted class when a young teacher was assigned.

With respect to the training of Chief District Officers, CEDA, with the cooperation of His Majesty's Government, designed a detailed training program including "theoretical training on organization and procedures for development planning, program implementation and review at national, regional and local levels."² In addition to the theoretical program, practical training was also designed to acquaint trainees with such areas as emergency relief measures, horseback riding, shooting, swimming and others. The perceptions of this training, both theoretical and practical, were negative. These government officers had no prior theoretical or practical

knowledge and training. Most of them had no high school diplomas. Teaching of new models and approaches in development administration, planning, evaluation and policy analysis was beyond their capacity to grasp. Even basic familiarization with the subject matter could not be achieved. As far as practical training was concerned, most had never done any shooting, horseback riding or swimming and had no experience with emergency relief measures. Frequently, the age and physical condition of trainees also militated against success.

Participant reaction to the degree in Diploma in Public Administration conducted by CEDA was favorable. In an informal discussion with the author, they stated that it was a carefully designed curriculum which presented a broad knowledge of development administration. They stated further that they were significantly assisted in building their service careers in government agencies.

In order to ascertain the basic motivation for government and corporate officials to participate in CEDA training, respondents were asked to check the reasons they considered applicable. Forty-seven percent stated that they came for training in order to improve their chances for promotion and advancement. Of eighty-five, seven participants (5.04 percent) indicated "to contribute their knowledge to national development"; 17.99 percent said that their superiors asked them to do so; 15.82 percent indicated "to improve their work ability"; and 14.39 percent said to prepare for study abroad.

Thus, the perceptions of the participants are mixed, but their expectations clearly show that promotion and advancement are the basic objectives for having degree and other training in CEDA. It is a common

TABLE 23

IN YOUR OPINION, WHY DO GOVERNMENT AND CORPORATION OFFICIALS AND OTHER
PRIVATE ENTERPRISE PERSONNEL COME FOR TRAINING TO CEDA?
(Check as many as you consider applicable?)

Items and Scale	Number	Percentage
1. To improve their chances for promotion and advancement	65	46.76
2. To improve their work ability	22	15.82
3. To contribute their knowledge to national development	7	5.04
4. To prepare for study abroad	20	14.39
5. Because their superiors asked them to	<u>25</u>	<u>17.99</u>
	139*	100.00
*As multiple options could be selected, the number of responses (139) does not correspond with the number of respondents (85).		

phenomenon of the Nepali bureaucratic system that with an additional degree and/or training program, a government official is entitled to claim credit toward promotion, no matter what he has learned or how he is going to apply his knowledge.

With respect to foreign degrees, there was a strong feeling that they were more prestigious than the degrees and training received in CEDA. In addition to prestige and judgments of relative quality, foreign degrees and training also add extra credits for promotion and advancement.

Identification of Characteristics of Administrative
And Political Behavior in Nepalese
Public Administration

The processes and characteristics of Nepalese public administration are predominantly under the influence of tradition. Bureaucrats are the

players in the Nepalese political game; they are the top level decision makers; they are responsible for executing the decisions of the political leadership and for maintaining the day-to-day regulatory and service functions of the state; they design development plans, manage national banks, utilities and commercial enterprises, supervise educational systems and supply social services and goods. In theory, they are merely the servants of the political leaders and interests of their own that are distinct from those of the politicians they serve. Moreover, bureaucracy as an overwhelmingly powerful institution in transforming traditional into modern society is expected to "(1) generate development projects, (2) co-ordinate those projects within the confines of a comprehensive development plan, (3) supervise the execution of those projects and (4) both operate and maintain those projects once they have reached fruition."³

If the bureaucracies are unable to perform the above functions, the social and economic development of the states involved will more than likely stagnate.⁴ It has been suggested further that administrative problems are mostly reflective of prevailing economic, political and social conditions. In most instances "the centrality of the bureaucracy to the economic and social development of the Third World suggests that the development potential of any state may well be gauged by the development potential of its bureaucracy."⁵

While it is difficult to generalize from a single case, some observations about Nepalese public administrative behavior may be drawn both from the present study and from personal experience generally.

Status-Oriented Attitude.

- (a) This status-oriented character of Nepali administration has a long history. Senior and other higher level officers generally

do not respond well even to valid and proper arguments made by capable subordinates. They want their subordinates to obey and carry out their orders without question. Thus, what counts is not the capability of the officials but their status. Such attitudes have produced two phenomena in administration. First, they have obstructed innovation in the administrative process. Even in the field of development administration where the need for innovation seems self-evident, officials have the tendency to work as though they were dealing with traditional regulatory questions and to evade all change. Second, the status-oriented attitude has created a situation in which there is a dearth of initiative. Thus, generally, a majority of subordinate officials feel that it is better and safer to obey only the orders of their superiors and to avoid all risks.

- (b) Linkages between organizations and their clients are inadequate. Many public organizations seem to be more interested in achieving political support than in satisfying their clients' real needs, and it should be noted that in traditional societies political support tends to come from the top down, rather than from constituencies upward.
- (c) Because of mutual misgivings and suspicions, coordination between different levels of government is lacking. There is very little coordination in planning activities at either the national or local level.
- (d) Excessive bureaucratic proliferation has led to duplication of effort. At the national level there are 13 ministries headed by cabinet ministers, state ministers and assistant ministers, and, in addition, there are 4 development regions, 14 administrative zones, and 76 districts, whose functions often overlap each other. Bureaucratic proliferation has created many problems such as complex organization structures to control and coordinate and confusion among clients about whom to approach for receiving goods and services. The major reason for this proliferation is the desire to control every unit of administration through the political mechanism. But this cannot lead to administrative development in the country unless the proliferation is accompanied by a corresponding increase in effective administrative response to popular demands and aspirations as well as an increasing feeling on the part of the people generally that government agencies are a real source of desirable change.
- (e) Administrative instability is endemic. Disruption of administrative activities occurs every time there is a change in government. Similarly, whenever political change occurs, talented bureaucrats leave their organizations, destroying continuity of effort and initiative.

- (f) There are many and varied vested political interests among the bureaucrats. This tends to destroy professionalism inasmuch as political considerations outweigh technical and problem-oriented thrusts.

Power-Oriented Attitudes.

- (g) Power-oriented attitudes are thoroughly entrenched in Nepalese society, which tends to worship those who are in power. This has two basic implications. First, efforts made from time to time to introduce decentralized administrative systems have been more or less futile exercises. Although the authorities profess a desire for decentralization, in reality they always hesitate to decentralize their power structure. Decentralization leads not only to a decrease in their power and influence but also erodes established modes of command, control and respect. Thus, in Nepalese administration, decentralization of authority has become more or less a matter of lip service and paper promises. Second, because of the power-oriented value system, government jobs which entail power are still preferred over jobs in the private sector, and university services are neglected even though the latter might fetch more income and facilities. The following table shows the choice of job preferences.

TABLE 24

AFTER COMPLETING UNIVERSITY EDUCATION, WHAT KIND OF
PROFESSIONAL JOB DID OR DO YOU PREFER?

Items and Scale	Number	Percentage
1. Working with CEDA	13	15.29
2. Working with the government	32	37.65
3. Working with the university	13	15.29
4. Working with a corporation	21	24.72
5. Working with private enterprise	2	2.35
6. Working with my own business	2	2.35
7. I don't know	2	2.35
	85	100.00
Not responding: 15		

Atmosphere of Favoritism and Nepotism.

- (h) Favoritism and nepotism, which have a long history, have been internalized in the Nepalese administration. The major factors leading to such persistence are mainly four in the Nepalese context: (1) family relationships; (2) personal friendships; (3) racial and ethnic affinity; and (4) regional affinity.

Who is related to whom, and who has what sort of linkages with whom are the major influential factors in administrative behavior in Nepal.

The personal friendship ties play a vital role in recruitment, appointment, nomination, transfer, promotion, etc. A good friend in the power-structure generally considers it his duty to help his friend who is in need.

In the context of Nepalese society, where people belong to a variety of racial and ethnic groups, racial and ethnic affinity contribute to the atmosphere of favoritism and nepotism. An influential power-holder of a particular ethnic group does not hesitate to recommend another person of his ethnic community, although the latter might be unknown to him personally. In fact, a Gurung favoring another Gurung, a Newar having favorable attitudes toward another Newar, a Brahmin doing a favor for another Brahmin are notable characteristics of Nepalese administration.

Last, real affinities arise from belonging to the same village, district, zone or even region. These may bring persons closer and incline them to favor each other in the administrative structure even though they lack family and friendship ties and racial or ethnic affinity.

Discrepancy Between Norms and Practices.

- (i) Nepal is a prismatic society, characterized by a high degree of formalism: that is to say, by the degree of discrepancy or congruence between the formally prescribed and the effectively practiced, between norms and realities. Nepalese administration is under the spell of formalistic behavior resulting from the lack of pressure to fulfill program objectives and the existence of great permissiveness for arbitrary administration. To find illustrative examples of such formalistic behavior is not difficult. The land reform program introduced in Nepal provided for a ceiling on the size of landholdings. But, since it was introduced only gradually, many big landlords got the opportunity to conceal their excessive landholdings, thereby defeating the very objective of the ceiling. Similarly, promotion criteria have been fixed in the civil service rules,

but, from time to time, promotions have been given arbitrarily, ignoring these legally established procedures. Such examples can be found in abundance.

- (j) Even if Nepalese bureaucracy were structured rationally, it is not conducted by those who have internalized impersonal norms. The rules and regulations officially proclaimed to define the bureaucratic process and the methods of action have neither been fully operationalized nor has their use been impersonal. Not only is discretion always preserved for decision makers while they formulate any rule or policy, but the rules and policies themselves are easily abrogated in implementation, if self-interest seems to require it.
- (k) Decision-making power in Nepalese public administration flows from two power centers, i.e., the Royal Palace Secretariat, which has virtually total power, especially in political and administrative decision-making; and the Central Secretariat, which, as a secondary center of power, simply executes these decisions. With respect to this situation, survey participants were asked where the political pressure in administration comes from. (See table 25 below). A plurality of the

TABLE 25

DO YOU BELIEVE THAT MOST OF THE TIME POLITICAL PRESSURE
IN NEPALESE ADMINISTRATION COMES FROM:
(Check as many as you consider applicable.)

Items and Scale	Number	Percentage
1. Ministers	64	26.67
2. Members of Rastrya Panchayat (National Assembly)	47	19.58
3. Your superior officers	21	8.75
4. Palace officials	54	22.50
5. Army and police officers	10	4.17
6. Influential political leaders	22	9.17
7. Business groups	13	5.41
8. Landed and wealth people	9	3.75
As multiple options could be selected, the number of responses (240) does not correspond with the number of respondents (88).	240	100.00

respondents (26.67 percent) stated that political pressure in administration comes from ministers; 22.5 percent and 19.58 percent, respectively, responded that political pressure in administration is imposed by Palace officials or by members of the National Assembly.

- (l) Despite that, on the surface, Nepalese administration seems to be dominated by those who appear modern in outlook, development-oriented and professionally competent, it has not yet been able to play a truly modern role. The influx of a large number of young educated Nepalese with distinctly modernist views into the administration had not yet has much demonstrable impact on the administrative system, since they have had to accept the established operating procedures, values, norms and behavior in order to survive in such complex and competitive institutions.
- (m) Political growth in Nepal has favored executive over legislative functions and institutions. Strong legislative scrutiny is not practiced. Further, there are no really practical forms of administrative, quasi-judicial, recourse available to the public.

In the absence of either a strong legislature or judiciary, the bureaucratic machinery has become so strong that any measures to fight against corruption through institutions like the "Anti-Corruption Department" or the "Commission for Prevention of the Misuse of Authority" are nothing more than an attack on the symptoms, not on the disease of corruption itself. Persons or groups of persons involved are linked to the top administrative hierarchy and thus get extra protection from different sources. Administrative, as well as political, corruption in Nepal has become so institutionalized that the practice is widespread "at every level of the polity, administrative, as well as in the upper and lower levels of the bureaucracy."⁶

At present, the biggest administrative problem is how to strengthen bureaucratic capabilities, halt favoritism and nepotism, eliminate rapidly growing misuse of political and administrative power and promote efficiency. Nepal is still a long way from achieving these fundamental

objectives of institutional development. Patronage still influences many appointments, promotions, and benefits; the evaluation of a senior administrator depends on his loyalty to the Royal Palace and support by political leaders, rather than his capacity for performing his administrative duties. Even a significant increase in the number of trained and competent personnel in key departments and agencies of the government has not altered this state of affairs. In 1980, for example, three cabinet members with solid educational backgrounds (Ph.D.), who had also served as secretaries of government departments for quite a long period of time and were later selected by the king as ministers of their respective departments, were found to be involved in the "Carpet Scandal" and in "import and export licensing" irregularities. They were ritually dismissed by the king for awhile, but later were reappointed as ambassadors and representatives in different countries.

The Nepalese bureaucratic pattern is traditionally not innovative. Nonetheless, some innovative tendencies survive. The innovative factors are always enthusiastic, and their work is guided more by reason and rational attitudes than that of their conservative counterparts. The composition of these innovative forces can be better understood by classifying them into four categories on the basis of their working quality, behavior and outlook.

1. Those who work sincerely for a higher quality of performance, but without the blessing of the higher echelons;
2. Those who work neither sincerely nor ably, but who are blessed by the higher echelons;
3. Those who work sincerely for higher standards and who also have the blessing of higher echelons; and
4. Those who demonstrate neither quality nor support from higher echelons.

Categories 1 and 4 have less probability of survival and success. The probability becomes least when some doubt exists as to their sincerity.

Change and development are group phenomena. Single individuals, regardless of how creative or how motivated they might be, are likely to find it difficult if not impossible to give expression to their innovative tendencies in a stultifying group environment.⁷ To ascertain respondents' perceptions respecting these matters, three categories of questions were asked, dealing with: (i) innovative climates and behavior; (ii) achievement-oriented attitudes; and (iii) attitudes toward social change within the Nepalese bureaucratic structure.

(ii) Innovative Climate and Behavior of Nepalese Bureaucracy.

This survey was conducted among different groups of participants in order to secure a broader range of perceptions on the Nepalese bureaucratic machinery. The survey findings are mixed. Clearly, few perceive an innovative climate. Few individuals, for example, were perceived as looking for new ideas, and even smaller numbers were seen as willing to take risks. This implies that bureaucrats wish to avoid conflict and maintain job security. This is to be expected, since Nepal is a conservative society in which almost any form of innovation runs the risk of conflict and may threaten institutional monarchy. From this perspective, it appears that Nepalese bureaucracy is poorly suited to play the developmental role envisaged by programmatic planning, Royal speeches and other rhetorical commitments. (See table 26.)

(ii) Achievement-Oriented Attitudes: If a bureaucracy is to play a vigorous developmental role, it would appear to be essential that its members be aggressive in their desire to achieve their professional goals.

TABLE 26
INNOVATION AS A GROUP DYNAMIC

Items and Scale	Number	Percentage
<u>Item 1: Nepali bureaucrats are receptive to new ideas.</u>		
1. All of them	11	12.09
2. Most of them	17	18.68
3. Few of them	51	56.04
4. None of them	<u>12</u>	<u>13.19</u>
Not responding: 9	91	100.00
<u>Item 2: Nepali bureaucrats are primarily concerned with job security.</u>		
1. All of them	71	77.18
2. Most of them	15	16.30
3. Few of them	6	6.52
4. None of them	<u>0</u>	<u>0.00</u>
Not responding: 8	92	100.00
<u>Item 3: Nepali bureaucrats attempt to avoid conflict.</u>		
1. All of them	43	47.25
2. Most of them	38	41.76
3. Few of them	10	10.99
4. None of them	<u>0</u>	<u>0.00</u>
Not responding: 9	91	100.00
<u>Item 4: Nepali bureaucrats are unwilling to take risks.</u>		
1. All of them	70	73.68
2. Most of them	15	15.79
3. Few of them	7	7.37
4. None of them	<u>3</u>	<u>3.16</u>
Not responding: 5	95	100.00

In this regard, one would expect that their desire for achievement would involve a willingness to take risks, willingness to go to the rural villages and willingness to apply their professional expertise and skills even in uncomfortable environments. In order to investigate these aspects of bureaucratic behavior, the questionnaire contained the following items. (See table 27.)

TABLE 27
ACHIEVEMENT-ORIENTED ATTITUDES OF NEPALI BUREAUCRATS

Items and Scale	Number	Percentage
<u>Mobility Attitude Items: Given the option, which of the following would you prefer?</u>		
<u>Item 1:</u>		
1. A higher paying job away from parents and relatives	35	36.46
2. An adequate paying job near parents and relatives	<u>61</u>	<u>63.54</u>
Not responding: 4	96	100.00
<u>Item 2:</u>		
1. A position of high authority and responsibility away from parents and relatives	43	44.33
2. A position of moderate authority and responsibility near parents and relatives	<u>54</u>	<u>55.67</u>
Not responding: 3	97	100.00
<u>Work Environment Attitudes: Given the option, which of the following would you prefer?</u>		
<u>Item 1:</u>		
1. A position with high pay in a rural area	28	29.17
2. A position with adequate pay in a major city	<u>68</u>	<u>70.83</u>
Not responding: 4	96	100.00
<u>Item 2:</u>		
1. A position with high authority and responsibility in a rural area	33	35.11
2. A position with low authority and high responsibility in a major city	<u>61</u>	<u>64.89</u>
Not responding: 6	94	100.00
<u>Item 3:</u>		
1. A low paying job with a pleasant environment	68	71.58
2. A high paying job with an uncomfortable environment	<u>27</u>	<u>28.42</u>
Not responding: 5	95	100.00

The responses show that Nepalese bureaucracy is not only lacking in innovative thrust but also totally lacking in achievement motivation. Indeed, neither high salaries nor prestige were adequate incentives to induce changes in attitudes, such as to work in the rural areas, to accept high-risk positions or to apply professional skills in remote areas. These results indicate that Nepal's development process faces substantial problems in motivating its bureaucracy to join in the battle for modernization.

(iii) Attitudes Toward Social Change: The results of the survey indicate that a majority of respondents, 67 percent, feel that it is best to cancel programs that might cause social conflict. Approximately 79 percent of the respondents stressed the view that modernization should not pose a threat to traditional values. (See table 28.)

TABLE 28

ATTITUDES OF NEPALI BUREAUCRATS TOWARD SOCIAL CHANGE

Items and Scale	Number	Percentage
<u>It is best to change or cancel programs that cause social conflict.</u>		
1. Strongly agree	21	23.08
2. Agree	40	43.96
3. Disagree	25	27.47
4. Strongly disagree	5	5.49
Not responding: 9	91	100.00
<u>Social change should not be instituted at the expense of traditional values.</u>		
1. Strongly agree	27	28.42
2. Agree	48	50.53
3. Disagree	15	15.79
4. Strongly disagree	5	5.26
Not responding: 5	95	100.00

Nepali bureaucrats, then, are predisposed to avoid programs that might alter the social status quo. This orientation clearly provides a built-in bias against innovative development programs, for innovation, if successful, can only result in change.

Clearly, the bureaucratic machinery in Nepal firmly believes in the maintenance of traditional values and demonstrates a pervasive concern for job security. To change means to take risks. Rather than take risks, it is far better to implement development programs consistent with Nepalese traditional, religious and political values, and even these with extreme caution.

The Nepalese bureaucratic system reflects the absence of a strong sense of achievement motivation. In Nepalese society, respect is most likely to be accorded on the basis of family background, age, monetary success and intrapersonal links rather than on professional status based on achievement.

Turning to other forms of bureaucratic behavior, we also find a link between the desire for prestige and the reluctance of bureaucrats to work in the countryside. To work in Kathmandu, where access to the top administrative hierarchy is possible, is prestigious, whereas a rural, or in any other sense, "dirty" or manual job is not prestigious, regardless of salary.

Usefulness of the Institution-Building Model

The objective of this study of CEDA was to test the usefulness of the Institution-Building Model as a research guide for studying institutions in developing countries. The model was used in the study. Each of the three central hypotheses was analyzed in terms of the different

variables provided by the Institution-Building Model. The following strengths and weaknesses were found:

Strengths

1. The model does provide a basis for understanding the process by which organizations become institutions. Furthermore, it suggests ways in which variables can be manipulated to achieve desired goals.

2. The model is a useful theoretical framework for organizational analysis. In this study, internal variables (doctrine, leadership, programs, resources and structures) were useful in determining CEDA's internal administrative capability. The external variables (functional, enabling, normative and diffuse linkages) were extremely useful in detecting CEDA's weaknesses in its relationship with the environment.

3. The model was also useful for measuring relative performances through the tests of institutionality (survival, environmental approval and normativeness.)

4. Contrary to other existing models which are highly abstract and theoretical, this model is quite practical and useful.

5. The case study of CEDA institution building and development has provided a research tool for studying and analyzing other institutions in Nepal. Moreover, this model has provided effective guidelines for studying public organizations in other developing countries.

By way of illustration, Jamil Jreisat (1968) has applied the model to provincial administration in Jordan. Jamil saw the strengths of the Institution-Building Model as:

1. Its utility in providing an understanding of the internal processes of the administration of institutions;

2. Its emphasis on environmental interactions and their effects on institutions;
3. Its utility for studying institutions in developing countries;
4. Its usefulness in identifying obstacles to effective performance of institutions; and
5. Its utility for providing a basis for intertemporal and interspatial comparisons of institutions.⁸

Similarly, Milton Esman (1972) summarizes the usefulness of the Institution-Building Model in the Malaysian administrative environment as follows:

The institution-building perspective proved to be a useful strategy for guiding administrative reform in Malaysia. Intellectually, it was able to account for the problems that arose and for the successes and failures that were experienced in the early years of the Development Administrative Unit. Operationally, it provided a model of the processes to be pursued, a checklist of factors to be taken into account, a method of mapping the terrain, and a set of criteria for guiding decision. The institution-building orientation is particularly useful for induced and guided change in relatively stable bureaucratic system.⁹

Weaknesses

1. The main problem with the model is the lack of precision in measurement. It is difficult to assign relative values to the variables and, consequently, hard to determine precisely the degree of institution-alization of transactions and linkages, competing positive or negative influences, etc. The forces which are at play can often be objectified by little more than a plus or minus symbol. Nevertheless, there is the hope that with experience more sensitive yardsticks will be found.¹⁰

2. With respect to the environment, the model does not differentiate between the general and the immediate environments. Thus, it was necessary to separate them analytically in this study. The immediate environment is that which interacts directly with the organization. In

the case of CEDA, its immediate environment is the university and the national government where the organization concentrates all its operations. The general environment includes those elements which influence the organization but which do not constitute the focus of its activities; for example, the economic system, the cultural system, the social structures, etc.

3. Some overlapping between the tests of normativeness and influence were noted. More clarification is needed to conduct the two tests effectively.

4. Regardless of the merits and demerits that may be attributed to the institution-building approach as an instrument to bring about purposeful, innovative, microadministrative change, or to serve as a research tool to understand those changes,¹¹ we find the Institution-Building Model approach inadequate to meet our needs, both as a guide to action and as an approach to explain, understand and guide political and administrative changes.

Each model has its own strengths and weaknesses. As pointed out in this chapter, the Institution Building Model receives more severe criticism from social science researchers who see it as not precise enough to yield useful research hypotheses. To some, it is a peculiar mix of rather traditional public administration constructs with sociology and organizational theory. Some argue that institution building concepts are of little help in making choices of priorities among alternative sectors, such as education, health, family planning and agriculture.

Although it is well known that this model has limitations, its field testing and the recognition of its validity by those with experience

in the complex processes of institutional development attests to its practical utility in providing guidelines for those giving leadership to the process. It may well have usefulness within present attempts to build or modify domestic institutions so as to link them more effectively with their environment.

The main positive contribution of the institution building model is that it offers the practitioner a set of concepts and relationships which yields a sharper insight into the process of strengthening institutions. Since institution building is a major component of concerted modernization efforts generally this contribution is important. Those local or foreign--who are engaged in institution building under the labels of agricultural development, planning efforts, educational or family planning projects, etc. can benefit from this conceptual approach to viewing their tasks. In addition, the model is useful in gauging progress toward institutional maturity. It serves as a very useful device for evaluation and maturity testing and helps to improve the task of those actively engaged in building institutions.

Using the institution building model might bring to the surface many necessary problems for the consideration of policy makers and program directors. How much support does the program have from the top echelon of the government agencies, and will this support be permanent? Are there resources to match the innovative goals--for how long and on what conditions? What support does it have from the public agencies and through what mechanisms will this support be maintained? The institution building framework reflects, and endeavors to specify more directly, what the environment of the organization comprises. In particular,

it draws attention to how well the organization is managing its various linkage relationships and these include especially the necessity for the organization to influence the rules and norms of its environment.

Notes

1. The New Education System, the National Development Services, the Institutionalization of Rice Export, the Go to the Village National Campaign, and several others were created in order to consolidate active royal leadership in the partyless panchayat system. They were politically and economically supported by the government and also were protected by the environment. Among these institutions, Go to the Village National Campaign (GVNC) officially became apparent that it was designed to introduce a new era of national resurgence which could be achieved by consolidating the feelings of nationalism and national solidarity in conformity with the principles of a partyless system. But in the course of time, the GVNC became a cornerstone of political activity. It expanded its political roles and served two major functions: first, it acted as a safety-valve mechanism through which the king indirectly controlled the political activities in the country; second, it served as a "king's political party" in the partyless panchayat polity by which only bona fide loyal royalists are enrolled in the political and the administrative system of Nepal. Today, these institutions have virtually collapsed; they have no existence in the system.
2. CEDA: Progress Report, 1973 to 1976, p. 5.
3. Ferrel Heady, Public Administration: A Comparative Perspective, 2nd ed., revised and expanded (New York: Maral Dekker, Inc., 1979); Naomi Caiden and Aaron Wildavsky, Planning and Budgeting in Poor Countries (New York: A Wiley-Inter-Science Publication, John Wiley and Sons, 1974).
4. Ira Sharkansky, Public Administration: Policy Making in Government Agencies (Chicago: Markham, 1972), p. 27.
5. William J. Siffin, "Introduction," in Approaches to Development: Politics, Administration and Change, ed. John D. Montgomery and William J. Siffin (New York: McGraw-Hill, 1966).
6. Sola Aina, "Bureaucratic Corruption in Nigeria: The Continuing Search for Causes and Cures," International Review of Administrative Science 48 (January 1982): 70.
7. Dorwin Cartwright and Alvin Zander, eds., Group Dynamics: Research and Theory, 3rd ed. (New York: Harper and Row, 1968).
8. Jamil E. Jreisat, Provincial Administration in Jordan: A Study of Institution-Building (Pittsburgh: Graduate School of Public and International Affairs, University of Pittsburgh, 1968), p. 167. (Mimeographed--Part of Inter-University Research Program in Institution Building, September 1968).

9. Milton J. Esman, Administration and Development in Malaysia: Institution Building and Reform in a Plural Society (Ithaca, NY: Cornell University Press, 1972), pp. 292-93.
10. Milton J. Esman and Fred Bruhns, Institution Building in National Development: An Approach to Induced Social Change in Transitional Societies (Pittsburgh: Inter-University Research Program in Institution Building, University of Pittsburgh, 1965), p. 27.
11. William J. Siffin, The Thai Institute of Public Administration: A Case Study of Institution Building (Pittsburgh: Graduate School of Public and International Affairs, University of Pittsburgh, 1967), pp. 43-62. (Mimeographed--Part of Inter-University Research Program in Institution Building.)

CHAPTER IX

CONCLUSION

The institution-building approach presupposes that the introduction of change takes place primarily in and through formal organizations. When these organizations are change-inducing, change-protecting, and formal, they are considered to be institutions. These organizations and the new patterns they foster become institutionalized, e.g., meaningful and valued in the societies in which they function. This involves a complex set of interactions between the institutions and the environment.

The basic approach of the Institution-Building Model is the assumption that the efficient assimilation of new physical and social technology requires that the environment provide supporting values, norms, processes and structures which usually are not present when new technologies are introduced. Changing the environment to complement or accommodate the new technologies is an integral part of development. Since those new technologies are primarily introduced in and through organizations, the supportive values, norms, processes and structures must be institutionalized in and through organizations.

Several strategies for institution building are suggested. One is that rather than creating an entirely new institution, an existing

one should be strengthened unless (1) important groups within the society perceive that the existing institution is discharging its functions inadequately or is neglecting activities which it should be performing, or (2) the original institution is not catering to emergent needs or demands within its field of jurisdiction. When the existing institution has a widely diffused internal power structure, the appropriate strategy would appear to be an attempt to create a new unit within the existing institution.

The Institution-Building Model indicates to the institution builder the possible areas of problems, like leadership. It says that one of the criteria of leadership is the ability to use and manage resources. Therefore, if the institution builder sees that the leader of an institution is not using resources properly, he can feel sure that the institution will not be a success. The Model also indicates to the institution builder, the person in authority, what the cost of an institute will be, what effective linkage relationships are and several other strategic questions. It indicates not only monetary but also social and political costs. Thus, the Institution-Building Model is not a blueprint to tell what to do but a resource to help to identify what the consequences of a particular approach will be.

The resources relevant to institutional building include not only the financial, physical, human, technological and informational inputs of the institution, but also economic resources, information, status, authority, force, legitimacy and support. Through their possession and use, they determine the value of time. As a rule, the longer an institution has them, the greater output or value occurs. This is an indisputable phenomenon of the development of an institution.

The institution-building approach thus argues: (1) that technology is a key to development. Technical assistance from a donor country or international organizations should become compatible with the host country's environment; (2) that leadership is one of the critical and viable factors of institutional development; and (3) that normative factors "support acquisitions" are the critical concern in building institutions to deliver technology in order to accomplish developmental fruits.

Nepal has a very different and difficult environmental situation. One of the basic problems of institution building is the clash of two classes of people. One class is oriented to modern and innovative values, and the other is oriented to traditional ideas and preconceived notions. These two different orientations make for real constraints which prevent the establishment of favorable linkage relationships among different institutions. Thus, how can we build institutions when we cannot communicate ourselves?

In any developing country, development is a process of creative destruction. In other words, we have to try to destroy any outmoded and traditional school of thoughts and institutions in the process of creating new institutions. In Nepal, we are trying to create new institutions without removing traditionally preoccupied existing sociopolitical structures, which is also a fundamental problem of development.

Nepal's craze of modernization has also resulted in the creation of a large number of institutions. These modern institutions, whether they are Nepal's civil and political institutions or its public corporations or its educational institutions, all are faced with critical problems of management, leadership, productive linkages and lack of commitment

to the goal of change. People have lost their faith in the rules that were initially framed for their guidance, as they were respected more in their breach than in their observance. As a result of this, what had once appeared to be viable institutions have proved to be rootless and lifeless imitations. For instance, institutions like the New Education Plan, the National Development Service, the Go to the Village National Campaign and several others which were financially and politically guarded by the government could not exist in the environment: they collapsed. When the rules meant for the operation of these institutions prove undependable, the only recourse left for the people involved is to turn to personal loyalties and attachments.

The infallible maxim of success in Nepalese administration and politics has been that the closer one can get to the palace circle, and the longer one can remain in power and politics, the greater the chances of one's success. Members of the royal family--the king's brothers, sisters, brothers-in-law, aunts and uncles--have also been placed in charge of different social, political and economic institutions, not just as honorary chairpersons or patrons, but as effective heads of the executive committees of these organizations. In addition, these members of the royal family also own and control huge numbers of important and prolific business undertakings in Nepal. They own sawmills, distilleries, oil mills, shipping industries, hotels, transport businesses and travel agencies. Thus, an active involvement of royal family in various social, political and economic organizations, plus day-to-day administration of the affairs of the country, has resulted in a state of insecurity and uncertainty in the country.

Nepalese society is tightly ruled and controlled by the innermost circle of the royal palace; just eighteen individuals may be said to represent the hard core of the Nepalese political and administrative elite in the sense that they enjoy more influence with the patrimonial leader than anyone else. The modern, educated elite, with their Western educational background and values, have not been able to withstand either the strain of poverty or that of prosperity. They have developed a split mentality--frustration and restlessness. They find themselves cut off from the mainstream of national life and culture, with the result that they can fit nowhere. More understandably, the masses have also failed to generate social and political awareness. Sunk in their ages-old way of life, they are merely intrigued by the forms of technological, social and psychological changes which they see about them but whose contents are largely inexplicable to them.

As a result of this, the great majority of the people neither are productive nor do they receive distribution of resources. The problem, then, is to spread the resources out and down to raise the productivity, not only economic, but also social and political productivity of these people. One of the ironies of the institution-building process is that the enabling and establishing linkages are not to this poor majority but to the resourced minority. Therefore, just establishing an institution is not a step in development. The institution must begin to spread the resources among the population and to change the environment in order to be considered a developmental organization.

The institution builder of Nepal must be concerned with discovering what institutions are already there before making assumptions as to

what new or additional institutions may be needed. Creating a new institution to carry out the functions of an already existing institution does not solve the developmental problem. It may mean a minor or major shift in doctrine; it may mean duplication of authority; it may mean lack of linkage relationship; it may mean additional resources; it may mean leadership crisis or clash; it may mean rejection and conflict; and it probably must mean a change in the program of the old organization. It is often much easier to add a new program to an old institution than it is to create a new institution merely to have a new program.

The Center for Economic Development and Administration (CEDA) was a victim not of failure but of growth of similar types of institutions fulfilling the same kind of program objectives. CEDA, as an institution, was not viewed as a thrusting instrument of bureaucratic change; it could not enjoy the confidence of royal palace bureaucracy; it lost its reputation from central bureaucracy; and clearly it was not perceived as a continuing innovator.

The staffs of CEDA were certainly aware of prospects of change and probably were inclined to favor change, but they did not perceive themselves as major vehicles of these changes because of an unfavorable political process of Nepal.

It can be concluded that between 1969 and 1975, CEDA had become established in the sense that it was a growing concern with a program, a staff, a set of clients, an acceptable identity and a stable supply of resources sufficient to enable it to continue. Although not clearly articulated, the doctrine used in this process was a series of postures toward the Nepalese bureaucracy--attack, adjust, accept and explain. Its

doctrine was such that even after ten years that institute had not produced forceful evidence that it had reached into the environment and set performance standards and process patterns which were guidelines for other organizations in the society. In general, the Center was accepted rather than highly valued by its environment. In its original stage, the Center had acquired sufficient acceptance and meaningfulness in its setting to be relatively free from threats. But its meaningfulness did not lie in its perceived value as a significant innovative institution, nor was it a function of its ability to confer important changes in status upon its clients. Internally, the Center was faced with a sharp split in the structure of its leadership.

We are making an assumption here of what development is. In Nepali context, it means an increase in economic, social and political activity. It means a movement toward the values that the society holds.

Therefore, every society has to define what values it will move toward and what development means to it. This may be very different in different societies. But whatever the goals of a given society, an institution in that society has either positive or negative consequentiality for searching these goals, i.e. the institution must produce a product that is useful and effective in furthering the development of the society. If the institution produces such a product, it is an effective agent for development.

Another force for development is that of institutional innovativeness. If a society is changing, an institution within that society must change its structure, program and doctrine in order to keep abreast of such social changes. Thus, an institution that has these characteristics

and is constantly following its products into society to determine by analysis how effective they are for development is more likely to be an effective force for development than one which does not.

There are forces operative in a society that tend to make an organization ineffective for development. There are other forces, if one activates them, which tend to make the same organization effective for development. These two sets of forces pulling in opposite directions on an institution tend to create tension. An institution may produce quite effectively products which are absolutely useless for development. This kind of institution, judged as an instrument of development, has no right to exist, to live and to use up the resources of society. From a developmental point of view, an institution's only reason for being is that it is an effective instrument as seen by the society for its development process. However, if an institution does not want to change but simply wants to go on producing whatever it is presently doing, then this Institution-Building Model does not apply. The maladies in our institutions must be remedied in such a way that the institutes become compatible with an environment. Simply copying other institutes, creating new institutes or prescribing solutions that have been found helpful in other countries does not solve the problems.

In the early 1960s, institution-building studies were touched off by the urge to find better means and methods for international assistance and for evaluating the effectiveness of such means and methods. The formulations developed so far have been used mostly in projects involving U.S. technical assistance in Africa, Asia and Latin America--projects that required new institutions or the major expansion and pervasive

renewal of existing institutions. The concepts which institution building incorporates have proved useful both in designing new organizations and in developing innovative subsystems within existing organizations as well as in understanding failures.

Among many technical assistance programs, such as agricultural development, family planning, education, irrigation, communication, etc., CEDA was also a product of such assistance programs initiated by the USAID, the Ford Foundation and the Tribhuvan University, Kathmandu, Nepal. In its first seven years of institution building and development effort in Nepal, CEDA demonstrated an exceptional quality and efficiency to produce better and qualitative outputs than other competing organizations. It conducted high level executive training programs for government officials and launched a wide variety of problem-oriented, socio-economic and administrative research activities. In addition, it also maintained its autonomy and influence in the environment.

As time passed, CEDA could not maintain its institutional character; its importance as a valuable agent for institution and development gradually eroded. The organization is not able to induce changes and disseminate its program, values and activities throughout the country. The research scholars were given limited opportunity and freedom. Research was required to be consistent with the political environment of the country. These problems included CEDA's internal and external weaknesses. The internal weaknesses are:

- (i) Frequent changes in leadership of the organization has brought new styles, new behavior, new ideology and new programs. Presently, the leadership of the organization is politically biased. The selection, type and quality of leadership are not judged through organizational perspectives; but rather by political considerations;

- (ii) the organization has not been able to create regional and zonal centers throughout the country to give closer attention and better assistance to local problems. Most of its activities are centered on politically sensitive areas and surrounding districts of Kathmandu;
- (iii) and finally, CEDA does not have its own effective personnel service rules. The Center has to follow prescribed personnel service rules of the Tribhuvan University which have been designed and approved by the Ministry of Education. This arrangement expresses a feeling of job insecurity and has led some valuable staff to leave the organization, looking for job security in other places. These internal weaknesses have to be given serious thought if CEDA's performance is to be improved.

As for external problems, they can be listed as follows:

- (i) The organization has failed to establish favorable relationships with some of its most important environmental linkages such as, national legislature (National Panchayat), government bureaucracy, the University and public and private organizations;
- (ii) the organization has limited financial autonomy, the government has appreciably reduced budgetary appropriations and research grants have not been adequately approved;
- (iii) and finally, due to the emergence of different institutions, the Center has lost its reputed credibility.

Placing CEDA's situations, internal and external, into theoretical concept of institutionalization, it seems not to qualify as a fully institutionalized organization. As Phillip Selznick, for example, explains, institutions are those organizations which have the ability to guide their acceptance by other organizations and groups in the society by infusing the values and changes they are supposed to introduce.

These problems of CEDA must be resolved by His Majesty's Government of Nepal, the Tribhuvan University, national leaders and influential educated elites if CEDA is to become a viable and effective institutionalized organization. With the exception of a few minor

administrative obstacles, the majority of the problems in CEDA are of a political nature. Thus, it is suggested that instead of politically controlling the existing organization or creating new organizations, it would be more appropriate to revitalize and rebuild an existing one that would help to marshall the brain drain and available money, talent, resources, prestige and reputations. In short, it is also suggested, in the context of Nepal, that political objectives must go hand in hand with social development and planning.

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