

CHAPTER - I

INTRODUCTION

1.1 Background of the Study

Local government has been defined in numerous ways. It has been defined in the Encyclopedia as "an authority to determine and execute measures within a restricted area inside and smaller than the whole state. The variant local self-government is important for its emphasis on the freedom to decide and act. According to Stone (2015) "Local Government is that part of the government of a country which deals with those matters which concern the people in a particular locality." He point out further that it acts as the communities housewife, in that it makes our surroundings fit of live in, builds our surroundings fit of live in, it keeps the streets clean, educates our children, builds our house, and does all those other similar jobs which enable us to lead a civilized life. Rao (2014) point out that, "Local government is that part of the government which deals mainly with local affairs, administered by authorities subordinate to the State Government but elected independently of the state authority by the qualified residents. In the words of Clarke (2001) "Local Government appears to be that part of the government of a nation of state which deals mainly with such matters as concern the inhabitants of particular district of place." A more appropriate definition of Local Government has been given by Rao (1962). To him, "Local Government is the administration of a locality-a village, a city or any other area smaller than the state-by a body representing the local inhabitants, possessing a fairly large amount of autonomy, raising at least a part of its revenue through local taxation and spending its income on services which are regarded as local and, therefore, distinct from state and Central services. Local self-government is the government of a specified locality by the local people through the representative elected by them.

The local development approach considers the endogenous potentialities of territories. Economic and non-economic factors influence local development processes. Among the non-economic factors, social, cultural, historical, institutional, and geographical aspects can be decisive in the process of local economic development. Development is a never ending & ever challenging process of changing society towards its positive goal which needs multidimensional efforts.

It is believed, in conclusion, that Nepalese youths are more committed for the local development compared to other South Asian countries. But nowadays particularly youth are distracting from the agriculture field. They think once they have some academic degree, it's not good to work in agriculture field and playing with mud plough etc. is not feasible option and move out of the village in search of employment. Due to lack of standard guidelines and lack of clear vision of government is one of the serious drawbacks for the slow development of youth in Nepal. Utilization of Local Development Grant in Rural Area is one of the better

solutions for the advancement of the local level in the country, which can be taken as the solution of solve.

1.2 Statement of the Problem

Utilization of Local Development Grant is one of the burning and perplexing issues in the current arena. Most of the leaders as well as planners feel that utilization of local grant is very serious issues in the developing areas which have so many practical challenges. Present study tries to find out such issues.

Utilization of Local Development Grant in Mohottari Rural Municipality is a type of study that is long overdue. To the best knowledge of the present researcher no on study has done regarding the accessibilities and techniques of allocation of budget, distribution budget system, source & utilization of Development of the budget.

Utilization of Local Development Grant in Rural Area is perhaps the most crucial factor in the development of any society. In one hand it should be product of the socio-economic, cultural and historical background of a particular society on the other hand it plays a critical role for advancement of human hood which shapes the nature and development of society.

Nepal is a predominantly a rural country. Nepal doesn't have a long history in modern development practices. Local community development is the grassroots level of development. Local self-Governance Act 2055 has given decentralization power in local bodies like District Coordinate Committee, Municipality & Rural Municipality. Local level development activities influences different sort of people like local level leader, elite person, bureaucratic & reach person because of their vested interest local development activities does not function properly. For the research, the following research question is carried out:

- i) What are the accessibilities of the budget allocated for the Damaimadi area?
- ii) What is the utilization system of local development grant available in Mohottari Rural Municipality?
- iii) What is the distribution pattern of the budget for the Mohottari Rural Municipality?

1.3 Objectives of Study

The general objective of the study is to examine the utilization system of local development grant available in Mohottari Rural Municipality.

The specific objectives are

- i) To examine the accessibilities of the budget allocated for the Mohottari Rural Municipality-3.
- ii) To assess the utilization system of local development fund available in the study areas.
- iv) To analyze the distribution pattern of the budget for the study area.

1.4 Rationale of the Study

The study is focused on the budget distribution and its effectiveness in the Mohottari Rural Municipality. In the local community people are the first response, their equal participation is must in every steps of development plan. Decentralization act 2055 has also focused on maximum participation of people.

The study also focuses on utilization of budget on Mohottari Rural Municipality which is influence for local people in the sector of education, health, drinking or empowerment, Children development and others. This study provides several information of the situation of the Nepalese local community with the references of Mohottari Rural Municipality. Utilization of budget and its scope, necessity, structure, composition, and overall impact of rural areas of Nepal. Effective and appropriate utilization of development grant is focal point of the study. It is also useful for the researcher, policy makers and general students. The study also provides important information of our budgetary system and contribution of development grant.

1.6 Limitation of the Study

This present study was based on and limited to the people of Damaimadi areas of Mohottari district. The study is very specific like that of case studies. So the conclusion was drawn from

the study might not be conclusive. The interferences might be valid to some extent to those areas, which have socio-economic. There are certain limitations of the study which are as follows:-

- 1) The first & major limitation of study is focused only on Mohottari Rural Municipality ward no. 3 of Mohottari District.
- 2) The research was conducted for the academic & based on certain data.
- 3) The area of the study Mohottari Rural Municipality confined by budgeting distribution.
- 4) The focal point of the study is only local development.

1.7 Organization of the Study.

The study has organized the research paper into five chapters. The contents of these five chapter are discussed below.

Chapter-I: Introduction

This chapter deals with the subject matter consisting of Background, Statement of Problem, Objective of the Study, Significance of the Study and Organization of the Study.

Chapter-II: Literature review

This chapter is a theoretical framework concerns with the review analysis of available literature and review of articles of past studies. This chapter includes conceptual review of empowerment and review of women empowerment through microfinance.

Chapter-III: Research Methodology

Research methodology deals with the research methodology adopted in carrying out the present research. It includes Research Design, Sources of Data, Data Collection Procedure, Data Processing, Data Analysis Tools, and Limitation of Methodology.

Chapter-IV: Data Analyses and Presentation

Data analysis and presentation of the study deals with the analytical framework and analysis of the field.

Chapter-V: Summary and Conclusion.

This chapter of the study has consist summary of the study and conclusion.

CHAPTER II

REVIEW OF LITERATURE

2.1 Theoretical Review

The classical philosophy propounded by Smith (1723) and his supporters have view laissez-fair, equates a sound and balance budgetary policy that does not consider the fiscal deficit and public borrowing. Economic activities are best under the private

sector because they have the greed of profit thus resources are optimally and efficiently used so the classical economists were in favor of minimum role of government.

Classical economists as well as social scientists were generally against public debt. They assumed the minimum role of government in to the economic activities such as, maintenance of law and order, justice and social security. According to them economy is always equilibrium in full employment, so there is no need of government regulation. They were in favor of laissez-fair policy. They preferred balanced budget. Therefore, there is no need of public debt. Classical economists like Say, Mill, Malthus gave their argument that debt crates burden in the economy because of its unproductive nature (Singh, 1991).

Local Government is an ancient institution with modern concept (Muttalib and Khan,1983). It is an ancient institution in the sense that some sort of local government had been in existence in every phase of the history of different nation (sheathe, growth and development of local government institution in Nepal, 1989). Similarly, local government is also called an institution with modern concept in the sense that:

Unlike in the past when local government used to perform merely some regulatory function (deciding petty disputes, collection of revenues etc), the present local government performs multi-faceted function including the activities of socio-economic development and delivery of goods and services to the local people in the capacity of multi- purpose. When local government had not invariably been an elected body, the present local government in every democratic country is generally elected by the local people thereby promoting democratic values at grass-root level. In the past, when local government used to be generally perceived as an administrative outpost of the central government, presently local government being responsible and accountable to the local people occupies prominent place in the hierarchy of government.

The emergence of these new values and dimensions has caused even the replacement of the traditional nomenclature-local self- government by what is now termed as "local government" reflecting the emphatic shift in its importance, significance and role in the governance of local affairs. Despite a long standing tradition of local government system, the sound concepts and theories about it , have not yet been adequately developed. "There is" says Mackenzie (1961) "no theory of local government. There is no normative theory from which we can deduce what local government ought to be, there is no positive general theory from which we can derive testable hypothesis about what it is".

Each Rural Municipality is also divided geographically into 9 wards represented by an elected ward committee in each ward . Voters From the Rural Municipality elect the Chairman and Vice Chairman and one member from each wards through a direct ballot on the system of adult franchise. The Nepal Constitution has established as an executive body which determines the programs and policies and approve the budget of Rural Municipality. Nepal Constitution also ensure the women participation in Rural Municipality by Providing the right to nominate at least one female Member in each ward committee which is made by 3 elected member one of which must be a women . They are elected by voters from respective wards. Thus, the number of the members of Rural Municipality is elected on party basis since the nation has adopted multi party system. A Civil servant performs the role of Secretary as a Nepal Government representative to Rural Municipality for administrative support . The Voting system is based on the Man one Vote a person above the age of 18 can exercise his/ her franchise.

Local Government is an ancient institution with modern concept. It is an ancient institution in the sense that same sort of local government had been in existence in every phase of the history of different nations. Present local government performs multi faceted functions including the activities of socio-economic development and delivery of goods and services to the local people in capacity of multipurpose.

Unlike in the past, when local government used to be generally perceived as an administrative outpost of the central government, presently local government being responsible and accountable to the local people occupies prominent place in the hierarchy of government. Institutionalization of local government institution through active participation of people, promote grass root democracy through involving people in implicative monitoring & evaluate GSLIs authorized formulate plan socially, economically depressed people and backward people development leadership in Community mobilize internal and external resources.

Institutionalization of government institution through active participation of people promote grass democracy through involving people in implicative monitoring & evaluate GSLIs authorized formulate plan socially economically depressed people and backward people. Development leadership in community: mobilize the internal and external resources. Audit its financial activities: Focus to poor and backward people of power to local; empowerment thought development and decentralization; sharing of resources at local level by local authorities: judicial support to local level respect local people's opinion (Dahal, 2063)

People's Participation: The scholars of political science consider that broadening political participation is the hallmark of political development. It is the process of involvement of people at work for objective setting, programmed execution, alternative selection, decision making, benefit sharing and evaluation. It is one of the important mechanisms to influence government decision-making by private citizens. Traditional societies, participations the concern, if a small elite group who always try to exclude others foe their own benefit. The poor and ignorant ones have other things to worry about and are rarely represented in the political and decision making process. In the modern democratic systems no people can be ignored on the basic of their weaknesses. They should be treated equally and brought to a certain level of participation in decision making because if the larger mass is out of the political

process the consolidation and growth of the system is hampered. The state, in this regard, should create condition for popular participation enacting different rules, regulations and laws. The creation of several mass based organization will provide larger opportunity for many people to participate in the socio-economic and political development of the society.

Local Bureaucracy: Another important instrument of strengthening local democracy and good governance is the formation of an effective local bureaucracy. The twin objectives of local-self government are to involve the people in the decision making process and to provide goods and services to them. The former concerns the political function of the system which is carried out by the elected representatives. But the administrative functions of the service sector should be done by a carefully recruited personal team. In most countries having local self-governments as basic unit of their system, local bureaucracy is collected and recruited from within the locality. They are independent from the national bureaucracy. This kind of arrangement can make the administrative staff more responsible to the local institutions and accountable to the local people because they are from among the same people.

In regard to the personnel system in the local bodies in Nepal, provisions exist for the creation of separate Local government service and Local Government Service Commission. The local bodies are empowered to create positions according to their need and hire people permanent staff of the local government. There is also the provision for the central government to appoint Local Development officers (GDO) in the districts, Chief Executive Officers (CEO) in the Municipalities and secretaries in the Rural Municipality. Besides this, the local government institutions have also been empowered to hire temporary staff for projects they conduct within their jurisdiction. However, the local bodies are not totally free to run the local bureaucracy on their own because of provisions in the law that the chief executive in all the tiers of the system will be appointed by the central government. On the other hand, many of the clauses have been qualified by the term "as prescribed" which means that they will be obliged to accept central government agents into their organization.

The present system of the personal management in the local government institutions is a planned action of the central government. The central still does not have full faith in local government which in the long run may create more misunderstanding between, the local and the central government. The bureaucrats at the centre still have not been able to give up their traditional powers over every part of the country to be used on whim. However, total freedom in matters of selecting, recruiting and managing the personnel by local institutions will provide the necessary foundation for local democracy (Khanal, 2001).

Rural Municipality: Each village can have a Rural Municipality. It is the executive body of the Rural Municipality council which functions within a definite territory with its own personnel and financial administrative system, power and functions as provided by the law. It consists of a chairman, a vice-chairman, one elected ward

chairman from each ward, one woman member, and two other members nominated from among the members of the village council. The terms of their office and the requirements of qualification are similar to those of the council members.

The relevant act specifies for autonomy of the local body as a perpetually succeeding self-governing organized entity having its separate official seal, and enjoying, like an individual, the rights to acquire, use, and sell off its movable and immovable property, and possessing the authority to sue and to be sued in its own name in the courts. The Local Government Act, 1992 made the following provisions for the Rural Municipality.

Functions of Rural municipality: Nepal Constitution has empowered the Rural Municipality to formulate and implement development programs on the basis of its own resources, budget and grants obtained from center (HMG) and sometimes from INGOs/NGOs too. From the collection of above mentioned resources can perform following function:

To launch agriculture oriented programs to ensure and promote local people's economic standard. To formulate plans to promote the condition of transportations, communications, local cottage industry, tourism, micro-credit project, primary education historical monuments. It takes initiative for plans and programs for environment promotion by formulating plans for a forestation, preservation of places, temples and other areas of historical and social values. It will encourage promoting to adult education and will assist women, handicapped and downtrodden people by providing scholarship facilities. It shall launch programs for better distribution of drinking water, arrangement of health post, playground, irrigation etc. Rural Municipality shall launch campaign for the conservation of language, culture and historical monuments. To bill levy land tax, land revenue, building tax, market tax, tax on contract etc. (Shrestha 2004).

2.2 Empirical Review

A Local Government institution has many attributes. Apart from possessing a fixed territory and population, it possesses a government organization which is responsible and responsive to the needs and wishes of the local community. However, it is not sovereign and is subordinate to the superior authorities of the country. Its powers and jurisdiction are limited and it functions within the limits laid down in the law of the State Government. Harris(2000), defining the term Local Self Government states it is a "government by local bodies, freely elected, While subject to the supremacy of the national government; is endowed in some respect power, discretion and responsibility, which its can exercise without control over its decision by the higher authority.

The researcher reviewed different previous research works which are related to this study to some value. They were conducted regarding the development of speaking skill in the department of education. These studies more extent related to my study. After reviewing these works, to conduct these researches, they had used survey

research design but my study is based on explorative research design. Therefore; after reviewing these researches I got ideas to carry out the process of explorative research design. Like-wise they had used observation, Survey and questions for the research tools to collect data. However, the research process and methodologies of those research studies are useful for my research study.

Overall, these previously carried out research helped me to format objectives, make research questions and provide various guidelines literature studies and research helped to form the foundation of my study with great significance. to conduct research work entitled 'Utilization Of Local Development Grant in Rural Area'.

2.3 Conceptual Framework

Review of literature has sufficiently provided the sources for the identification of theoretical foundation along with the basic principal of utilization of Local Development. On the other hand, different parameters are taken into consideration accordind to need of the various objectives. Hense, following conceptual framework has been operationalized in this study.

Primary concern of the conceptual framework is to examine the utilization system of local development grant available in Mohottari Rural Municipality. The Focus point of the analysis is to examine the accessibilities of the budget allocated for the

Damaimadi Rural are, to assess the utilization system of local development grant available and to analyze the planning and distribution to implement the budget for the Mohottari Rural Municipality. Utilization system of local development grant, it's accessibilities, utilization system, planning, distribution system should marching ahead in the current arena in dynamic way.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Rational of the Selection of the Study Areas

The study was conducted in Mohottari Rural Municipality-3 of Mohottari District. The districts is selected as to provide the feathers of neither develop nor very backward. The high ethnic diversity represented by these ward no -3 of the Mohottari Rural Municipality also is one of the motivating factors for conducting the present research work.

One of the many reasons for carrying out the research work is my familiary with Mohottari Rural Municipality is selected being my home district to which I am familar with place and people.

3.2 Research Design

This study was carried out mostly on the basis of exploratory research design as because the study was done focusing on constraint and potentiality of local development in the study area. The study was tried to explore and cover all aspects of local development and its role for the rural development in the study area.

Besides, the study was made an attempt to describe the thing related to youth such as history of local development; potentiality and constraint of this farming and awareness among the farmer and consumer about this farming was described. Thus, this study was categorized as both descriptive and exploratory.

3.3 Nature and Source of Data

The collected data was both qualitative and quantitative. Both primary and secondary data sources were used to describe and analyze the study area. The primary data was collected through structured questionnaire. Interview and direct apparition also was applied to collect primary data, whereas secondary data was collected from different published and no published written documents from individuals, experts and organization related to the development sector. Data collection was both in qualitative and quantitative nature as needed. Qualitative data like observation and interview was collected and Quantitative data like number of consumer, farmer related data social status data etc. also was collected.

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3.4. Selection of Study Area

The study is mainly based on Mohottari Rural Municipality of Mohottari District. The Rural Municipality includes 3 wards. It is located in Province -2 of Nepal. The study is mainly focused in the budget allocation system of the Rural Municipality, so the study area is Mohottari Rural Municipality and the people living in that Rural Municipality. To make people aware about how to achieve good relationship between communities' people, this study is very important for the people of Mohottari Rural Municipality of Mohottari district regarding to the analysis of problems of community people and solution of them. The particular area is chosen for the study because it is easily accessible, the researcher is quite familiar with this area and it also contains the nature of heterogeneity in population and heterogeneity in socioeconomic and geographical structure as well. All classes of people in this Rural Municipality are equally was be benefited by the help of village development programs.

3.5 Universe and Sampling

Mohottari Rural Municipality is the universe of this study. Purposive sampling is performed while collecting the data from Mohottari Rural Municipality-3. The total population is 4057, 36 respondents were chosen as sample of the study on the basis of simple random sampling method.

According to our household survey we found that in word level planning According to our field survey, the allocated total budget 3662000 for completing selected 44 project in Mohottari Rural Municipality(Annual year 2073/74).

3.6 Data Collection Tools and Techniques

Interview and field observation are the main tools of data collection.

3.6.1 Interview

Interview is one of the major methods of data collection in qualitative research. It is two-way systematic conversation between an interviewer and an Informant, initiated for obtaining information that is relevant to a specific study. Furthermore, it can be defined as a face to face verbal Interchange in which one person, the interviewer, attempts to elicit information or expression of opinion or belief from another person or persons. Interview is one of the major methods of obtaining information from respondents. Interview was held in the Damaimadi of Mohottari district

3.6.2 Observation

Since the overall objectives of the study is analyze the problem and prospects of utilization of local development of Damaimadi in Mohottari district. Observation is one of the basic powerful techniques of data collection to document the present condition. Information collected through field observation.

3.7 Method of Data Analysis

The data was analyzed in two ways; descriptive and analytical. Descriptive analysis consists of concrete description about the accessibilities of the budget allocation, utilization system of local development grant available regarding available sources of data. It further presents the input to output feedback of the local development.

CHAPTER IV

STUDY AREA AND THE SETTING

This chapter deals with the collected information in an organized and analyzed form. Analysis and interpretation of data is an important process in very research. After editing the raw data, necessary data are presented in the form of table, percentage and figure. Finally, the data are interpreted through tables, chart, graph etc. This chapter deals with the view of the respondent and analysis of the researcher.

4.1 Introduction of the Study Area

Marai, which currently falls under Mahottari Rural Municipality, is one of the religious places in Mahottari District, Province-2. Marai is popularly known for Mandava Rishi as he used to live there in ancient time. Similarly, it is believed that Madawa was made during the Ram-Sita Marriage in ancient era. Likewise, Marai is one of the shrines where pilgrims spent stay during the Mithila Madhyama Parikrama, which is performed for 15 days.

The Parikrama kicks off either on the first day of the light fortnight of Phalgun or on the Amabasya (full dark night) and ends on the full moon day, when pilgrims undertake the Parikrma of the sacred city of Janakpur, known as the Antargriha Parikrama. Actually, pilgrims who take part in the Parikrama stay at different 15 places during the 15 days and travel nearly 12km on foot in various places of Dhasusha and Mahottari districts of Nepal as well as Bihar of India. During these 15 days of the Parikrama, pilgrims are welcomed by the villagers, including Madai. Villagers provide the Parikrama pilgrims facilities like firewood, milk, sweets, vegetables, rice and other eatables, while some rich people also throw Bhandaras (charity feasts) to the pilgrims.

Although, the village is well known place for religious purpose but its road connectivity with the headquarter Jaleswor, which is nearly 9km from the village, is poor. Similarly, health facilities is also not good one as one has to rely on the hospitals either in Jaleswor or Janakpurdham, which is the temporary capital of Province-2.

4.2 Occupation of the Respondents

Occupation determines the wants of the respondents and it will help to know their requirement in the allocation of the budget in the Rural Municipality. So it is important to know about occupation of the respondents.

Table No. 1

Occupation of the Respondents

S.N.	Respondents	Number	Percentage
1	Teacher (WCF)	3	8
2	Farmer (CAC,WCF member)	28	78
3	Health Worker(WCF)	3	8
4	Social Worker(WCF)	2	6
	Total	36	100

Source: Field Survey, 2017/18

Table no.1, it can be analyzed the fact that most of the respondents are engaged in the occupation of farming. 78 percent of the respondents are involved in farming and it can be analyzed that most of the budget are utilized in farming. And from the above data we can found that less number of the respondents are involved in the job of handling computers which shows that maximum number of the budget should be utilized in development of skill oriented trainings. It reflects farmer participation in livelihood.

4.3 Qualification of the Respondents

Qualification determines the level of understanding of the respondents. Qualification is one of the most important statuses of the people living over there. So qualification is one of the most important factors to understand the status of the people living over there and it will also help to know the importance of budget distribution in that particular Rural Municipality.

Table No 2

Qualification of the Respondents

S.N.	Respondents	Number	Percentage
1	Under SLC	27	75
2	SLC	5	14

3	Above SLC	4	11
	Total	36	100

Source: Field Survey, 2017/18

Table no.2, the distribution of the budget according to the need of the people seems to be in education because maximum number of the respondents is not qualified beyond SLC level. From the above table it can be seen that maximum percentage i.e. 75 percent of the respondents are not educated and the lowest percentage i.e. 11 percentages are above the level of SLC. From here we can analyze where the budget should be allocated. The education according to respondent under SLC many qualifications hold in this ward.

4.4 Knowledge about Performance of Rural Municipality

Every person should have knowledge about the place that they are living and its their right to be curious about the fund that their Rural Municipality is taking for the development of the whole Rural Municipality.

The relationship between the person living in the Village and the Rural Municipality is the most and their relation is directly proportional. Villagers should go to the because of their own work like for citizenship, paying land tax, senior citizen allowance, disable allowance, single women allowance etc. So the relation of the village and Rural Municipality is related and from their knowingly and unknowingly they have somehow knowledge about the Rural Municipality.

It is found from the study that most of the male population are only in contact with Rural Municipality and they are the one who are curious about the work of Rural Municipality that they are performing and it is also found that female are not interested even going in the Rural Municipality. Some of the people are interested to know about the fund allocation of the Rural Municipality but most of them are not even interested to know about the budget that Rural Municipality is getting for the development of their own village. From this the fact that villagers themselves are not aware about their own fund. From this it can be said that elected bodies are the one to decide how to allocate budget in the Rural Municipality.

4.5 Evaluation of Functioning of Rural Municipality

Many people evaluated in different way about the functioning of Rural Municipality. Different people have different perspective about the working pattern of the Rural Municipality.

Table 3

Evaluation of Functioning in of Rural Municipality in Response to Local Development

S.N.	Respondant	Number	Percentage
1	Good	6	17
2	Moderate	8	22
3	Bad	8	22
4	Don't Know	14	39
	Total	36	100

Source: Field Survey, 2017/18

In table no.3 from the given table it is found that most of the population does not know about the functioning of the Rural Municipality. In the above figure 39 percent of the population doesn't have any knowledge about the functioning of the Rural Municipality. It signifies that huge mass of population is not aware about the working pattern of the Rural Municipality and 17 percent of the populations are satisfied with the work performance of the Rural Municipality. It can be seen that 22 percentage of population are not satisfied with the work of the Rural Municipality. Similarly same percentage of the population gave the moderate response to the work of Rural Municipality. Most of the population is unaware about the working pattern of the Rural Municipality. This means most of the population are not aware about the fund that and its utilization is the needed place.

4.6 Evaluation of Budget Allocation System

Every Rural Municipality is given budget on the yearly basis for the development activities of the Village and the proper utilization of the given budget in needed areas of the particular village is the most.

From the study it is found that most of the people are not aware about the budget allocation system. Most of the local people have perception that there is corruption in the budget distribution system. And another group of the person gave the perception that budget should be dispersed in the various setting rather than in education, drinking water only. Budget should be distributed in the various setting because the

setting of education and drinking water us already development in the period of the local elected bodies.

From the study, it can be said that budget is centralized in drinking water and education only. But the positive part is that Rural Municipality are being aware about the not freezing the budget instead they are preserving budget in the name of National Grid Line for the production of electricity. It is also seen that there is no any budget for the development of the women skills which will help to promote the income generating activities.

4.7 Core Receiver of the Budget

To have the knowledge about the main receiver of the budget it is important to have knowledge by the villagers. It will help to know that how much people of that Rural Municipality have knowledge about the budget receiving system and distribution process.

Table No. 4

Core Receiver of the Budget

SN.	Response	Number	Percentage
1	Rural Municipality Secretary	20	56
2	Ex- Rural Municipality Chair person and Rural Municipality Secretary	16	44
	Total	36	100

Source: Field Survey, 2017/18

From the above data it is found that most of the people doesn't have the knowledge about the budget receiving system. In the above given figure we can see that, 56 percentage people said that Rural Municipality Secretary is the main receiver of the budget which is not correct only 44 percent of the people have the knowledge that budget is received by former Rural Municipality Chairperson and Rural Municipality secretary.

Most of the people are still not aware about the simple and the minute thing of budget allocation procedure. People are still not giving attention to their own grant which should be utilized for the benefit of people living in that particular village.

Table no: 5

Implement of the Budget of Rural Municipality By type of the Project

Project type	Total	communities	LBs/WCFs
1. Road	1729200	288200	1441000
2. Wash	183600	30600	153000
3. Irrigation	168000	28000	140000
4. economic infrastructures	188000	48000	240000
5. Education	248400	41400	207000
6. Social infrastructure	636000	106000	530,000
7. Health	68400	11400	57,000
8 Agriculture	264000	44000	220000
9 Promotional Activities	614400	102400	512000

Source: Field Survey, 2017 /18

The table no.5 shows that the implementation of the budget of Rural Municipality by type of projects. We found that there is two types of budgets for the village development one is from communities and another from Rural Municipality. The table shows that, the budget divided in different sectors like road, wash, irrigation, economic infrastructure, environment, social infrastructure, health, agriculture and promotional activities. Among them the highest budget focused in road construction a where the budget allocated 1729200 ,and wash and the logest budget is focused in the health the budget is _68400,education budget is 248400 and in agriculture the budget is 264000,devded accordingly. Similarly, the budget devide in other sectors in according to the Rural Municipality most necessary for the develop we can conclude from the above table the Bagmati need proper rode for the transportation. The most data allocate local development in Mohottari Rural Municipality.

Table: 6

Number of projects of Rural Municipality is by type (Project irrigation, Roads, Education etc)

Types of projects	Number of Projects	Beneficiaries by sex(Men)	Beneficiaries by sex(Women)	Beneficiaries (DAG/NDAG)	
				DAG	NDA G
1.Roads ,Bridges and culverts	12	1025	1300	1516	809
2.Wash	5	520	480	651	349
3.Irrigation	3	325	275	325	245
4.Economic Infrastructures	7	770	1230	820	1180
6.Education	3	250	125	306	75
7.Social Infrastructures	14	709	1050	1540	910
8.Health	2	1050	1501	1134	612
9.Agricultures	7	690	830	1201	1050
10.Promotional Activities	3	1020	1300	1516	800

Source: Rural Municipality Report 2017/18

The table no.6 shows that the number of projects of Rural Municipality type (Project irrigation, Roads, Education) by sex and ethnicity. The most of the people of Mohottari Rural Municipality directly benefited from the roads and cultivates. where 2325, people are benefited, and in health 2551 and in promotional activity 2320 people are benefited in Mohottari Rural Municipality. They can be male, female, Dalit and other ethnic groups. similarly the Rural Municipality people are benefited directly from other projects like agriculture, wash, irrigation, education etc. we found that comparatively the female are more benefited rather than male from all the

[projects, for example if we see the health project 1501 women are benefited where 1050 male are benefited .The above table shows that more women are benefited than men in different projects, in Mohottari Rural Municipality.](#)

4.8 Proper Utilization of the Budget

Utilization of the given budget in the proper way is most important. The budget is given to the development of the village, to build up the infrastructure, for the development of the education, drinking water etc.

The fund is given to the development of the Rural Municipality so the budget should be utilized to development overall 7 wards of the village so as there is an over all development of the Rural Municipality in an equal manner. The given fund should be properly utilized for development of the Rural Municipality so that people living in that area should get equally benefited.

From the study it is found that some of the amount of the budget is given for the development of the neighboring Rural Municipality which might be benefited for the people of the Mohottari Rural Municipality. For example donation for the school was benefited for the people living in the border of the neighboring Rural Municipality. From this people of the both Rural Municipality get benefited. Budget utilization is the main part for the proper allocation of the fund. Proper utilization of the budget will help in the proper development of the Rural Municipality. This data provided by Bagmati secretary seems to utilize the non infrastructure.

4.9 Source of Budget

The source of budget is so much important because without a source no one could get budget. Source of the budget will determine how much budget is coming into the account. Most of the people doesn't know about the source that budget will come. From the study it can be seen that most of the people living in the Rural Municipality is unaware about the source of budget and from where the budget is coming for the benefit of them.

From the study it is found that budget for the Rural Municipality will come from Nepal government which is collected from the land revenue tax and central budget in devolution of federal state.

4.10 Budget should be distributed in the various sectors

Budget distributions are needed of the development of the village. Proper distribution of the budget is one of the most important things for the overall development of the village.

Table No. 7

Allocation of the Budget in Various Sectors

S.N.	Sectors	Frequency	Percent age
1	Infrastructure	25	69
2	Education	5	14
3	Agriculture	6	17
	Total	36	100

Source: Field Survey, 2017/18

The table no. 7, given above it can be found that most of the people want for the allocation of the budget in the sector of infrastructure. 69 percent of the people of that Rural Municipality wants budget for the development of the infrastructure. In the period of the local elected bodies most of the budget. the data shows people is focused in the development of education and agriculture so people wants further budget to utilize in the development of the infrastructure. This is to utilize the resource and according to develop in local area.

4.11 Opinion about Appropriate Process and Sector about Implementation of Budget

Every people have their own view about the budget distribution system. Different people want to allocate budget in the different sector according to the need of the person or the place.

From the study it is found that most of the people are not satisfied with the budget allocation system. They want to allocate budget in the sector of development of infrastructure. Many people have the opinion of allocating budget in development of infrastructure rather than education, agriculture, drinking water because that sector is already development and no more fund is needed in that sector.

4.12 Utilization of Local Development Grant in Rural Municipality (A Case Study of Mohottari Rural Municipality)

Local Government of Nepal doesn't have elected representatives for more than 19 years. The last election of local body was held in 2054 B.S. The five year term was finished in 2059. During the period of elected representatives the development worked and budget used to be allocated as follows (A short glimpse of Mohottari Rural Municipality in Mohottari district)

Table No. 8

Fiscal Year 071/072 Budget

S.N.	Details	Amount (Rs)
1	Administrative Budget	398304
2	Development Subsidy	794749
3	Social Security Subsidy	968400
	Total Budget	18,02979

Source: Rural Municipality Report, 2017/18

Table no. 8 shows that the fiscal year in 2071/72 the total budget , 1802979 was allocated for the different sectors like administrative ,development subsidy and social security subsidy. Comparatively, the highest amount was focused in social security subsidy, where 968400, amount was allocated .after that budget was divided in development subsidy and administrative accordingly.

Table No 8.1

The Allocated Budget Used to be Distributed as Follows Administrative Budget:

Fiscal Year 2071/72

S.N	Details	Amount
1	Salary	161780

2	Stationery (logistics, materials for the office like pens, ink, paper, staplers etc.)	42025
3	Service charge	18000
4	Daily and Meeting allowance (chairperson-1500/month, vice-chair person and members- 300/month)	62205
5	Official operation expenses	42025
6	Audit fee	10060
7	Others	89750
8	Tax	14484
9	Total	398304

Source: Rural Municipality Report, 2017/18

The table no.8.1 shows that the detail of administrative budget and how it is divided for what purpose. The total budget 398304, was divided in different titles. where the table shows total, service charge 18000, stationary expenditure 42025, daily meeting allowance 62205, operational expenses 42025, audit fee, 10060, other expenses 89750 and for Tax 14484

Table No 8.2
Development Budget

S.N.	Details	Amount
1	Technical service for development	32000
2	Program expenses	17000

3	Educational development	346099
4	Public development program	372650
5	Health program	27000
	Total	794749

Source: Rural Municipality Report, 2017/18

The table 8.3 presents the used of development budget of Mohottari Rural Municipality. Table shows that the total amount of development budget 794749 was used in different sectors, like in technical service for development ,32000,other program expenses 17000,for educational development 346099 , and for public development program 372650 and for health program 27000 has been divided. We found that the maximum development budget focused in public development and educational development. The budget for social security subsidy 968400 was allocated.

In social security budget has included following things.

1. Single woman allowance:
2. Senior citizen allowance
3. Disabled people:

Table No: 8.3

Allocation of the Budget Fiscal Year 2072/73

S.N.	Details	Amount (Rs)
1	Administrative Budget	410000
2	Development Subsidy	845000
3	Social Security Subsidy	1005000
	Total Budget	2260000

Source: Rural Municipality Report, 2017/18

Table 8.3 shows that the budget of Maximum percentage of budget was used education especially for the salary. So maximum amount of subsidy for social security where 1005000 amounts was allocated. The above mentioned budget wasn't in separate documents. They were in integrated form. The budget was broken down the help of Rural Municipality secretary.

Table No 8.4

The Allocated Budget Used to be Distributed as Follows Administrative Budget

S.N.	Details	Amount
1	Salary	165780
2	Stationery (logistics, materials for the office like pens, ink, paper, staplers etc.)	44025
3	Service charge	20000
4	Daily and Meeting allowance (chairperson-1500/month, vice-chair person and members- 300/month)	62205
5	Official operation expenses	44721
6	Audit fee	10060
7	Others	89750
8	Tax	14484
9	Total	410000

Source: Rural Municipality Report, 2017/18

The table 8.4 shows that the detail of administrative budget and how it divided for what purpose. The total budget 410000, was divided in different titles .where the table shows total, service charge 20000, other expenditure 89750 daily meeting allowance 62205, operational expenses 44724, audit fee, 10060. Comparatively maximum budget used for staff salary, remaining amount goes for different activities.

Table No 8.5

A. Development Budget

S.N.	Details	Amount
1	Technical service for development	42000
2	Program expenses	27000
3	Educational development	446099
4	Public development program	472650
5	Health program	37251
	Total	845000

Source: Rural Municipality Report, 2017/18

The table 8.5 shows that the development budget of Rural Municipality in the study area. The maximum percentage of budget was used public development and educational program. The above mentioned budget wasn't in separate documents we found that from the analyzed of the 2,3 years comparatively the trend of budget was increasing in all sectors. They were in integrated form. The budget was broken down the help of Rural Municipality secretary.

C: Social security: 1005000

In social security budget has included following things.

Single woman allowance:

Senior citizen allowance

Disabled people:

Table No. 8.6

Fiscal Year 073/074 Budget

S.N.	Details	Amount (Rs)
1	Administrative Budget	433000

2	Development Subsidy	1520000
3	Social Security Subsidy	1578000
	Total Budget	3531000

Source: Rural Municipality Report, 2017/18

The above table no.8.6 presents that the annual budget of year 2073/074 which is quantitative data brought from the real field survey. The total budget, 3531000 was allocated for the different sectors like administrative, development subsidy and social security subsidy. Comparatively the highest amount was focused in social security subsidy, where 1578000 amount was allocated. After that budget was divided in development subsidy and administrative accordingly.

Table No 8.7

The Allocated Budget Used to be Distributed as Administrative Budget

S.N.	Details	Amount
1	Salary/(kali Devi higher secondary teacher's salary support)	200000
2	Social mobilization program management	10000
3	Communication , program tour and monitoring expenses	126000
4	Daily allowance for Rural Municipality secretary	18000
5	Official operation expenses	20000
6	Audit fee	10000
7	Tea and breakfast/ others	35000
8	Photocopy and printing	14000
9	Total	433000

Source: Rural Municipality Report, 2017/18

The above table shows that the detail of administrative budgets and how it is divided for what purpose. The total budget 433000, was divided in different titles. where the table

shows total, salary 200000, other expenditure 35000 daily meeting allowance 18000, operational expenses 20000, audit fee 10000. Comparatively maximum budget used for, remaining amount goes for different activities accordingly.

Table No 8.8
Development Budget

S.N.	Details	Amount
1	Program for women development and empowerment	152000
2	Program for children development activities	152000
3	Program for Poor, socially and economically disadvantage/dalit and janajati	228000
4	For agriculture development program	228000
5	Economic, social and physical promotional development	760000
	Total	1520000

Source: Rural Municipality Report, 2017/18

The above table shows that the maximum percentage of budget was used education especially for the salary of total budget 1520000. So maximum amount of budget focused in agriculture and focus groups like dalit, economically disadvantage where more than 3.5lakh amount women awareness, children activities. Where more than 3lakh amount has been used for these programs. The above mentioned budget wasn't in separate documents. They were in integrated form. The budget was broken down the help of Rural Municipality secretary.

C. Social Security Subsidy: 1578000

In social security budget has included following things.

4. Single woman allowance:

5. Senior citizen allowance

6. Disabled people:

An Overview of Three Years in Chart

The chart shows that the people of Mohottari Rural Municipality first gave high priority to education. So the development subsidy was allocated mainly in the field of education. Budgetary distribution shows that in the name of physical infrastructure the budget was used for teachers' salary. From the fiscal year 2071/72 high priority was given to Road construction. But small amount wasn't enough to education and health the village with national grid.

Table No 8.9

Development Budget annual Years of 2072/73 and 2073/74

S.N.	Topic	Amounts
1	Women focus program	190000/152000
2	Children focus program	Rs, 190000/152000
3	Focus Group program (dalit, jetha nagrik, disable, janajati etc.)	Rs. 285000/228000
4	Budget in agriculture	Rs. 285000/228000
5	Infrastructure development	Rs. 950000/760000

Source: Rural Municipality Report, 2017/18

The above table shows that the budget has been divided in different sectors and focus groups. we found that the local level planning council of Mohottari Rural Municipality has given maximum budget for infrastructure development like: (road construction, school, sanitation a, health post etc) similarly budget has been divided in agriculture, and other focus groups.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The researcher found the budget allocation system to explore the budget allocation system. Data were allocated through questionnaire, key informant, observation to obtain necessary information on the budget allocation system of Rural Municipality. Local people are coming to the Rural Municipality for their own work and sometimes they come to Rural Municipality for attending the meeting. Female do not seem to be involved in the program of the Rural Municipality. Local people are not satisfied with the work Rural Municipality. Most of the people are not aware about the work that is done by Rural Municipality and very less number of the population are satisfied with the work Rural Municipality. The budget allocation procedure is not good in the present context. Most of the population of that Rural Municipality is not aware about the budgeting system of the Rural Municipality. Very few numbers of people are aware about the sources of the Rural Municipality budget. Budget that is received by the Rural Municipality should be utilized only within the boundary of that area. Awareness programs should be initiated to these groups of populations. should be allocated to those areas where the development work is given priority, e.g. infrastructure, agriculture, education etc. Local people are most focused in the agriculture so major focused should be given for building infrastructure so that income generating activities will initiate.

5.2 Conclusion

Budget allocation is the most sensitive part of the development of the area. At first, central government gives budget to the District Coordination Committee, DCC, distributes budget to every Rural Municipality of district. In the present context, Rural Municipality secretary receives the budget because at this point of time local bodies are defunct con not be active. Secretary calls out village council meeting at the presence of political leader from the neighboring Rural Municipality also use to come to participate in Rural Municipality Council meeting. Teachers, technicians etc also take part in the meeting.

Budget disbursement pattern is most important for Rural Municipality because voice of the people and the ideas from the different group can be heart. And different people generate different ideas, which help in proper guidance of budget. Involving people in the meeting could help to know the proper need of the people of the village. Thus such involvement has helped in development of education, drinking water, roads, health, reproductive health, and this development also helps marginalized people to

come in front and develop them. Participation of female are very less in this meeting which is a negative part, But female participation would promote hiding problem of female. This pattern shows that there is a gender bias in the budget distribution system. Looking in the budget of four years, there is a repetition of budget in the same subject not in others which doesn't help in the overall development of the village.

5.3 Recommendation

First of all for the development of village, youth is necessary and their participation is also important. Compulsory participation system of women in the programs of Rural Municipality should encouraged. Recognition of the disable people and their right should be secured. Rural Municipality officers should be regular in the work of Rural Municipality and local people should help them. The development budget should be utilized in the proper work. Time to time renovation should be does in the tap, Rural Municipality office Post office, Health centre. Civil society should be active for the proper detection of the budget. For the development of the local level, elected bodies are the most.

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Household survey Question of Mohottari Rural Municipality

1.

Personal information					
S.No.	Name of the Respondents	Permanent address	Sex	Age group	Education

2. Are you involved / participant in WCF are CAC member ?

(a) WCF member:-.....

(b) Post :-.....

(c) CAC member :-.....

(d) post:-

3. Do you Know about ward level Planning workshop?

(a) Periodic Plan

(b) Master Plan

(c) Participatory Planning

(d) Result Based Planning

4. How many People participants in ward level Planning workshop ?

(a) Men Participants :-

b) Women Participants : -

5. Number of Project / Program Forwarded by ward level Planning workshop to WCF / LBs ?.....

6. Number of Projects Forwarded by WCFs addressing the need of Women that included in annual Plan of LBs ?

7. Number of Projects Forwarded by WCF's addressing the need of Children that included in annual Plan of LBs?

8. Number of Projects Forwarded by WCF's addressing the need of DAG that included in annual Plan of LBs ?.....

9. Total Budget allocated by LBs in annual Plan addressing the needs of Women ?
.....

10. Total budget allocated by LBs in annual plan addressing the needs of DAG ?
.....

11. Total budget allocated by LBs in annual plan addressing the needs of Children?
.....

12. Number of Projects Forwarded by WCFs. Addressing the needs of women ?

.....

13. Number of Projects Forwarded by WCFs addressing the needs of Children ?

.....

14. Number of Projects Forwarded by WCFs addressing the needs of DAG (Dalit, Muslim, Janajati, handicapped & others) ?

15. Total cost of the projects approved by Rural Municipality Council ?

.....

16. Total budget allocated by LBs in annual plan addressing the needs of environment , Climate change & disaster ?

17. Number of LB's / that prepared Annual Monitoring and Evaluation Plan ?

.....

18. Number of LBs / WCFs which Prepared GESI Plan ?

19. Number of Projects approved for the current fiscal years ?

20. Total budget allocated by Rural Municipality?

21. Target budget for women in Current fiscal year ?

22. Total budget allocated by LBs / WCFs For Projects requested by women ?

.....

23. Total budget spent in Project completed that requested by women ?.....

24. Number of Projects completed that requested by women ?

25. Target budget For Children in current fiscal year ?.....
26. Total Budget allocated by LB's /WCFs Far Projects requested by children ?
.....
27. Total Budget spent in Projects requested by Children ?.....
28. Number of Children requested Projects Completed ?.....
29. Target budget For DAG in the current Fiscal year?
30. Total budget allocated by LB's WCFs Far Projects requested by
DAG?.....
31. Total budget spent in Projects requested by DAG ?.....
32. Number of requested Projects requested by DAG Completed ?.....
33. Implementation of budget of Rural Municipality by type of Projects (road ,
irrigation , drinking water etc)

Projects types	Total	Communities	LBs / WCFs	Remarks
1. Roads				
2. Wash				
3. Irrigation				
4. Economic Infrastructures				

5. Environment				
6. Education				
7. Social Infrastructures				
8. Health				
9. Agriculture				
10. Promotional Activities				

34. Number of Projects of Rural Municipality's by type (Project irrigation , drinking water etc) and number of beneficiaries (by sex and ethnicity)

Types of Projects	Number of Project	Beneficiaries by sex		Beneficiaries	
		Men	Women	DAG	NDAG
1. Roads , Bridges and Culverts					
2. Wash					
8. Irrigation					

4. Economic Infrastructures					
5. Environment					
6. Education					
7. Social Infrastructures					
8. Health					
9. Agricultures					
10. Promotional Activities					

35. What do you think about posositization of distributed of Budget in which sector is makes appropriate ?

- (a) Agriculture
- (b) Health
- (c) Education
- (d) Women skill dev. and environment etc

36. What do you think about the accessibilities of the budget allocated by Rural Municipality. ?

.....

37. What do you think about the appropriate way of budget utilization?

- (a) Top to Button Approach
- (b) Right base Approach
- (c) Bottom to top Approach
- (d) All of them

38. What do you think about the budget utilization of Rural Municipality?

- (a) Good
- (b) Moderate
- (c) Bad
- (d) Don't know

39. Number of Projects Supervised and monitored by supervision and Monitoring Committers ?

40. Number of LB's / WCFs where supervision and monitoring Committee are Functional (regular meeting / monitoring visits) ?

41. Number of WCFs / CAC that are engaged in civic oversight (publis audit , Public hearing and monitoring

- (a) Men
- (b) Women

42. What do you think about the major function of the Rural Municipality?

.....
.....

43. How do you evaluate the function of Rural Municipality?

- (a) Good
- (b) Moderate
- (c) Bad
- (d) Do not Know

44. What do you think about the sources of budget in Rural Municipality level are ward level.

- (a) Government Grant
- (b) Tax
- (c) NGO/ INGO support
- (d) All of them

45. Do you think about any problem for utilization of fund?

.....
.....
.....