Do Community Driven Development (CDD) Programs Improve Social Relationships measured by Perceived Discrimination among Different Ethnicities in Nepal?

By

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AN ESSAY

submitted to

Oregon State University

in partial fulfillment of

the requirements for the

degree of

Master of Public Policy

Presented May 9, 2011

Commencement June 11, 2011

<u>Master of Public Policy</u> essay of <u>Gunjan Dhakal</u> presented on <u>May 9, 2011</u>

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II

AN ABSTRACT OF THE THESIS OF

Gunjan Dhakal for the degree of Masters of Public Policy presented on May 9, 2011.

Title: Do community driven development (CDD) programs improve social relationships measured by perceived discrimination among different ethnicities in Nepal?

Abstract approved:

Patrick Emerson

Community driven development (CDD) is one of the recent approaches in the development arena that integrates people into mainstream development. Bringing people together into the development prospects through social capital is an important aspect of this approach that harnesses greater social inclusion and wider participation at the grass root level. CDD is expected to provide equal access to information, equal distribution of resources and opportunities to exercise power at the local level irrespective of gender, social status, class or ethnicity.

Nepal is a diverse country in terms of caste, ethnicity, culture and traditions. Although "unity in diversity" is the metaphor used to explain social harmony in the country, segregation of the population based on social identities and affiliation exacerbates the development prospects. Using data from Poverty Alleviation Fund (PAF) Nepal- an organization working for community development at the national level, this paper tries to explain whether such a development intervention is improving social relationships measured by perceived discrimination among diverse ethnicities in Nepal.

ACKNOWLEDGEMENT

How can I not mention my roommates Stuty and Narbada, and my adorable friend Maya for their love and care! It is because of you three that I never had any home-sickness; I shall always cherish the moments we spent together as a family. Thanks to Suman for making us tea at several midnights so that we could stay up late for our studies. Nepali cohort, it was an amazing experience building relationships away from home.

I truly acknowledge the *guru of my life* Raju for being there at all my good and bad times. You have made every little thing possible for me, thank you for being my guardian, my mentor and a friend. We are friends for lifetime.

I am highly grateful to *Mammu* and *Babu* for having trust in me in whatever I do. Your unconditional love and support during all those hard times helped me transform into a good human being.

Finally, I would like to acknowledge my *Buwa's* contribution and his big dreams and tireless efforts in making me what I am today. I dream your dreams! May your blessings always be bestowed on me…

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1.   INTRODUCTION

Community development is the collective action taken to identify common needs of individuals in the community and address those needs without depriving anyone who belongs to a disadvantaged social group. It works with the commitment to bring equal participation of individuals in the community by challenging discrimination and working alongside those who are powerless, and raising awareness about inequality and how things can be changed (CDX, 2006). Nepal is a diverse country in terms of caste and ethnic groups, and the segregation of populations based on such social identities has exacerbated the development prospects in the country. The development approaches led by government are mostly top-down that never reach people at the grass root level, which is the reason why community focused programs are regarded as a popular means of influencing and affecting the lives of people at lower levels. Despite diverse social groups and their orientation, empowering people through equal opportunity and power is an integral part of community development.

Community driven development (CDD) is one of the fastest growing mechanisms in the development sector. It is regarded as an effective tool that brings people into the mainstream of development, irrespective of their gender, class or ethnicity. Development through community involvement "seeks to enable individuals and communities to grow and change according to their own needs and priorities, at their own pace, provided this does not oppress other groups and communities" (CDF, 2010). Equal distribution of resources and power among people in the community remains the backbone of community development approaches, which can also be used to "challenge the poverty and discrimination experienced by individuals in the community" (Gilchrist, 2009).

The focus of this study is on the "community" aspect of the CDD approach, trying to explain how bringing together the socially excluded and disadvantaged populations in a community can help in emphasizing a common objective of their development. The structural and social issues in Nepal act as barriers in development, debilitating the whole system and adding more to the underdevelopment and poverty in the country. In such

cases, community led programs are expected to nurture better social environment and strong community relationships. Thus, this paper explores whether or not community focused programs improve social relationships in communities, particularly the existing social discrimination based on caste, ethnicity and social status.

The research question in this study is *Do community driven development (CDD) programs improve social relationships measured by perceived discrimination among different ethnicities in Nepal?* To answer this question, two hypotheses have been derived:

Hypothesis I: *Program intervention improves social relationships in terms of perceived discrimination in the community, and*

Hypothesis II: *Ethnicity has an effect on perceived discrimination in community.*

Nepal has many ethnic groups, most of which remain unrepresented and underrepresented in development. In the country where we have a large number of people "traditionally deprived of power and control over common affairs", the community development approach provides them a platform for "genuine participation and involvement" (CDF, 2010). Thus, it is important to see how community driven development impacts existing hierarchy in the country created, in terms of caste and ethnicity, for centuries.

The Community Development Foundation, UK mentions that the community development approach is "crucially concerned with the issues of powerlessness and disadvantage" such that it involves all members in the society for social change. If community development genuinely focuses on social and structural issues in a community, this approach can be a milestone in addressing existing issues in Nepal caused by the multiple arrays of gender, caste, ethnicity or any other social orientation. This research is expected to help us understand whether community driven development programs introduced in the country are leading to a better social environment and community relationships, which are required for the improved welfare and livelihood of people, and the sustainable development of community.

2. LITERATURE REVIEW

2.1. History of Community Driven Development (CDD):

The history of the development sector was a predominantly centralized, top-down, modernist and authoritarian approach; as a critique, CDD evolved as a need to shift the development paradigm to a participatory bottom up approach (Holston, 1989; Kabeer, 1994; Escobar, 1995; Mitchell, 2002). This "shift in paradigm" is explained through three different propositions in literature- decentralization (Kingsley, 1996; Manor, 1999), democratization (Diamond, 1999; Blair, 2000; Abers, 2000) and collective action (Ostrom, 1990; Gibson et al., 2000). Literatures along with the national and international development agencies claim that decentralization supports good governance (Heller, 2001), and more transparent and accountable practices (Fung and Wright, 2003). Similarly, democratization provides power to the people, who can then exercise it directly or through their elected body. In this case i.e. the CDD, democratization is practiced through the equal distribution of power and resources among people in the community, and they exercise power relations and exploit resources as per the community needs.

Collective action is discussed in the literatures in various ways and one of the earliest and popular was "tragedy of commons" (Hardin, 1968), which hypothesizes that when there is a common resource; people will independently and rationally make decisions to reap full benefit of the carrying capacity of a resource. This theory was later challenged (Ostrom, 1990; Baland and Platteau, 1996; Gibson et al., 2000) with the idea that community relationships among the group members acts as a catalyst in promoting long term resource management practices where people in the community sacrifice their immediate self-interest on behalf of their group (Ostrom et al., 1999). It was also advocated that people in communities worry about their social status, rewards and penalties more than personal benefit. In the similar line of what Ostrom has been advocating, two distinct forms of collective action need to be identified to effectively manage common resources. The first is based on community cohesion, stable social relationships and adherence to social hierarchy and the second is based on a community's perception of an interdependent future and a shared desire for structural change (Beard

and Dasgupta, 2006). Apart from change in governance, paradigm shifts can also lead to social transformation, which is essential when a society has to come up with better solutions with respect to long term benefits of its people and the sustainable use of their resources. Thus positive changes in society should always be welcomed with mutual understanding and cooperation among people sharing common resources.

It was during the 1980s and 1990s that the World Bank started working for the participatory approach, which was then supported by a growing number of development academics and practitioners (Hirschman, 1984; Korten and Klauss, 1984; Chambers, 1997; Fung and Wright, 2003). The CDD approach was initially coined by the World Bank (Mansuri and Rao, 2003) which first appeared in literature in 1997 (Narayan and Ebbe- cited by Mansuri and Rao in 2003). The emphasis of the approach in community participation became popular after the World Development Report 2000/ 2001 that highlighted the importance of community participation in overall poverty reduction. The concept became popular among the multilateral agencies, who then extended support to CDD projects, allowing a higher level of community participation and supporting them to be in charge of their own development. The shift in focus from treating the beneficiaries as "development tools" to "partners" made a significant understanding in the participatory governance and its importance in reaching the people at the grass root level. Now, this approach has been linked to the Millennium Development Goals (MDGs) with expectations to achieve poverty reduction targets (Kumar, 2003).

CDD is regarded as one of the fastest growing development assistance mechanisms of the World Bank, whose portfolio was $7 billion in 2003 (Mansuri and Rao, 2004). It "follows a long tradition of community-oriented and participatory approaches to development" that particularly emphasize empowerment (Kumar, 2003, 9-11). CDD is "a way to design and implement development policy and projects that facilitates access to social human and physical assets for the rural poor by creating the conditions for transforming rural development agents from top-down planners into client-oriented service providers, empowering rural communities to take initiative for their own socio-

economic development, enabling community level organizations to play a role in designing and implementing policies and programs that affect their livelihoods, and enhancing the impact of public expenditure on the local economy at the community level" (IFAD, 2009).

This approach looks promising in terms of allocating development funds in a more responsive matter to address the needs of poor; to better target the poverty programs; to have greater participation of people; to have better managed community assets and resources; to have more responsive and accountable governance to informed groups of people in the community who are capable of undertaking the development activity and the better delivery of goods and services (Mansuri and Rao, 2003). CDD has been transforming to a dominant development paradigm with higher potential benefits and gains (Mansuri and Rao, 2003) and in 2003, it was estimated that CDD investments will grow to $2 billion per year (Wassenich and Whiteside, 2003).

2.2.   Community Driven Development (CDD)- Definition and A Framework:

When we talk about development, it is interesting to see how the role of poor people has transformed in recent years. It was pointed out that development agencies treated poor people as the objects of development practices upon whom new ideas and programs had been continuously experimented. However, this trend has been overridden in recent years by treating poor people as assets and partners in development, and not the objects (World Bank, 2003). The vicious cycle of poverty is broken through active participation of poor people in development, making this approach an effective measure for poverty reduction. The Poverty Reduction Strategy Paper Sourcebook 2003 of the World Bank assumes that communities and its people are capable of understanding and organizing themselves around what is good for them and how are they going to fulfill their immediate needs, provided that they have access to information, resources and support when required. The barrier to education, information and basic services is what makes poor people

disadvantaged, and if provided with opportunities, they can contribute to their lives. CDD believes that communities have greater capacity to make good use of resources to meet their immediate needs (Dongier et al., 2003), thus it provides opportunities to the disadvantaged population by giving important roles to engage themselves for their own development.

CDD is a subset of community based development (CBD), which is a broad term for projects that include local participation for design and management (Mansuri and Rao, 2004). The World Bank defines CDD as "an exercise of the community control over decisions and resources directed at poverty reduction and development", whose aim is "to promote security, opportunity, and empowerment for all community members through strengthening of accountable and inclusive community groups, supporting broad based participation by poor people in strategies and decisions which affect them, facilitating access to information and linkages to the market, and improving governance, institutions and policies so that local and central governments and service provider (including NGOs and the private sector) become responsive to community initiative." The emphasis on the distribution of resources and power from vertical government control to the horizontal community control indicates the shift in "existing power arrangements, creating opportunities for poor and marginalized groups to gain voice and control over their own development".

More than just an approach, CDD has now been recognized as a development model or a framework that "embeds local empowerment initiatives in broader processes of institutional change by integrating local investment programs with policy and institutional reform, including decentralization and poverty alleviation" (World Bank, 2006). The CDD approach is regarded as a potent instrument for poverty reduction, social development and good governance at the local level by transferring decision making power and resources to community groups and local government. The general objective of CDD is to encourage and enable local communities to work for their own development by giving control of decisions and resources to community groups (Dongier et al., 2003).

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The community control of resources and decision making creates a social dynamic by placing the communities at the driver's seat for their own development. The transfer of resources and decision making power provides CDD a strong basis for social development by strengthening participatory approaches to community empowerment and development (UN, 2004). The approach being community centric with an emphasis on participatory decision making helps in promoting equity, social inclusion, effective governance and a strong civil society network. CDD also acts as a conduit between the state and its citizens where the public institutions are weak and non-viable; and this approach is also used to strengthen social cohesion where social groups are divided (World Bank, 2006).

Most CDD programs work on the basis of needs as defined by the community, so it is always important for community members to clearly understand program objectives, the processes and procedures to be followed, and the better monitoring and evaluation techniques so that the goals set for the community project can be achieved. "Institutions generating good governance are considered as an important vehicles for poverty reduction" (Malhotra, 2005), so developing transparent governance is considered to be an explicit feature of the CDD approach, as it is directly associated as a step to poverty reduction. Transparency in government is also linked to addressing coordination, the elitism and dominance issues, the underrepresentation, the hierarchical social structural issues and the corruption associated to such programs. These features enable the accountability issues in community programs to help poor people gain trust among one another. Most of the CDD programs also require community contributions to make sure that there is a real demand of service and program in the community (Malhotra, 2005). Malhotra also mentions that the CDD approach is taken as an important initiative in poverty reduction, helping to raise rural income, strengthen communities and local institutions, and to improve public infrastructures.

"CDD is not a project but an approach that aims to empower communities and local governments with resources and the authority to use these flexibly, thus taking control of

their development" (World Bank, 2000; Binswanger, Aiyar, and Bank, 2003). It works under the broad themes of social capital, participation and decentralization (World Bank, 2000) and aims to harness social capital through empowerment (Binswanger et al., 2003), which basically means the expansion of assets and capabilities of poor people to actively participate in the development programs, have access to information, freedom to raise voice and negotiate better, greater social inclusion and participation, higher accountability, higher organizational strength and good governance generating institutions (Narayan, 2002). The use of bottom up perspective to integrate the community members for a common development goal is an important approach taken by CDD (Binswanger et al., 2003; Binswanger- Mkhize et al., 2010). It is considered as a development tool that shares the ultimate goals of poverty reduction and sustainable development (World Bank, 2003) and its introduction in poorer communities could be a way to break the transmission of poverty from one generation to another.

2.3.   Community, Community Based Development (CBD) and Community Driven Development (CDD):

Although there is no clear distinction between CBD and CDD, both the concepts revolve around a common entity- the community. IFAD (2009) defines community as a locus where a group of people "recognizing some form of collective governance" get an opportunity to influence public decisions that affect their livelihood. In other words, community refers to the group of people, bound in social norms and values, sharing broad development goals and interests, who are working together to identify their immediate needs and problems (Kumar, 2003).

It is assumed that during the early days of experimentation with the participatory process i.e. during 1980s and early 1990s, the term CBD was used by the World Bank typically referring to the lower level of community participation with less control over resources and decision making. However, as the participation reached a higher level, providing

more control over decision making and resources, with greater emphasis on empowerment, CDD came into play in the development sector. As both these approaches move around the "participatory community development", at times they are used interchangeably (Kumar, 2003). There are few research papers that talk about the differences between CBD and CDD in brief.

CDD is often regarded as a subset of much broader umbrella terms- community based development (CBD) which includes communities in design, management and implementation of the development programs (ADB, 2006), but not necessarily the direct control of resources and decisions. CBD is a donor driven approach and not really community driven, and generally assumes that the community's choices of problem identification, their approach to solution or their priority of need are often influenced by the "donor's funding priorities and mandates" (World Bank, 2006). As the process of introducing better approaches to development, CDD has been gradually adopted from CBD making it more flexible and accessible to the community. Providing the direct control of resources to the community seems to be a distinct characteristic of CDD, which is not necessarily present in community based development (ADB, 2006). Thus, CDD can be defined as an approach that gives control over planning decisions and investment resources for local development projects to community groups (World Bank, 2003). The "direct control" empowers local community groups and the local government, making them responsible and accountable, thus contributing to the social and governance outcomes, while building infrastructure assets (World Bank, 2006).

CDD programs are being implemented in different countries around the world. Despite the differences in economic, political, social and cultural contexts, they have been working under different but distinct objectives for the desired outcome. CDD is targeted for poor populations with an aim to increase and improve their livelihoods in one or more of the three ways- higher income, access to basic services (like health care, education, roadway, water supply) and increased personal empowerment and ability to influence outcomes that matter for their lives (Malhotra, 2005). It involves the higher level of

community participation that "explicitly attempts to link to national poverty reduction strategies to policy and institutional reform, especially the decentralization reform" with increased coordination among the stakeholders across regions (Kumar, 2003).

2.4.   CDD's Challenges and Criticisms:

Looking at the magnitude of the CDD projects and its replication around the world in the recent years, it would be cynical to talk about the decline of its importance in coming few years. It would be interesting to see how local representation and the active participation of people affects the drive to development and whether or not the decentralization approach is on top of all other development efforts. The basis of the CDD approach is community participation, so knowing the sociological details-the socioeconomic and political realities, acknowledging the heterogeneity and the complex web of relationships between actors in the community-is crucial to the design of the program (Kumar, 2003). Before the implementation of the program, communities have to be studied closely so that the catastrophe of assuming homogeneity in terms of hierarchy, social status, and family structure is avoided in the CDD program design phase. It should also be accepted that not all communities are similar, they differ in many aspects and thus the replication of a successful program in one community might not work well in another. There are several challenges and criticisms associated with CDD, some of which are listed below.

2.4.1. Marginalization:

Despite several interventions and promises to involve poor people in decision making process, they are still excluded and marginalized in many poverty reduction approaches. Although there are huge potential benefits in CDD, it can still bypass the local government and be subject to manipulation by vested interests, if not addressed and implemented properly (Chebil and Haque, 2003). Critics challenge CDD's method of reaching poor people through the bottom up

approach. The elite capture of resources, decision making and management is widely heard when it comes to CDD and choosing between the "standard" top down approach or the "elite capture" looks more than just a confusion. No existing evaluation of CDD programs allows one to identify the significant benefit of the participatory bottom up approach versus a top down approach (Mansuri and Rao, 2004).

Though CDD has been praised as one of the fastest growing development mechanisms in the world, there are several challenges associated to its legitimacy. Critics argue that they are not as "bottom up" as they are meant to be and are not community-based or –driven as is popularized; CDD in fact helps the local elites and opportunistic development entrepreneurs to reap the benefits by taking over available resources and having a greater say in decision making, keeping the real beneficiary out of the development scene (Platteau and Gaspart, 2003).

2.4.2. Elite Control:

Community members from different backgrounds and social status, having uneven income and varied access to economic, social and political resources come together to exercise the equal power relation in CDD, which is highly vulnerable to elite capture (Abraham and Platteau, 2000; Fung and Wright, 2003). Although there are several studies pointing out the elite capture as one of the major concerns, the analysis of a community driven poverty alleviation project in Indonesia did not find the expected relationships among a community's capacity for collective action, elite control over project decisions and elite capture of project benefits (Dasgupta and Beard, 2007). The study mentions that when the resources were most evenly distributed, resource allocation to the poor was restricted, whereas in cases where the project was controlled by elites, the benefits were continuously delivered to the poor. The study explained that the

communities demonstrated the ability to rectify the elite capture when they (both elites and non-elites) participated in the democratic self-governance.

Some studies show the possibility of freeing CDD from elite capture through the adoption of sound and better practices, however with the increasing scale of such projects, there is mounting pressure to rigorously evaluate the foundational propositions and its vulnerability to elite capture (Galasso and Ravallion, 2000; Blair, 2000; Cooke and Kothari, 2002; Platteau, 2004; Mansuri and Rao, 2004).

The real strength of CDD is in reaching the people at the grass root level. If poor people in a community still look up to the elites for support, the development intervention lacks serious linkage with the community members. It is thus essential to include the findings of recent studies on social exclusion theory, the institutional economics, the community behavior and so forth for designing the effective program suitable to that particular community (Kumar, 2003). It is always better to come up with good ideas and better program designs rather than trying to correct the mistakes at later stages. However, making informed choices and learning by doing are also the approaches that can be adapted in such programs.

2.4.3.   CDD vs. Government Development Programs:

Is CDD a rival to government programs? This is an important question to all the stakeholders involved in community development. Large numbers of CDD programs have been introduced to the places where people are deprived of government development interventions. In such cases, CDD is expected to override the importance of the government and when government fails people's expectations, there are democratic transitions that can replace a failed authoritarian regime with a different political form (O' Donnell and Schmitter, 1986; Diamond, 1999). CDD can be the other "political form" that seeks an equal

position of power among people. The optimal relationship of CDD programs with the government is still unclear (Malhotra, 2005) but if development efforts are exercised along with the government, the program might become a main pillar of government development strategies, which ultimately serves the people. In some countries, such programs are integrated vertically with the local and regional government and expanded horizontally, resulting in a mutual relationship between the government and the community working together for the same development agenda, whereas in some other countries, they work apart and differently. This is a country specific issue which might not work the same way across the world.

Some CDD programs might come up with better outcomes through government involvement whereas some might not achieve the sustainable and long term development by integrating vertically (Malhotra, 2005). Malhotra in her article "Lessons on Community-driven Development Programs" talks about the multi-sect oral integration and institutionalization of social funds and CDD. It is assumed that when the government cannot inject the development programs to its people, the development agencies step in with better approaches, which function better than the former in many cases. However, in order to attain long term objectives, it is not a better practice to institutionalize the approach. Each community is different and their differences have to be valued and treated in a special way, instead of integrating them at the clashing conditions.

2.4.4. Scaling Up and Sustainability:

There are challenges and potential benefits of using CDD and it should be noted that "CDD cannot be an appropriate mechanism for every situation". However, it has "considerable potential to deliver large-scale poverty reduction programs in a variety of sectors and country conditions that yield visible impacts quickly"; it is always wise to design and implement programs by "understanding local

conditions and linking with formal institutions" and by avoiding a "one size fits all" scenario (ADB, 2006). The critical review of the World Bank in 2004 also concluded that "community-based and –driven development projects are best undertaken in a context-specific manner, with a long time horizon and with… well-designed monitoring and evaluation systems."

It is often assumed that CDD is a community approach and is better suited for small scale projects involving "locally managed resources and services, such as community infrastructure development, common property resource management, microenterprise development, and local governance or decentralization support" (ADB, 2006). The scaling up of such small scale projects to a larger scale might have some negative impacts in the community because of its inability to cope, the unavailability of resources, the required equipment, skilled manpower or technical assistance (Mansuri and Rao, 2003). Despite criticisms, the CDD approach is sprouting as an efficient means of development in developing countries.

The scaling up of CDD projects has been one of the main agendas in the developing field in recent years, which may also be linked to outcomes of the Millennium Development Goals. Though CDD is not a panacea to poverty, it is an effective measure for poverty reduction (World Bank, 2003). The challenge to CDD is the long term sustainability of programs unless they are better integrated into the government structure (Malhotra, 2005). When beneficiaries know more about the project, the way it is implemented or the importance of raising their voice, it is likely that the project becomes popular and widespread, through the demonstration effect and word of mouth, attracting interest from various stakeholders and interest groups (Ribot and Mearns, 2005). This might scale up the project to some extent but what about the sustainability? What happens to the development projects when the funding is affected? What if the development agencies terminate the project? Are these communities capable and mature enough to carry on that particular project without any external funding?

"An assumption of sustainability implies that, after the CDD project is terminated, bodies that speak and work on behalf of community (and that hopefully represent community) continue: 1) to be representative and 2) to hold powers (decisions and resources)" (Ribot and Mearns, 2005). When there is a repetitive cost associated to the project (e.g. funds for a teacher's salary, keeping the health workers in the health centers), the "sustainability" factor is neglected most of the times. Communities often do not have any guaranteed source of income and/or revenue or even if they do, it is very limited. In that case, the design and implementation of the CDD project raises serious concerns and the poverty alleviation through this approach looks suspicious (Chebil and Haque, 2003).

2.4.5. Does it work in Conflict Affected Areas?

Civil wars and conflicts are more common in poverty stricken societies (Fearon and Latin, 2003), societies having ethnic fragmentation (Lake and Rothchild, 1996; Cederman and Girardin, 2007), societies having dissatisfaction with domestic political institutions (Krayn and Meyers, 1997) or the countries that have an abundance of "lootable" resources (Collier and Hoffler, 2004; Fearon, 2005). There are quite a number of articles that talk about the origin of conflicts and civil war, and try to unveil what motivates groups to rebel (Gurr, 1970) and how these rebellion opportunities mobilize against other groups or the central authority (Tilly, 1978). There is always a struggle for power and the restoration of status and presence in the society between the two groups. This is also backed by the idea that there are no empty spaces in politics and that the political vacuum is always filled by an alternative actor (Guicciardini, 1538). "CDD might also be treated as an urgent response to the population suffering from political, social and economic disenchantment" (Malhotra, 2005).

There are several socio-economic and political issues that raise the conflict in any particular society. When CDD projects are implemented in such conflict-affected societies, irrespective of how difficult it is to penetrate inside the community, such projects have helped to reduce conflict by the increasing people's participation, their awareness on development issues, increase in social capital and the reduction in poverty (Collier and Hoffler, 2004; Miguel et al., 2004). It is also argued that CDD can operate and expand in unstable and conflict settings and there is demand of such programs for the reconstruction of destroyed infrastructure, creation of employment opportunities, as a step to bring stability and the sense of belongingness despite the economic, financial and political crisis (Malhotra, 2005).

However, this might not be true in all the cases. By shifting the power- balance between the insurgents and the government, CDD projects might increase the conflict (Powell, 2006) and in some cases, the sudden change in income level or the use of resources and its allocation might intensify the conflict (Grossman, 1999; Garfinkel and Skaperdas, 2007). At the same time, there might also be opposition to allowing any such programs that might act as a conduit between the government and people. Recent research in the Philippines shows evidence of a causal relationship between CDD programs and the increase in intensity of violent civil conflict (Crost, Felter and Johnston, 2010), supporting the theme that when there is change in bargaining power between the insurgents and the government, there is increased conflict because of the bargaining failure (Powell, 2004; Powell, 2006).

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3. PERCEIVED DISCRIMINATION AND CDD IN DIVERSE COMMUNITIES

Discrimination is something that serves to differentiate, and perceived discrimination is the perceptions of people who believe that they have been unfairly treated and differentiated because of their group membership (Mirage, 1994; Sanchez and Brock, 1996). It is often said that the unfair treatment with respect to arrays of gender, race or ethnicity is based on prejudice. "The subjective meaning and consequences of perceived discrimination depends on the position of one's group in the social structure"… the attributions of prejudice for people in disadvantaged groups are "likely to be internal, stable, uncontrollable, and convey widespread exclusion and devaluation of one's group whereas the same for privileged group is more localized" (Schmitt and Branscombe, 2002).

Perceived discrimination is due to dissimilarity in characteristics between people, and these characteristics might be something based on which two different groups can be segregated, like social status, ethnicity, gender or race. People who come from sound backgrounds, higher social status and advantaged ethnic or racial communities are less likely to perceive discrimination as opposed to the ethnically isolated and disadvantaged groups of a population (Avery, McKay and Wilson, 2008). One of the useful frameworks used to define perceived discrimination is the social identity theory in which individuals differentiate themselves and others into distinct groups as per the shared salient characteristics (Tajfel and Turner, 1985) and it does not occur in isolation.

Discrimination practiced or perceived, limits people's opportunities to participate freely and fully in the community, halting the system to achieve the set objectives. Perceived discrimination appears to be common among people who come from disadvantaged population, be it their ethnic background, race, gender or the social hierarchy. Even though many of the community driven development program interventions assure the maximum participation of these disadvantaged groups of people, the discrimination that has been in practice for ages seems to have a dominant effect. Better ethnic relations and

social cohesion might decrease the perception of discrimination, leading to a change in social environment and community relationships.

Community is the base of CDD and everything in this approach is in relation to people's participation and their acknowledgement of being together in a group for a common objective. Despite heterogeneity in communities in terms of caste, ethnicity, gender, religion or social status, the CDD approach is expected to provide a common ground for people to share development outcomes. The existence of power struggle is very typical in a community and people at the lower end are always discriminated and exploited for vested interest of people at the higher end. Discrimination, either real or perceived, creates exclusion in the community hindering people's participation, which is the backbone of CDD. The preconception of discrimination takes away the opportunities of coming together in a social apparatus which is expected to build a strong linkage among community members. Irrespective of existing divisions in a community, community initiatives and social support for individuals are for development of relationships between shared goals and quality (Daley, 2009).

"Community development builds community activism at grassroots reaching out to change the root causes that give rise to discrimination" (Ensher, 2001). Some of the key aspects of community development are social inclusion, collective action, participatory governance, social equality, empowerment and sustainable development. This is the approach of collective action taken to identify common needs of individuals in a community and address them without depriving anyone who belongs to a disadvantaged social group. Challenging discrimination and working with powerless people to address inequality for social change (CDX, 2006) is what the more radical version of community development does. Some other literature (Ledwith, 2006; Shaw, 2008; Gilchrist, 2009) also mentions that community development "identifies differences in interest within community and aligns itself with the poor and other oppressed groups".

Empowerment is one of the expected end results of the community development approach, which is about "challenging discrimination, prejudice and marginalization"

(Douglass, 1857). CDD can be developed as a tool to address the social injustice and discrimination going on in a community. With its bottom up approach, the root causes of discrimination and social inequality can be focused for the process of change. Unless these issues are confronted and addressed, CDD cannot overcome the power struggle dynamics existing in a society. Thus, discrimination and power relations are some of the most vital aspects that community driven development programs need to address for better social environment and community relationships in a broad perspective.

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4. CASE STUDY

4.1. <u>Community Driven Development in Nepal:</u>

Nepal have had some experiences in community development through programs like community forestry, *aafno gaaun aafai banaun* (develop your own village), mother's group or youth's group over the years. Also, several targeted and sectoral poverty alleviation programs were introduced and implemented by the Government since the early 1990s but most of the programs fell apart as a result of poor coordination, short sighted implementation plans, the lack of monitoring and evaluation procedure, and more importantly, the inability to include poor people into the development efforts (ADB, 2002).Most of the development programs were top-down that never reached poor people, who were supposedly the real beneficiaries of the whole development concept.

Development efforts by the government have hardly had any influence in controlling the poverty level in Nepal. Despite planned development in the country for decades, nearly one-third of the population was living below the poverty line, without basic amenities for life such as food, shelter, clothing, drinking water, health services or education. It was also exacerbated by the social structure that segregated large populations in terms of caste, gender, ethnicity and hierarchy, keeping them away from development goals. The excluded population could hardly reap benefits of limited development programs as most of them were centralized in the urban areas.

Realizing that development efforts were not effectively at reaching people at grass root levels, and that the poverty gap between people of rural and urban areas was widening, the government of Nepal took initiative and came up with Tenth National Development plan for the period 2002-2007, also known as the Poverty Reduction Strategy Paper (PRSP). This plan had four major pillars which focussed on poverty reduction- the improved governance, broad based high and sustainable growth, social sector development with emphasis on human development and targeted programs with emphasis on social inclusion. These strategies were also introduced to mobilize national actors to reduce extreme forms of poverty, with the long term vision of achieving Millennium Development Goals (MDGs) to reduce extreme poverty to half by the year 2015.

With the emphasis on targeted development plans, the Poverty Alleviation Fund (PAF) Ordinance 2060 was issued during 2002- 2003 with the extended nation-wide consultation with a large number of people from different sectors. The development plan prioritized public intervention and participatory approaches through larger participation from INGOs, NGOs, private sectors and community based organizations limiting the role of the government sector in the development activities. Amidst political and economic chaos, the implementation of Poverty Reduction Strategy Paper (PRSP) was initiated through the establishment of the Poverty Alleviation Fund (PAF).

4.2. <u>**Poverty Alleviation Fund (PAF), Nepal:**</u>

The Poverty Alleviation Fund (PAF), Nepal was established during 2004/ 2005 under Poverty Alleviation Fund Ordinance 2060 and Act 2063 B.S. with the vision of a democratic, equitable and sustainable Nepali society. It is an autonomous organization working at the national level with the main objective of including poor and disadvantaged populations in development programs through a targeted and demand driven development approach. PAF is an umbrella fund created to mobilize the government and aid community resources in order to integrate poverty reduction programs and not to work as

an implementing agency itself (ADB, 2002). Secured by Poverty Alleviation Fund Act 2063 B.S., this organization works independently and centrally, and is responsible for the overall aspects of the program like monitoring, evaluation, reporting to the accountability and transparency in terms of programs and the use of funds.

The organization works closely with NGOs, private sector organizations, local agencies and other development organizations to address the needs of poor communities and to help them become part of their own development. Identifying the needs of people and meeting their needs was one of the main agendas of the development plan, which was initiated through the target oriented programs of PAF, Nepal. PAF has been working at the grass root level to address the age old inequalities and grievances present in the poor communities.

Despite the socio-cultural and economic constraints, the independent study conducted by the Central Department of Population Studies, Tribhuvan University in 2009 mentions that the organization has helped in improvement of economic status of poor people, the integration and social inclusion of disadvantaged population, and enhanced their capacities, assisting them to force themselves out of the vicious poverty cycle. Over the four years of its operation, the organization has helped beneficiaries to raise their level of income, consumption, health and educational awareness through the infrastructure development and income generation activities. One of the other studies by the Auditor General Office of Government of Nepal in 2008 also emphasizes that the PAF program has improved the social and economic status of disadvantaged people, and that the development efforts have reached the real beneficiaries.

PAF has been expanding its programs throughout the country with the broad objectives of contributing to extreme poverty reduction and also helping to achieve the target of Millennium Development Goals (MDGs) to reduce extreme forms of poverty to half by 2015. The organization works under six basic guiding principles- targeted to poor, social

inclusion, transparency, demand driven, direct funding and community institutional development for sustainable development of community organization.

Although the program was initiated during the phase of a decade-long Maoist insurgency in 2004/ 2005, the pilot projects in the first 6 districts were fairly impressive. The programs, which were targeted at the lowest level, had relatively high success rates in the very first year. As of July 2010, PAF has implemented different programs in 59 districts out of 75 (6 pilot districts in 2004/ 2005, 19 additional districts in 2005/ 2006, followed by additional districts every year). The PAF now covers all the 25 districts from Group C and 15 districts from Group B that are categorized as most deprived and poor districts by the Central Bureau of Statistics-National Planning Commission in 2003, based on 28 different poverty related socio-economic indicators. The organization has also implemented special innovative window programs in 19 other districts in order to reach the poor in fairly better-off districts as per the ranking.

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5.   APPROACH & RESEARCH METHOD

5.1.   Research Question & Hypothesis:

The research question in this study is *Do community driven development (CDD) programs improve social relationships measured by perceived discrimination among different ethnicities in Nepal?* To answer this question, two hypotheses have been derived:

Hypothesis I: *Program intervention improves social relationship in terms of perceived discrimination in the community, and*

Hypothesis II: *Ethnicity has an effect on perceived discrimination in community.*

5.2.   Survey Data:

In order to answer the research question, it was important to have data that dealt with the diverse communities in Nepal which have a higher concentration of marginalized populations. For this purpose, the data from *Baseline Survey on Poverty Monitoring and Evaluation in Six Programme Districts* was obtained from the Poverty Alleviation Fund (PAF) Nepal. The survey was conducted by the Central Department of Population Studies (CDPS), Tribhuvan University (TU) for PAF Nepal and the World Bank during 2007, with the objective of generating household information on various socio-economic conditions for the purpose of monitoring and evaluation. The survey was conducted so that it would demonstrate the impact of program implementation and understand whether or not the poverty alleviation programs have been working to achieve their underlying objectives.

5.3   Sampling:

The survey was based on a multi-stage quasi-randomized sampling design with the total sample size of 3,000 households from 6 districts of Nepal- Humla, Jumla, Dailekh, Doti, Rolpa and Rautahat. In order to select the required number of households, three stages were involved in the process.

i.   Out of the 19 districts where PAF programs have been implemented, only 6 were selected on the basis of lowest rank in the composite index of socio-economic development (ANNEX I). The 6 districts were also the representation of all three ecological zones- mountain, hill and tarai.

ii.   Ward is the smallest administrative unit in Nepal, which is considered as the primary sampling unit (PSU) for sampling in the survey. In the 6 selected districts, there are about 2,782 wards which were divided into two different divisions- the experimental wards and the control wards. Experimental wards are those that were already manipulated through PAF intervention, whereas control

wards were the ones that were selected for the intervention but yet to be manipulated. In order to have 3,000 households in the survey, 200 PSUs were selected and equally divided into experimental and control wards with 100 PSUs each. Following the trend of earlier survey[1], a sample of 15 households was allocated to represent the population from each PSU.

iii. Individual households were selected during the third stage of sampling. The field supervisor, with the help of enumerators, prepared a household list in each PSU in consultation with local level stakeholders. Finally, 15 households were selected by supervisors in each PSU by using a systematic random sampling method. In the case of wards with less than 15 households, the adjoining ward was included to make it up to 15.

Table 1: Sampling of Household and PSU by Selected Districts (PAF Nepal)

Districts	Total Wards	% Share	Experimental PSU	Control PSU	Total PSU	Total Households
Rautahat	865	31.1	31	31	62	930
Rolpa	459	16.5	16	16	32	480
Dailekh	495	17.8	18	18	36	540
Jumla	270	9.7	10	10	20	300
Humla	243	8.7	9	9	18	270
Doti	450	16.2	16	16	32	480
Total	**2,782**	**100.0**	**100**	**100**	**200**	**3,000**

The dataset has 2,999 responses altogether; one of the PSUs in the Rolpa district had only 14 household responses instead of 15 (PSU No. 69 does not have 15th household in the dataset), making the total of 1,499 responses from experimental group and 1,500 from control group.

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[1] The first phase PAF M and E baseline survey was conducted in 2006 in the 6 pilot districts of PAF program.

5.4.   Survey Implementation:

The household survey includes sections on demographic, education and literacy information, employment details, migrant labor and remittances, housing condition and physical assets, food consumption, household income and expenditures, health and anthropometry, social environment and community relationship, empowerment and participation, and traditional knowledge and skill. In order to measure the social relationship in terms of perceived discrimination, the questions from social environment and community relationship section will be focused. In the survey, the respondents were mainly head of the selected households. In cases of the absence of household head, either de-facto household head or an adult member of the household aged 18 years or above, who could respond to the survey questionnaire were chosen as respondents.

5.5.   Data Analysis:

Data analysis was done with the help of SPSS as a statistical tool. In order to address the research questions, Frequencies, Crosstabs, Means, Z-Test, ANOVA, Correlations, Linear Regressions and Binary Logistic Regression were used.

5.6.   Models:

The theoretical econometric model used in this study is linear regression.

$$\mathbf{Y}= \qquad\qquad\qquad\qquad\qquad\qquad \text{……………}\ \text{Eqn (I)}$$

where, **Y**= Dependent variable or the research outcome in this study

= Intercept^2 of the regression line

,   … = Unstandardized coefficients of the regression line with the introduction of independent variables.

= Independent variables

= Epsilon, which is the variation in dependent variable that is not explained by the included observables.

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^{2} **Intercept** represents the estimated average value of Y when X equals zero

5.7.   Variables:

The variables used in this study are categorized and defined as below.

Table 2: List of Dependent and Independent Variables used in the study

SN	Variable Type	Variable Attribute	Survey Question
1.	Independent Variable	Program Intervention	
Program Intervention refers to the Poverty Alleviation Fund (PAF)'s programs that have been introduced to various districts in Nepal. There are two distinct categories of data in the dataset- experiment group and the control group. Experiment group refers to the sampling units where PAF programs have been implemented and control group refers to those that have been selected for intervention but is yet to be manipulated. In this study, (0) program intervention means the data is from control group and (1) means the date is from experiment group.			
	Independent Variable	Ethnicity	- Caste/ Ethnicity?
Ethnicity in this study refers to the shared background based on caste and is the traditional form of stratification. Although discrimination based on caste system has been ousted by law, it is still an integral part of Nepali society which is widely practiced. Caste divides people into multifaceted status hierarchy and it is said that the establishment of the caste system gave birth to a feudalistic economic structure in the country. In this study, ethnicity has been divided two different groups- Caste Group and Disadvantaged Ethnic Groups. Caste group refers to the highly regarded and advantaged group of people treated as "higher" categories like Chhetri or Brahmin, and disadvantaged ethnic group refers to the socially disadvantaged ethnic minorities like Dalit (untouchables), Janajati or other minor groups.			

	Independent Variable	Education	- Has ever attended formal school? - What is the highest grade completed?

Education in this study refers to the highest level of education in each household. This variable is only used as a controlled variable throughout this study to confirm the effect of program intervention and ethnicity in perceived discrimination.

	Independent Variable	Income	- Family income during last 12 months?

Income refers to the yearly income of a household for the past year. Like education, income is also a controlled variable in this study which is not used elsewhere. It is only used to confirm the effect of program intervention and ethnicity in perceived discrimination.

2.	Dependent Variable	Perceived Discrimination	- How is the relationship between different social/ethnic groups in your community? - When you interact with other people in this village, how respectfully do they behave to you? - Were you/ your household invited to any feasts/festivals in your village where most of the villagers were gathered during the past 12 months?

			- Did any respected person of this community come to visit your household during the past 12 months? - Did your family member or any member of community faced discrimination on public areas like market, tap, temples, social functions, etc?

Perceived Discrimination in this study refers to the perception of people who believe that they have been unfairly treated and differentiated because of their group membership like gender, caste, race, ethnicity, social status or religion based on prejudice. Perceived discrimination is said to be caused due to the dissimilarity based on which different groups can be segregated. People who come from a sound background, higher social status and advantaged ethnic or racial community are less likely to perceive discrimination as opposed to the ethnically isolated and disadvantaged group of population.

6. RESULT & DISCUSSION

6.1. Survey Composition:

There are altogether 2999 household surveys collected from 6 districts where PAF programs have been implemented. These districts also represent all three ecological zones of Nepal- mountain, hill and tarai. The majority of lowest ranked districts are in hilly areas so the highest number of responses was from Hill (49.98%), followed by Tarai (31.01%) and Mountain (19.01%). The total of (54.9%) of responses comes from a group of "higher caste" respondents, also known as caste group in this study followed by (21.1%) of the ethnic minorities, (18.3%) of untouchable groups and the remaining (5.7%) from the tarai minorities.

Table 3: Frequency Table showing survey composition

Ecological Zone	19.01%	Mountain
	49.98%	Hill
	31.01%	Tarai
District	18.0%	Dailekh (Mid-Hill)
	16.0%	Doti
	9.0%	Humla
	10.0%	Jumla
	16.0%	Rolpa (H)
	31.0%	Routahat
Ethnicity	54.9%	Caste Group
	18.3%	Dalits (Untouchable Group)
	21.1%	Janajati (Ethnic Minority)
	5.7%	Tarai Other
Sampling Units	50.0%	Experimental Group
	50.0%	Control Group
Household Education	21.2%	No Formal Education
	37.3%	Primary (Grade 1-5)
	20.6%	Lower Secondary(Grade 6-8)
	17.5%	Higher Secondary(Grade 9-12)
	2.7%	Undergraduate (Bachelor's)
	0.7%	Graduate (Master's and above)

The total responses belong to two different groups- the experimental group where the PAF program has been implemented and the control group where the areas have been selected for intervention but the program is yet to be implemented. The dataset has information on highest level of education in the household as per which the total of (21.2%) of the total households (any members in these households) have not attended any kind of formal school. Out of the total responses, (37.3%) of the households have primary education, (20.6%) have lower secondary education, (17.5%) have higher secondary education followed by (2.7%) of undergraduate and (0.7%) of graduate level education. These numbers are calculated based on highest level of education in each household at 200 primary sampling units.

6.2. Social Relationship in terms of Perceived Discrimination:

Nepal is diverse in terms of caste and ethnicity and there are several social issues related to the hierarchy created within. In this paper, social relationship is measured in terms of perceived discrimination based on responses in the survey. There are around five questions related to perceived discrimination under the social environment and community relationship section. The hypotheses are checked against two different factors- the program intervention and ethnicity, both independent variables. The survey questions like "How is the relationship between different social/ethnic groups in your community?", "When you interact with other people in this village, how respectfully do they behave you?" and "Did any respected person of this community come to visit your household during the past 12 months?" have been categorized to measure perceived discrimination in this paper. Dummy variables are created separately to measure the responses as (0) or (1). Responses in terms of GOOD and FAIR have been merged to become category (0) which means there is no perceived discrimination and BAD for (1) which means there is some level of perceived discrimination.

Based on the above explanation, we recode another dummy variable under the name (P_Discrimination) to measure perceived discrimination in terms of (0) and (1). Similarly, ethnicity is categorized into two groups- (1) for disadvantaged and ethnic minority groups i.e. dalits, janajati (ethnic minorities) and tarai others, and (0) for caste group i.e. higher caste groups. Apart from Ethnicity, the dummy variable is also created to categorize control group and experimental group into 0 and 1 respectively.

Now, let us look at some responses from survey to have a general picture of Nepali communities. One of the questions in the survey asks whether anyone from dalit/ janajati ("untouchable" and ethnic minorities) suffered from physical assault/ violence in your community during the past 12 months. Out of total responses, only (7.4%) said that there were incidences of physical assault; the share of responses in terms of ethnicity and program intervention shows that the total of (91.3%) of disadvantaged ethnic groups said there was no physical assault whereas the remaining (8.7%) said there was. It was interesting to find out that there was no such difference between the responses from experiment group and the control group i.e. (7.1%) of the responses from no program intervention group vs. (7.8%) from the program intervention group mentioned the incidents of dalit/ janajati being physically or violently assaulted.

Another question is about the perceived threat or intimidation in the community, which reads as "In this community, did you experience any threats or intimidation?" Here, (11.3%) of the total responses said they faced threats or intimidation, out of which (51.0%) belong to the caste group and the remaining (49.0%) belong to the disadvantaged and ethnic minority. It tells us that not only the minority and disadvantaged population are discriminated and intimidated in the society but it is faced by upper caste and "higher" ethnic communities too. The following question asks about who threatens or intimidates you and the result shows (36.28%) are the local rich people, followed by political force (23.89%), upper caste people (18.58%), local gangs (10.03%), others (7.67%) and thieves/ dacoits (3.54%). This result is supported by a wide range of literature that talks about the issues of local elitism in community driven development

models. Elite capture and elite rule looks pretty much prevalent in Nepali communities too.

When we segregated the responses in terms of ethnicity, (51.2%) belong to caste group and the remaining (48.8%) to the other group. The majority of responses in each category were from the caste group except for the response on upper caste people wherein total (73.0%) of the disadvantaged and ethnic minorities said that they were threatened or intimidated by upper class people. This was the biggest difference in percentage between two broad ethnic groups in any category.

Below is the table showing the frequency and percentage of responses between four different categories differentiated by program intervention and ethnicity.

Table 4: Distribution of responses based on Program Intervention and Ethnicity

QUESTIONS	YES Program				NO Program			
	Caste Group		Disadvantaged & Ethnic Minority		Caste Group		Disadvantaged & Ethnic Minority	
	N= 869		N= 630		N= 776		N= 724	
	n	%	n	%	n	%	n	%
How is the relationship between different social/ ethnic groups in your community?								
Good=0	852	98.0%	596	94.6%	768	99.0%	693	95.7%
Bad=1	17	2.0%	34	5.4%	8	1.0%	31	4.3%
When you interact with other people in this village, how respectfully do they behave you?								
Good=0	855	98.4%	599	95.1%	763	98.3%	682	94.2%
Bad=1	14	1.6%	31	4.9%	13	1.7%	42	5.8%

Were you/ your household invited to any feasts/ festivals in your village where most of the villagers were gathered during the past 12 months?								
Yes= 0	781	89.9%	531	84.3%	709	91.4%	624	86.2%
No=1	53	6.1%	76	12.1%	46	5.9%	68	9.4%
N/A=99	35	4.0%	23	3.7%	21	2.7%	32	4.4%
Did any respected person of this community come to visit your household during the past 12 months?								
Yes= 0	392	45.1%	229	36.3%	351	45.2%	276	38.1%
No=1	477	54.9%	401	63.7%	425	54.8%	448	61.9%

Similarly, another survey question exclusively provides a list of public places and asks whether the family member or any member in the community faces discrimination in those places. Based on the responses, the total of (7.2%) mentioned that their "family members" faced discrimination while entering into the house of other caste, in water sources (tap, spout, canal), in the social, religious functions and temples. The other areas like market, fare, health institution, forest and pasture had discrimination at the lower end. However, when the same question was asked for "any member of community", the result shows that (17.2%) of the members of communities were discriminated.

Like the responses to discrimination faced by family members, the majority of such activity happens while entering the house of upper caste followed by social, religious functions, entrance to temple and also at the water sources (tap, spout, and canal). With this result, we can say that the discrimination based on caste and ethnicity is still prevalent in the country and we can have instances where ethnicity has an important role

in shaping the social and community relationships. In continuation to initial findings, this paper talks about four different models to find out the effect of program intervention and ethnicity in perceived discrimination.

6.2.1. <u>Effects of Independent Variables on Perceived Discrimination</u>

In order to see the effect of program intervention and ethnicity on perceived discrimination, we run a regression with perceived discrimination as a dependent variable. Below is the regression table that summarizes empirical data of this study.

Table 5: Regression among Perceived Discrimination and other Dependent and Control Variables

	Model 1	Model 2	Model 3	Model 4	Model 5
Program Intervention (No=0; Yes=1)	-0.002 (0.007)		0.001 (0.007)	0.003 (0.007)	0.001 (0.007)
Ethnicity (Caste Group=0; Disadvantaged & Ethnic minorities=1)		0.044** (0.007)	0.044** (0.007)	0.041** (0.007)	0.041** (0.007)
Education (Highest level of education in HH)				-0.003** (0.001)	
Income (Household income)					- 2.760** (0.000)
Intercept	0.044 (0.005)	0.023 (0.005)	0.023 (0.006)	0.040 (0.008)	0.040 (0.008)
R Squared	0.000	0.012	0.012	0.016	0.015
N	2999	2999	2999	2999	2999

(*=significant at 0.05 level; **=significant at 0.01 level)

Overall, the table shows that there is no significant correlation between program intervention and perceived discrimination across all five models. However, the statistically significant relationship between ethnicity and perceived discrimination is well proved throughout the regressions. The control variables- education and income used in this regression contribute to our findings that the association between the dependent and independent variables is not spurious. Another important aspect to mention in this table is the minimal change in intercept in these five models, which explains that the sample used in the survey was random. Based on this table, we will try to explain the results under different models.

6.2.1.1. **Effect of Program Intervention on Perceived Discrimination:**

Participatory decision making is one of the main traits of community driven development that promotes equity and social inclusion in the community. This approach is expected to strengthen the social cohesion between community members, irrespective of their social background. With this regression, we try to find out whether there is any correlation between such program intervention and perceived discrimination in society. In another way, we are trying to look at the effect of the program in decreasing the preconceived notion of discrimination in the society. Model 1 is the regression between perceived discrimination (P_Discrimination) as a dependent variable and the program (Program_Intervention) as an independent variable, the equation for which is:

$$\text{Eqn (II)}$$

The result shows that the intercept of the line is (0.044) which means that if there is no program intervention then the perceived discrimination in the community is (0.044). The value of (-0.002) is the slope of the regression line which means that for every percentage point increase in program intervention, we can expect a (0.002) decrease in perceived discrimination. However, there is no statistically significant correlation between these two variables.

6.2.1.2.Effect of Ethnicity on Perceived Discrimination:

This study also talks about the role of ethnicity in perceived discrimination. Nepal is diverse in terms of caste and ethnicity, and segregation and marginalization of populations based on these social structures is still prevalent in the country. It was hypothesized that *ethnicity has an effect on perceived discrimination in the community*. Model 2 represents the regression between ethnicity and perceived discrimination in Table 4 for the following equation.

The intercept of the regression line is (0.023), which means that if there is no effect of ethnicity in the community then the perceived discrimination is (0.023). Also the value of slope tells us that for every percentage point increase in ethnicity, we can expect a (0.044) increase in perceived discrimination. Most importantly, the correlation between ethnicity and perceived discrimination is statistically significant, so the hypothesis that *ethnicity has an effect on social relationship in the community* should be accepted.

6.2.1.3. Effect of Program Intervention & Ethnicity on Perceived Discrimination:

As the relationship between ethnicity and perceived discrimination is not by chance, it would be interesting to see if there is any effect on perceived discrimination when both the program intervention and ethnicity are in play. For this, multiple regression is run across perceived discrimination, and program intervention and ethnicity together whose equation is below. This is represented by Model 3 in the table.

Multiple regression is important to see if there is any change brought by combination of variables to predict results. The regression table shows that there is no change in the intercept of the regression line. The change in the slope of program intervention from (0.002) in Model 1 to (0.001) in Model 3 is because of the effect of ethnicity. However, this is a small change in value that still keeps program intervention insignificant and ethnicity as significant.

6.2.1.4. Effect of Education in explaining the relationship between Program Intervention and Ethnicity with Perceived Discrimination

In Model 4, we use education as a control variable to make sure that there is no spurious correlation in our regression. To check this, a dummy variable (HHHEducation) is created to capture the highest level of education in each household and the missing value in the dataset is re-coded into (0) to capture all the data referring to no formal schooling, preschool or kindergarten. Model 4 represents the below equation:

The result shows that with each point increase in household education, there is a (0.003) point decrease in perceived discrimination. Though this value is very small, it might have an influence in the areas where the majority of the population is either uneducated or has attended a primary level of education. As in our earlier models, result shows that there is a correlation between ethnicity and perceived discrimination and is statistically significant. At the same time, there is no significant relationship between program intervention and the perceived discrimination.

The higher the level of education, the higher the level of knowledge is that unfair and discriminatory attitudes in the society are not acceptable. Though discrimination based on

gender, caste and ethnicity has been ousted by the constitution of Nepal, most people in rural areas are not aware of it. Providing the right to information through education and awareness is very crucial in societies where the social structure halts the development process. Providing educational opportunities to people is expected to bring ability in differentiating what is right and what is wrong such that they can pick the best possible solution for themselves.

6.2.1.5. <u>Effect of Income in explaining the relationship between Program Intervention and Ethnicity with Perceived Discrimination</u>

Model 5 represents the effect of income in explaining the correlation between program intervention and perceived discrimination, and ethnicity and perceived discrimination. Income in this model represents the yearly income of the household in the past year and, like in our earlier model (6.2.1.4.), income is used as a control variable to check the spurious correlation in our regression represented by the below equation.

The intercept of this model remains the same as in Model 4 and there is hardly any significant change in the slope of program intervention and ethnicity. The slope of program intervention continues to be insignificant and that of ethnicity remains statistically significant throughout the models. Although income is not the focus of this research, the value in the regression table shows that with every unit increase in income, the perceived discrimination is decreased by (2.760) units. This value is high and can also be correlated to the fact that not only the disadvantaged and ethnic minority groups perceive discrimination in their communities; it is also perceived by poor people

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belonging to a higher caste. Poverty plays a major role in increasing the intensity of perceived discrimination among individuals.

It was not surprising to find out the correlation between perceived discrimination and ethnicity but what was surprising was the result showing that program intervention did not have a significant impact in decreasing perceived discrimination across diverse communities. The overall result shows that our data does not support the impact of program intervention in improving social relationships measured by perceived discrimination. This study uses secondary data that was collected for the purpose of monitoring and evaluation to keep track of the progress made by PAF Programs in districts of implementation during 2007. During that period, the programs were implemented in 6 pilot districts and an additional 19 districts; however PAF programs have expanded to 59 districts out of 75 by June 2010. Though this data is crucial in portraying the picture of Nepali community, it is too early to measure the impact of the program based on this data which comes from the year 2007. Change in perception is a gradual process, so maybe this has something to do with the program intervention period. It might take a few years before the real impact of the program can be seen.

We can also argue that the changes in attitudes and perception of respondents might have been brought over time. The PAF programs in these districts have been implemented for around 5 years by now, so things might have changed along with the maturity of projects. Although our data does not describe all of these, it is possible that people's perceptions might have changed over time with the introduction of new development programs, techniques and exposure in the community.

The result might have also been influenced by the preferred response in survey by head of household, who we presume to be the older population. This group of respondent belongs to the category that has borne social inequality and discrimination for most of their lifetime. They have no or a very low level of education and have limited exposure to external environments, that ultimately keeps the perception of discrimination somewhat

similar. This study believes that perception would have been different if the respondents were younger who might have better experiences with the changes happening around them- their school, workforce or the community, with the experiences of fewer instances of unfair treatment than their elders.

Discrimination is multi-dimensional, which might mean different things to different people. It is essential to address discrimination or any other social issues that might influence and suppress the growth and development of a community. Although the survey explores a wide range of information, defining and predicting "discrimination" based on so few questions is the limitation of this study.

There is a difference between perceived discrimination at individual levels and that of the community level, and it is important to note that people belonging to caste group perceive less discriminatory attitudes compared to the other disadvantaged ethnic groups. This might be because of their strong influence over the community that lets them perceive whatever they are doing is socially acceptable. On the other hand, the perceived discrimination appears to be common among people who come from disadvantaged ethnic groups. Even though development intervention assures the maximum participation of people and is subjected to equal and fair treatment, social discrimination based on dissimilarity and distinct characteristics has become a social norm over the years. The difference in perception of social isolation and/ or discrimination has to do with socially disadvantaged lives the ethnic minorities and disadvantaged population have lived for generations. Confrontation of such unacceptable and unfair social behavior is uncommon in communities, which are moreover understood as a salient norm. The difference in level of education and social exposure between the two distinct groups can also be linked to the change in perception.

6.3.Summary of Hypothesis & Findings:

Table 6: Summary of Hypothesis and Findings of study

Hypothesis	Findings
Program intervention improves social relationship in terms of perceived discrimination in the community.	No significant impact of program intervention is seen in the data which might be because of data limitations. As perceived discrimination might be the result of a preconceived notion, it might take time to see the real effect of CDD programs. It is possible that the program is working but is too early for changes to happen in a society that has a long history of disenchanted social structure. CDD programs might be helping build a better social environment and community relationships, but it is not supported by the data used in this paper.
Ethnicity has an effect on perceived discrimination in the community.	Ethnicity seems to have a high correlation with the perceived discrimination in our data. Having this correlation looks common in societies that have practiced discriminatory attitudes based on ethnic background, race, gender or the social hierarchy. Discrimination that has been in practice for ages seems to have a dominant effect in communities, whereas better ethnic relations and social cohesion might decrease the perception of discrimination leading to a better social environment and community relationships.

7.   CONCLUSION

Do community driven development (CDD) programs improve social relationships measured by perceived discrimination among different ethnicities in Nepal? Although social inclusion and provision of equal opportunity and fair treatment are the key concerns of the CDD approach, our data does not support its significance in decreasing perceived discrimination in the community. This does not necessarily mean that the program is not working. It is too early to measure the impact of the program based on the survey data used in this study especially because discrimination based on social orientation has been in practice for hundreds of years. We cannot expect changes to happen all at once, and barriers to strong community relationships can be broken down slowly and gradually. By incorporating awareness and education programs with program intervention, the discrimination and existing self- stigmatizing beliefs can be overturned eventually. As most of the literature explains, CDD might have the potential to improve the social relationships and cohesion required for community development.

Ethnicity, in our study, is influential in all respects, which also means that the Nepali community is diverse and that discriminatory social practices need to be broken down through education and awareness. These are vital to any development programs that look for social change. Despite diverse communities and different social backgrounds, mutual interdependence through participatory decision making is the key to community driven development. As some of the literature argues, this approach should be used to challenge the existing discrimination and inequality in the communities based on ethnic background, caste, race, gender or any other social orientation. A program that acknowledges existing social diversity might be an effective tool in creating a better social environment and a healthier community that is required for community driven development to be successful.

Bringing people into the development prospects through social capital is an important aspect of the CDD approach, which can be harnessed through opportunities provided to each member in the community such that they have equal access to information, have

freedom to raise their voices and concerns, actively participate in decision making, and respect each other's strengths and weaknesses. Creation of good governance generating institutions through a strong social network is one of the major objectives of community driven development programs. Greater social inclusion and wider participation by people at the grass root level in development programs are crucial when a bottom up approach to development is chosen over a top down one.

Social environments hold different value to different people so it becomes a real challenge to find out their perception of community relationships. Studies like this might contribute to understanding the attitudes of people in order to tackle the unfair and unequal treatments based on differences in social background and group-specific characteristics. Healthy social environments and better community relationships are two dynamic attributes of community driven development without which the whole concept of "community" fades away. Thus, it is important to design programs that discourage discriminatory attitudes and unfair treatment to people based on existing dissimilarity.

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8.   RECOMMENDATION

It is important to know what people feel about societal attitudes and behavior towards them. Studies like this might be important in identification of individual expression on social disenchantment. It is important to be aware of who is at risk of perceiving unfair treatment in the community, otherwise the program interventions end up doing the same level of treatment to everyone in the community. Instead of coming up with blanket policies that cover everyone without respect to their differences, different approaches of treatment should be framed with respect to the existing diversity. Programs should be designed to capture the diversity such that their differences can be transformed into some meaningful social attributes.

Diversity should be acknowledged and it is important to realize that the differences can lead to the difference in treatment if they are not attended to properly. Community driven

development programs should focus on general acceptable behaviors in the community. Development programs should introduce a set of standards with respect to the community environment such that people know what is right, what is wrong, what is fair or what should not be done. When these standards are violated, rather than putting blame on people with a discriminatory attitude, it should be accepted that the program needs a different approach of intervention.

Although government comes up with laws and regulations against discriminatory treatment, it is impossible to track how each individual perceives the treatment. Such policies do not necessarily eliminate disparities; however the results might be effective if education and awareness campaigns are disseminated, especially in the areas that are prone to such social differences. Integrated approaches should be adopted to address these social issues with a focus on education, awareness and mentoring. Efforts to empower socially disadvantaged populations should be encouraged such that the effect is not detrimental for the sustainable development of the community. Development of strong civil society networks is a critical part of the community driven development approach.

"Individuals and societies tend to remain poor if they are not empowered to participate in decision making that shape their lives" (ADB, 2005; 10). Thus a participatory approach should be embraced to empower disadvantaged people irrespective of social discrepancies. These programs should be designed carefully in adherence to good governance, ensuring social inclusion, non-discriminatory values and the distribution of power between diverse groups.

In addition, the latest research and findings should contribute to the design and implementation of CDD programs in order to reach the real people who are in need. There is a need for more academic research to validate these findings among the wider population and to examine whether program interventions have attenuated or exacerbated the overall objective of the CDD approach. Examining longitudinal data might help us with better results to see the impacts in a larger picture. It is important to intensify

research to capture the prevalent social attitudes such that proper attention can be paid for better program designs to reach people and achieve target objectives.

The purpose of this study is not to oppose or challenge the work done by PAF Nepal in community driven development, but to emphasize the fact that their intervention might be meaningful in decreasing social inequality and prejudice through a different approach. Apart from education and social awareness, it might be useful to investigate whether additional focus on empowerment should be given by program intervention to increase the social cohesion and improve relationships among community members.

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APPENDIX

<u>**Appendix A: List of Dummy Variables:**</u>

Table 7: List of Dummy Variables

<u>Dummy Variables</u>	<u>Recoded Values</u>	<u>Old Values</u>
Program_Intervention	0= No 1=Yes	No= Control Group Yes= Experimental Group
Ethnicity	0= No 1= Yes	No=Caste Group Yes= Disadvantaged ethnic group (Dalits, Janajati, Tarai Other)
DiscriminationQ1	0= No 1=Yes	No= Fair and Good in "social/ ethnic relationship" Yes= Bad in "social/ ethnic relationship"
DiscriminationQ2	0= No 1=Yes	0= Fair and Good in getting "respect" 1= Bad in getting "respect"
DiscriminationQ4	0= No 1=Yes	0= Respected Person Visited 1= No visit
Discrimination	DiscriminationQ1+ DiscriminationQ2+ DiscriminationQ4	The addition of all the values of three questions pertaining to discrimination
P_Discrimination	0= No Discrimination 1= Yes Discrimination	0= 0, 1= 0, 2= 1, 3= 1 If any of the two responses out of three is positive then there is perceived discrimination; only one positive answer might be the result of something else (for example, it may be because of dispute)
HHHEducation	0=Missing Values Else=Old Values	0=Missing values, pre-school, kindergarten 1= Class 1; 2= Class 2; 3= Class 3; 4= Class 3. 5= Class 5; 6= Class 6; 7=Class 7; 8= Class 8; 9=Class 9; 10=Class 10; 11=SLC; 12=Class 11; 13=Class 12 or Intermediate Level; 14= Bachelor's Level/ Master's Level 15= Ph. D.