Trustworthiness in Local Governments: A perception Analysis of Municipalities in Nepal

By

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MPPG 9th Batch

October 2020

South Asian Institute of Policy and Governance (SIPG)
North South University

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Dedication

To my daughter Aashriya Poudyal, wife Yamuna Nepal and all my family members.

Declaration

I declare that the dissertation entitled **"Trustworthiness in Local Governments: A perception Analysis of Municipalities in Nepal"** submitted to the PPG Program of North South University, Bangladesh for the degree of Master in Public Policy and Governance (MPPG) is an original work of mine. No part of it, in any form, has been copied from other sources without acknowledgement or submitted to any other university or institute for any degree or diploma. Views and expressions of the thesis bear the responsibility of mine with the exclusion of PPG for any errors and omissions to it.

……..

Trilochan Poudyal

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Acknowledgement

The moment while I am writing my acknowledgement section of the thesis, reminds me of all the 'high and lows' during my MPPG journey. To state some: newly born baby girl, health issues of wife, the two extreme weather conditions of three countries Nepal, Norway (Bergen) and Bangladesh that I have enjoyed during my MPPG journey, a journey in a hurry during early in the COVID crisis from Dhaka to Nepal on March 19, lockdown situation and office responsibilities along with the thesis work are crucial. Recently, during the last ten days, the viral problems of a family member of my wife, including the wife and little princess were many disturbing factors in the thesis journey. One moment, truly speaking, I have lost all my hopes for the successful completion of my thesis because of family health issue. Finally, by the grace of God and the continuous support of my family member even in a difficult situation, and of course, my thesis supervisors, I can bring the thesis in this form.

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Abstract

This study has attempted to map the trustworthiness in local governments (LGs) in Nepal. Local government are the lowest tier in the federal government system, which are rural and urban municipality. The main objective of this study is to assess the level of trustworthiness in LGs in Nepal. This study has tried to achieve the objective of this study from the specific objectives of the study which are: *first* to determine the linkage between quality of governance by LGs and trustworthiness in LGs; *second* to ascertain the association between people's participation in LG activities and trustworthiness in LGs, and *third* to identify the relationship between the socio-economic characteristics of people and trustworthiness in LGs.

The quantitative research approach has been used to analyse the finding of the research based on the secondary data source of NNGS 2017/18 conducted by Nepal Administrative Staff College. This study is developed on descriptive and analytical research design to come with the position of the study on the findings. The NNGS survey 2017/18 has the sample size of 12,872, out of which 53 per cent of the total respondents are female and 47 per cent male. This study has taken trustworthiness in LG as a dependent variable, and its independent variables are expected quality of governance by LGs, participation practice in LG; expected participation in LGs and the socio-economic characteristics of respondents. Additionally, rural/urban municipality is used as an independent variable to compare, which forms of the municipality has higher trustworthiness. Data analysis has been done through the statistical calculation: the t-test, one-way ANOVA for mean, correlation analysis, and linear regression analysis with the help IBM SPSS 21 (free version).

Considering the correlation analysis trustworthiness has a positive and significant correlation with all variables, except 'age.' Positive and considerable correlation among independent variables indicate that they move in the same direction. Similarly, a positive and significant correlation of trustworthiness with education and economic status. Higher the education, higher will be the trustworthiness—same case with financial status. The positive correlation of the variables with trustworthiness indicates for the participation; social inclusion; corruption control generate trustworthiness in LGs.

As a finding of the study, the quality of governance and the expected participation contributes to the positive trustworthiness as their all indicators are positive and statistically significant.

That implies for promotion of social inclusion and corruption control by the LGs constitute for explaining trustworthiness. Trustworthiness in LGs has a relationship with the opportunities for people's participation. Participation in local activities has a relationship with trustworthiness whether LGs ensure the existing practice of participation or promote expected participation. Among the three indicators of participation practices in LG 'ward meeting' determines for the positive trustworthiness in LGs, whereas 'planning and budgeting meeting' have lower trust. Similarly, the socio-economic characteristic has a mixed result to determine the trustworthiness. Among these characteristics, gender (male) and level of education of the respondents show statistically significant and positive relationship with the trustworthiness in LGs, indicating that male has a higher trust than female and educated people tend to trust more to LGs than low educated people. Finally, caste and ethnicity have mixed result in explaining trustworthiness in LGs. Only two out of 11 categories are showing the statistically significant result to determine the trustworthiness. 'Newar' have higher trust than the reference category 'Hill Chhetri' and 'Other Tarai caste have lower trustworthiness in LGs; however, none of their relationships is very strong. The result shows that the impact of socio-economic characteristics on trustworthiness in LGs is limited.

Key words: trustworthiness, Local government, participation, quality of governance, socio-economic characteristics, rural and urban municipality.

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Chapter One

INTRODUCTION

1.1 Background of the Study

Nepal has been newly entered into the federal system after the promulgation of the new constitution in 2015 (Government of Nepal, 2015). Historically Nepal is facing political unrest as there was political instability, which can be seen from the frequent changes in governments and governance system. The significant departure in the governance system in Nepal was in 1950, 1960, 1990, 2006 and 2015 AD (Government of Nepal, 2015; Pokharel, Subedi, Adhikari, Adhikari, & Gupta, 2018; Gupta, Poudyal, & Shrestha, 2019; Nepal Administrative Staff College [NASC], 2018; Askvik, Jamil, & Dhakal, 2011). Recently, Nepal got a stable government of approximately 25 years. Due to frequent changes of the governments in Nepal, on an average every year, the progress of developmental activities and welfare program is at a slower pace (Bhatta, 2012, cited in Cottle & Thapa, 2017). After the election of all three levels: central, provincial and local, the newly elected bodies have assumed the function. More specifically, the local level is empowered by the new constitution in comparison to the then local authorities, including both the scope of service and area. (Government of Nepal, 2015).

On the other hand, due to the globalisation and growing awareness of people, demand for the public sector is increasing. To cope, the government has adopted innovation like E-governance, ICT based service delivery etc. However, there is a clear gap in demand-side and the actual delivery of it which adversely affected the trust of the public sector, especially the deeds of political parties and leaders, ultimately in the formal structure of governance. This directly affects the citizen's satisfaction in the institution.

After being federal republic country since its new constitution in 2015, the constitution has ensured three levels of government with exclusive rights: Central, Provincial and Local (Government of Nepal, 2015; Nepal Administrative Staff College [NASC], 2018). Local government, as the lowest and nearer form of government, the expectation of people from their local government is reasonable. Historically there was a long election gap of 20 years in local level in Nepal.

> ***"…[A] long gap of political activism at the local level****: Since the local election was held after a long gap of 20 years, respondents believed that the otherwise idle leaders at the grass-root level took this as an opportunity to flex their muscles and show their popularity…"*(EOC-Nepal, 2017).

The local election gave an end to nearly two-decade-long vacuum in local governments in which they were led and managed by the central government (Acharya, 2018). Due to this long gap, the administration wing, led by the chief executive officer (a civil service officer), had been assuming the role of the elected body too. The absence of the elected body accompanied by long term political conflict of Maoist insurgency lead to slower growth almost negligible. This has a significant effect in Nepal economy that no visible result came in this period. This lowers the pace of developmental activities as the bureaucrats have low political will power. "The absence of good governance has resulted in the absence of locally elected government which has reduced democratic space for ordinary people" (Bhatta, 2012, cited in Cottle & Thapa, 2017).

> *Local government representatives were last elected in 1997. Their five-year terms expired in 2002, at the height of the country's civil war, and their mandate was allowed to lapse. Bureaucrats have since filled those positions; many appointed based on allegiance to the main political parties. Corruption has flourished, hampering the delivery of essential services - from healthcare to the appointment of teachers at government schools* (Al-Jazeera, 2017).

On the other hand, after the promulgation of the new constitution in 2015, the constitution has ensured distinct rights to each government: central, provincial and local. More specifically, the local government has more power and rights in comparison to the then local bodies. After constitutional assurance of major rights and facilities, some of those were a function of central government before constitution 2015, and political changes from unitary to federal governance system, peoples' expectation from local government seems more. Meanwhile, politicians during the election have promised excitingly. There was a famous saying during the election for election campaign- ***Singadarabar gau-gau ma***, which means that the function of the central government has been devolved to local governments as well

as at ward level. This has planted the seed of hope in general public towards their local government.

It was sure that the local government will be fulfilled by the elected body and will be completed after the local level election 2017. One easily can imagine that the function of the local level will ensure and address the local development and demand of the general public. The local level functioning was stagnant due to election gap. The general citizen has a thought that the slowness in the functioning of local government will be smooth and meet peoples' expectation after the election.

However, local governments, being an institution, have their own rules; regulations; and work procedures with some standards. In this regard, the institution cannot think and act like an individual. Citizen, being individual, has the aspiration to have more benefits and facilities towards his/her area keeping at central. On the other hand, the local government has its composition: administrative and elected wings. In some cases, conflicts have also been identified in these two wings and hampered the activities in local government (Gupta et al., 2019). In this connection, how people are evaluating their local governments, whether these institutions are fulfilling people's aspiration well or lagging? Similarly, how local governments are engaging their citizens in mainstreams of the development with fair participation or not? These are some underlying issues in the local political arena.

1.2 Problem Statement

Nepal is now a federal state with empowered local government and constitution has ensured many rights to people from local government. Earlier there was a significant gap in local bodies due to halt in the local election. After new constitution promulgation in 2015, and with the new setup in Nepali administration and political arena, the expectation of general people is rising. Do local governments have been able to fulfil those expectations of the general people? This fundamental question regarding the expectation of the public is related to the role of local government. Role of local government is crucial and vital to translate the constitutional provisions in practice. Nepali citizens have a lot of expectation from them where the trust is the foundation which ensures the legitimacy of government. For providing

the legitimacy of government, the role of the elected body at the local level is crucial, and cannot be over-looked.

After the election of 2017, local governments (LGs) got the full body. Due to the long gap in the local election, this has brought the possibility of smooth functioning in LGs. During the election, through election manifesto, political leaders used to claim to be devoted to the welfare of the citizen. On the other hand, with new federal set up, Nepal National Governance Survey (NNGS) 2017/18 survey report identifies that honesty (termed as the trust by Survey Report) in local governance. However, it varies province wise (Nepal Administrative Staff College [NASC], 2018, p. 41). This finding is based on percentage analysis.

Similarly, (Askvik et al., 2011) also states that local body institutions are one of the higher trusted institutions. However, this study is not extensively based in local body institutions. With the rigorous analysis, in this identified area, the present study is intended to analyse the trust in local governments.

1.3 Research Questions

As discussed earlier, Nepal is newly entering the federal country from its centralised governance system where people have a higher expectation regarding their new local governments. As human behaviour, people's expectation in this new setup seems rational because new local governments are more autonomous with broader capacity. In this connection, to what extent local governments can capitalise their authorities to fulfil people's expectation. However, some reporting on news and social media are about regarding functions of local government. For the time being if the rumours are true (partially/entirely) why local governments are not able to assume their constitutional authorities and other functions correctly?

On the other hand, there is exclusive power given to LGs, as stated in schedule 8 of the constitution (Government of Nepal, 2015). Constitution of Nepal has given exclusive power to LGs appendix 7 of constitution. Even with this exclusive power and authority, whether some hindrance factors are working invisibly in the system like corruption. People's support at local government activities is also important, whether this exists in local government in properly. To what extent LGs are mainstreaming their people in the local government

activities. One of the approaches of development is the participatory approach where people's participation in development leads to sustainability. In this connection, how people evaluate their LGs performances is important to be analysed. The underlying assumption for this research is that higher the citizen is satisfied with the performance of their local governments; they trust more on their local governments. Corruption is one of the backlogs for development. The institution where people found corruption, they used to trust less. The public institution which has corruption possess less trust (Baniamin, 2019a). Baniamin (2019a) discusses that, along with corruption control, there comes fair treatment to the citizens to maintain the quality of governance. Governance system for the public institution is crucial and remains important. For the quality of governance, this study assumes the corruption control and social inclusion in local government. In other words, maintain governance is to lead the better quality of the governance where corruption and social inclusion might be the crucial factor to determine the quality of governance system in LGs.

Thus, with this background, the proposed research will try to find the answer to these issues with the following two research questions.

RQ1: Does the quality of governance matter to determine trustworthiness in LGs?

RQ2: Whether people's participation in local government activities determines trustworthiness in LGs?

RQ3: Whether trustworthiness in local government differs based on socio-economic characteristics (age, gender, caste, education, economic status) of the people?

1.4 The Rationale of the Study

After the promulgation of the Constitution of Nepal in 2015, the country is embarking into the federal system of governance. “The constitution guarantees the protection of people's fundamental rights, including economic, social, and cultural rights. Beyond the traditional civil and political rights, the constitution envisions Nepal as a welfare state. Thus, Nepal has to prepare itself to deliver these promises through synergistic work of the government, private sector and civil society" (Nepal Administrative Staff College [NASC], 2018, p. ix). Constitutionally the scope of local government has been enlarged. On the other hand, the aspiration of general people has been positive towards the functioning of local government

after the election in 2017. Earlier there was vacant of the elected body in local bodies due to election holidays in Nepal after the election of the local level in 1997/98 (Acharya, 2018; Al-Jazeera, 2017; EOC-Nepal, 2017).

“The Constitution has delineated the roles and responsibilities for the federal, provincial and local governments, which will exercise their authority for serving people’s entitlements and promoting public interest…. all three tiers will have to work in accountable, transparent, and responsible manner in a spirit of cooperation, coexistence and coordination” (Nepal Administrative Staff College [NASC], 2018, p. ix). The Constituent Assembly designed this new system as a "mechanism to realise Nepali people's aspirations for perpetual peace, good governance, development and prosperity and for ending injustice and exclusion. The constitution guarantees the protection of people's fundamental rights, including economic, social, and cultural rights" (Nepal Administrative Staff College [NASC], 2018, p. ix).

After new constitution, the scope of the newly structured local governments has a broader range than earlier forms of local-level bodies in terms of both administrative and politically (Government of Nepal, 2015; Nepal Administrative Staff College [NASC], 2018). In this regard, the expectation of people from their local government seems reasonable. After the election in local government, the local government are fulfilled through the elected body. This is certain that after a long passage of time, people have their local government in the form of the elected one in each local government in Nepal. As a citizen, each person has the right to expect from the local government, either smooth service delivery or some visible developmental activities. This study will mainly focus on how the local governments, as institutions, can capture citizens' expectations through their function of service delivery. More specifically, how different people express their perception of local government after the local election of federal Nepal?

Daily newspapers are continuously reporting the several aspects of the constitutional potentiality of local governments as well as the behaviour of political leaders at local government. The assumption of powers, authority and responsibility by local government leaders, is reported not as per expected. “The government has not been able to make even the most basic services affordable and accessible to those who remained behind. Remittances have not been invested in productive sectors to create jobs at home. Corruption has become

so endemic that it is treated as a given" (Nepali Times, 2017). "The constitution has created three spheres of the government - federal, provincial and local - with significant devolution of the state authority to the local level governments" (Rijal, n.d.). But to ensure that the constitution's transformative potential is translated into action, the challenge, of course, lies in implementing democratic, social justice and inclusion related provision envisaged in the fundamental law of the land. This constitutional recognition and devolution of powers to local government are expected to promote democracy and good governance at the local level. It provides an institutional framework to bring decision making closer to the people and building partnerships with communities. In the same line, maintaining a governance system is crucial and important. Maintain governance is to lead the better quality of the governance where corruption and social inclusion might be the crucial factor to determine the quality of governance system in LGs.

"High expectations of people and leaders' promises to meet those expectations have made it quite difficult to establish the new system and find supporters within the broader society. In this regard, the communication of elected leaders with the people regarding their performance, reasons behind underperformance, and plans for the next few years is crucial. Honest and trustworthy communication in the form of a white paper statement, public hearings, or media conferences can play an important role to manage people's expectations" (Bhattarai, 2019).

Nepal is rich in its culture, ethnicity, geography, and traditions depending on different demographic attributes of people. In this regard, perception towards their local government may differ from various attributes. However, the present study only focuses on the participation-based trustworthiness of local governments based on the survey data conducted by Nepal Administrative Staff College called Nepal National Governance Survey 2017/18 and do not attempt to study on the cultural aspect and other dimensions. This study felt relevant as the survey itself revealed that LGs are one of the higher trusted institutions in Nepal. However, the report is based on the frequency-based analysis of single indicator (honesty).

1.5 Research Objective

After the promulgation of the new constitution, Nepal has a different governance system, a federal republic country (Government of Nepal, 2015). In this new setup of the governance system, the proposed research will intend to analyse the trustworthiness in local governments. Thus, the objective of this research is to

- Assess the level of trustworthiness in local governments in Nepal.

The specific objectives of the study are to

- Determine the linkage between the quality of governance by LGs and trustworthiness in LGs.
- Ascertain the association between people's participation in LG activities and trustworthiness in LGs.
- Identify the relationship between the socio-economic characteristics of people and trustworthiness in LGs.

1.6 Scope and Limitation of the Study

This research is based on the survey data NNGS 2017/18, a secondary source, conducted by NASC in 43 out of 77 districts under randomisation techniques in Nepal. According to the survey report, this survey has been conducted in four-stage sampling design: The NNGS 2017/18 adopted a four-stage sampling design to select the respondents, covering: 1) district, 2) municipalities/rural municipalities, 3) polling centres, and lastly 4) individuals. Thus, this study includes all municipalities surveyed through NNGS 2017/18.

<u>Limitation of the study</u>

i. This research is based on NNGS 2017/18. All the data related credit goes to the survey team and institution who have conducted the survey.
ii. No political alignment with the central government with local government is taken consideration, which means that no cross-check has been done to identify whether elected bodies in local governments and central government are from the same party or from different.

iii. Political affiliation, religiosity and ethnicity of the executive head (elected body) in local government are not the issues discussed in this research.

iv. Many researchers have concluded that trust/trustworthiness varies according to the size of local governments. This research has not attempted this issue in the present study. This might be an issue for further analysis.

v. There is a bit gap in the sample period and the study. There might several changes in society and municipalities as such. The study has not considered this dimension.

vi. Due to lack of data, some of the key indicators of data cannot be included in the analyses like performance and the quality of difference services.

1.7 Structure of the Thesis

Chapter One: Chapter one is an introduction which includes the issue of study, problem statement, rationale, research questions and objectives of the study and limitation of the study.

Chapter Two: This chapter will present theoretical discussion and analytical framework including literature review, research hypothesis and variables.

Chapter Three: This chapter will describe the methodological aspects, including approaches and designs of the study.

Chapter Four: Chapter four is dedicated to data presentation, analysis and interpretation using different techniques of SPSS. This chapter deals with the accumulated data for shaping a systematic output of the whole thesis.

Chapter Five: Lastly, the fifth chapter will conclude the research work, revisiting the research objective, research question, theories and analytical framework used in this study. This chapter also indicates the scope for future research.

Chapter Two

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter deals with the theoretical background of institutional trust, including the concept, definition and recent discussion on it. The chapter goes forward with the review on the related literature, including global literature as well as in South Asia. Another critical aspect of the study is the selection of relevant theory for the theoretical back up is presented after a review of the literature. Finally, the analytical framework and then the variables for the study are given as the final section.

2.2 Concepts of Trust: Institutional Trust

Defining trust depends on the discipline that different scholars have defined trust in different ways. The economists define it as trusting the institutions and their accounts. At the same time, the "psychologists explain it with the reliable and unreliable behaviour of the individual and the sociologists use it as the reliable, fair and ethical behaviour in interpersonal relations" (Milligan, 2003: 20, cited in Anisuzzaman, 2012). Luhmann (1982) defines trust as the belief of a person that the acts of the others are considering his good (cited in Anisuzzaman, 2012). "Trust links ordinary citizens to the institutions that are intended to represent them" (Bianco, 1994, cited in Mishler & Rose, 2001). Durkheim (1973), Seligman (1977) and Niklas Luhmann (1979) opined that trust bears great importance in establishing a social relationship with individuals among social actors by decreasing the possibility of unexpected situations which helps to clarify numerous subjects (cited in Anisuzzaman, 2012). This implies that the concept of trust is based on open and safe behaviour of individuals against each other is examined from different aspects. These are ***Interpersonal Trust***: trust between two individuals, friends, relatives; ***Societal Trust***: trust in strangers; and ***Institutional Trust***: trust in various institutions in society (Anisuzzaman, 2012; Pande, 2010).

"Citizens' trust in public institutions is an indication of how public organisations are managed and how successful democratic governance is" (Askvik, 2007). Generally, people show trust towards organisations and institutions for their norms and system they usually follow. "Institutions are combined structures of rules, roles and human actors who generate

activities, and people may trust or distrust such entities, depending upon how they perceive them and assess their actions" (Askvik et al., 2011). High performer government or the organisation and institution will acquire higher citizen's trust. According to Van de Walle (2013:3), "high levels of public trust are regarded as evidence that the government performs effectively, efficiently and democratically" (cited in Askvik & Jamil, 2013). A trusting relationship between government and citizens depict an indication of good governance, reflecting the government's capacity to respond to citizens' needs and demands (Mahmud, 2017). The more trust citizens' have in the public institution and in the process of governance, the closer would be the relationship between the state and society (Askvik et al., 2011). "Citizens' trust and confidence in their government are positively influenced by the transformation of government, mediated by government performance and citizens' satisfaction"(Falk, Romsmele, & Silverman, 2016).

The literature on trust shows how trust is significantly related not only to the social and economic development of a nation but also to the effectiveness of the political system, personal happiness, better education and higher income, individual happiness and so forth (Baniamin, 2019b). Kim (2005) and Van der Meer and Dekker (2011) mention that trust plays a decisive role in the governance system. High confidence enables the environment for the good governance as well as the successful implementation of policies that imply that trust, is like a lubricant which enhances the efficiency of a machine, ensures better performance of government a(cited in Baniamin, 2019a).

Institutional trust is essential to various matters, which ranges from the functioning of democracy to assuring the effective operations of the courts to agreeing to cooperate with police in deciding whether to patronise a business. Institutional trust is inextricably intertwined with the trust between and among the individuals (Bornstein & Tomkins, 2015).

Local Governments are the lowest form of government in three tiers of the government in Federal Nepal popularly known as Municipality(Nepal Administrative Staff College [NASC], 2018). These municipalities are categorised in different like rural municipality, urban municipality, sub/metropolitan city based on their characteristics(Nepal Administrative Staff College [NASC], 2018). Local government as an institution, trust on local government falls in institutional trust. This research has the intention to identify the level trust in these local

government based on the secondary data on the Nepal National Governance Survey 2017/18 (NNGS2017/18) conducted by Nepal Administrative Staff College (NASC), a capacity-building organisation to Government of Nepal (GoN) in 2018. Local government, being the lowest form of government, the flow of people and interaction in local government is higher in comparison to the provincial and central government in terms of service delivery. Knowledge and understanding of citizen are also higher in local government where social capital plays a vital role. "At the societal level, trust contributes to social capital, such as the effective and efficient provision of social services, productivity in the public and private sectors, public safety, and citizens' overall standard of living" (Fukuyama, 1996, cited in Bornstein & Tomkins, 2015, p. 4).

Local government, by its nature, a nearer form of the government, people tend to show reaction or frustration in the form of emotion in a quick way. Bornstein & Tomkins (2015) describe that "individuals often have an emotional response to institutions with authority over their lives (e.g., city government, the Supreme Court), with the specific nature and intensity of that emotion likely depending on the extent to which they perceive the institutions as trustworthy, legitimate, or fair". Bornstein & Tomkins (2015) further state that the notion of trust and legitimacy motivate individual to behave in a manner they deem reasonable or appropriate when responding to governmental authority; alternatively, to disobey authorities when they lack trust or experience distrust. In this regard, the expressed perception of citizen is the resemblance of the local governments how they respond to people and tries to identify that makes the demand and need of people have addressed or not by the local governments?

2.3 Institutional trust in the global scenario

Poon (2013) has examined the trust-in-supervisor using ABI (ability, benevolent and integrity) model developed by Mayer and et al. (1995) to assess the trust in supervisor taking sample survey of 107 respondents (68 men and 39 women) in Malaysia. This research has been conducted with the objectives of examining the effects of benevolence, integrity, and ability on trust as well as to examine the framework of Mayer and et al. (1995) developed in 1995 in the Malaysian context. That means Poon has used the trust-in-supervisor as explained variables depending on the ability, benevolence and integrity as explanatory variables. With

the extensive quantitative analysis, Poon concludes that for the trust in supervisor, all these three attributes have additive effects on trust. More specifically the findings suggest that at least two characteristics can predict the trustworthiness of supervisor but the interesting fact the research came up with that at least for two, one of the attributes: benevolent must be present. Briefly, integrity and ability compensated for each other in the presence of high benevolence to predict trust-in-supervisor. Hence the research has also proved that trust is the additive function of benevolent, ability and integrity.

Svare, Gausdal, & Möllering (2019) also have conducted a study based on the Mayer and et al. (1995) framework to assess the ability, benevolence and integrity-based trust in the inter-organisational and at the network level, based on the sample of interviews of 20 key informant networks. The study is based on the mixed-method approach with quantitative and qualitative data from five Norwegian innovation networks. They conclude that benevolence-based trust is identified as particularly salient at both levels for promoting open and honest communication as well as knowledge sharing, enabling both more successful collaboration in general, and more innovation specifically. Benevolence-based trust here functions as a performance facilitator. Ability-based trust and integrity-based trust are relevant in the sense that they need to reach a certain level for a collaboration to be initiated.

Fukuyama (1995)argued that trust could be treated as a pertinent factor to understand and assess the world economic system. He also mentioned that trust affects the organisation and society.

Vineburgh (2010) focused on organisational trust basically on trust in the workplace linked to higher levels of organisational performance and competitiveness. Vineburgh has mentioned potential linkage between organisational trust and other relevant variables like empowerment, support for innovation, resistance to change, interpersonal conflict and demographic features. It was evident that the level of organisational performance and competitiveness has a link to organisational trust. It reveals that the higher level of empowerment, the higher level of support for innovation and the lower level of interpersonal conflict positively influence organisational trust.

Askvik (2007) has conducted a comparative study to study patterns of trust in the civil services of two countries: South Africa and Norway. The study has been done based on the survey data collected on three different occasions: 1982, 1990 and 1996. With the analysis of the comparative study in two countries, Askvik came with a finding that only to a minimal degree can generalised social trust explain variations in the patterns of trust in the civil service. Similarly, another implication has been inferred in the study. The theoretical implication is that perceptions of the trustworthiness of the public service are linked to a great extent to assessments of the political system as a whole, and to how people regard national officeholders. Thus, the analysis from the data of two countries has suggested that the amount of social capital is not relevant and that the character of the political regime is more important for explaining variations in such trust.

Grimmelikhuijsen et al. (2013) have conducted comparative experimental research in the Netherland and South Korea to study trustworthiness of local government on policy transparency. They have viewed the effect of policy transparency on the trust of government in these countries which is investigated in two similar series of three experiments. With the different environment and cultural values in terms of power distance and a short-term and long-term orientation, the research has brought a kind of similar pattern of conclusions in the sample countries. Transparency has a subdued and sometimes negative effect on government's trust where the adverse effect in South Korea is stronger than that in the Netherland. Meaning that cultural values of a country shape perception and determine the people's perception of government transparency. Thus, government transparency in the policy of government determines the trustworthiness in government.

Grimmelikhuijsen & Meijer (2014) have experimented on how transparency of policy outcomes associated with perceived trustworthiness of government. Through an online experiment, the authors have come out with the conclusion that prior knowledge regarding government policy outcomes determines the trustworthiness of government organisations. Perceived trustworthiness varies with the level of previous knowledge of people regarding government policy outcomes. To conduct experimental research, the authors have selected two groups of people who have prior experience of government policy outcome and other groups without such experience. The experiment has shown that the group who have prior

experience of policy outcome. The research has brought the conclusion that perceived competence occur mainly in the group of citizen with high trust and little knowledge. On the other hand, perceived benevolence occur primarily in the group of the citizen who has low experience and low trust. The authors have discussed that transparency negatively affects the perceived competence of the government organisation, which shows that the overall optimism surrounding transparency should be nuanced. The research has concluded that prior knowledge and predisposition to trust the government in general influence the relation between transparency and trust

Muñoz, Torcal, & Bonet (2011) have examined the trust level in the European Union and some selected countries. The research has been conducted to clarify the mixed notion of whether trust in national institutions has a negative or positive effect on the trust in European Union institutions. Simply whether trust in EU is dependent or not on trust in national institutions, and if so, how they are associated? They have concluded that both the notion are true. That means the result shows both positive and negative result has been observed depending upon the internalities of the countries. Citizens who have demonstrated higher trust in their national institutions also shown higher trust in European institutions. At the individual level, political trust spills across different levels of government. Trustful citizens have shown higher trust at both national and European levels.

Similarly, at country level, when the national standard is low in terms of performance, this favours trust in European institutions. That implies that the well-performing and highly trusted institutions in a country have shown a negative effect on the trust in the European Union and vice versa. The authors also argued that the converse relationship also exists that if the European Union is performing better than that in any nation, the citizen has less trust in national institutions than the European Union. They have concluded that “institutional trust seems to be a common underlying attitude that operates regardless of the specific level of government, and it gives trusting citizens confidence in questionable institutions at different levels. At the same time, however, living in a country with mistrusted institutions fosters trust in EU institutions. The trustworthiness of national institutions sets a ‘national standard’ against which the EU institutions are compared. When the national reference point is highly trusted, the result is that confidence in European institutions is lower”.

2.4 Institutional Trust in South Asia and Nepal

Ramesh (2017) has a study in Sri Lanka to assess the citizens' trust of Sri Lankan public institutions in the context of Sri Lanka being strong in maintaining welfare state system where the public institution has played a vital role in fostering democracy and citizen trust. Adopting mixed-method approach, Ramesh concluded that ethnic majority has more trust in public institutions than that of minority, and identity, the language of administration and lack of equal representation in the bureaucracy are also the considerably determined level of trust citizens have in public institutions. Further, political patronage in service delivery has subverted quality of public institutions and trust, interestingly, citizens those who support and being affiliated with the ruling party tend to have more trust in government. Police and village-level officers are least trusted owing to endemic corruption. Developing capacity of the bureaucracy, political process, political neutrality, effectiveness in public service and judiciary, governance quality of front-tier service providers and empowerment of citizens, enhance transparency and accountability are necessary to strengthen trust and the quality of governance.

Jamil & Askvik (2015) assessed citizens' level of trust on public and political institutions in Nepal and Bangladesh. They identified some of the factors that affect citizens' perception of trust. It appeared that both in Bangladesh and Nepal factor such as quality of government, i.e. performance and trustworthiness matter more than the citizens' social association in trust formation. In Nepal, generalised trust (trust towards strangers) was lower than in Bangladesh. The people of Bangladesh are more positive to public services than the Nepalese people. It revealed that the list of the most trustworthy institutions varies significantly between these two countries. The most trustworthy institutions in Nepal are local government institutions like Village Development Committee, District Development Committee, whereas in Bangladesh, by contrast, Higher Judiciary, Army, Parliament, Office of the Deputy Commissioner generates high trust.

Askvik et al. (2011) have conducted research on Citizens' trust in public and political institutions in Nepal having objective to examine patterns of popular trust in Nepalese public institutions. The study tries to focus on the link of trust firstly on the citizens' perception of the institutional performance and then secondly, to the citizens' social and political identities.

The study is based on the assumption that the more trust citizens have in public institutions and the process of governance, the closer the relationship will be between the state and society. They opted that trust in public institutions can be interpreted as an essential requirement for the proper workings of a democratic political regime; trust tends to promote popular support and reduce resistance to the regime.

The study is based on the extensive survey data covering 1836 households from randomly selected 17 districts in Nepal. The findings of the research demonstrate that trust in public institutions varies extensively. Trust is high for a number of professional institutions, such as schools and hospitals. They also came with the conclusion that the local governments also have higher trust in Nepal. The most popular institutions are schools and colleges, universities, hospitals and mass media. Local institutions such as village/town development committees, chief district administration offices and district development committees also attract extensive trust. This study has emphasised that Nepal fits with a performance-based theory of institutional trust rather identity-based theory of institutional trust.

Pande (2010) assesses the level of citizen trust towards the local government with particular focus on a single urban local government unit, i.e. Lalitpur Sub-Metropolitan City (LSMC), now Metropolitan city, in Nepal. With the mixed-method approach, Pande (2010) has concluded that gender and indigenous identity were found influential in determining the trust level in local government among five socio-economic variables. Women and indigenous people have higher trust in local government compared to men and non-indigenous people in the respective group. Other three-show not influencing result on trust in local government. On the other hand, regarding performance variables, all three were highly influential in describing the citizens' level of trust in their local government. People who are highly satisfied with the services provided by LSMC, people who feel they have been consulted by LSMC while making decisions and people who feel that LSMC provides enough information about how it spends its tax money were found more trustworthy than their counterpart

Summarising, Poon (2005) has validated the Mayer and et al. (1995) framework known as the ABI model, in the Malaysian context to assess the trust-in-supervisor in an organisation. In contrast, Svare, Gausdal & Mollering (2019) have used the same framework in the Norwegian

context but a bit extensively. They have used the ABI model widely to capture the inter-organisational and in the network level. This opens the avenues of the ABI model for its usefulness in institutional trust determination.

On the other hand, the argument of Fukuyama is that trust is a crucial factor to assess the progress of the organisation and society. Vineburgh (2010) views that organisational trust depends upon organisational performance and competitiveness. Askvik (2007) argued that trust in civil services is not necessarily dependent on the social capita rather depends on the political regime itself. In other literature, socio-economic characteristics in Sri Lank, Nepal and Bangladesh have shown the different influence in institutional/organisational trust. A bit is contrasting, but a kind of similar results has been concluded. This may because trust and belief system differ with the culture and context of the analysis.

Similarly, major research has focused that institutional trust depends on the performance of the institution and based on the assumption of better-doing institution enjoys the higher citizens' trust and vice-versa. The result of Pandey (2010) is quite different than others. The research has concluded that women have higher trust, which contradicts with the finding of others. Similarly, indigenous people have a less institutional trust which contradicts to the conclusion of Askvik (2007) in a comparative study of two countries.

Nepal, being rich in culture, shows institutional trust depends more on the performance of the institution, rather cultural/social factors (Askvik et al., 2011). Result of past researches based in Nepal, local government institutions (presently called local government) have relatively higher trust. The survey reports of Nepal National Governance Survey 2017/18 also admits that local government has higher trust (Nepal Administrative Staff College [NASC], 2018) but there is no extensive analysis on that issue. Previous researches have their survey method, and data analysis and NNGS 2017/18 has its rigorous design of survey conducted after the promulgation of the new constitution of federal Nepal, which represents the different governance system than earlier. With this note, the present study will focus on assessing the perception-based trustworthiness in local government, applying the data from NNGS 2017/18 in a new federal context. The proposed research study will try to explore trustworthiness in the local level government of Nepal after the three-level election in 2017 (December): federal, provincial and local level in the new governance system of federal Nepal.

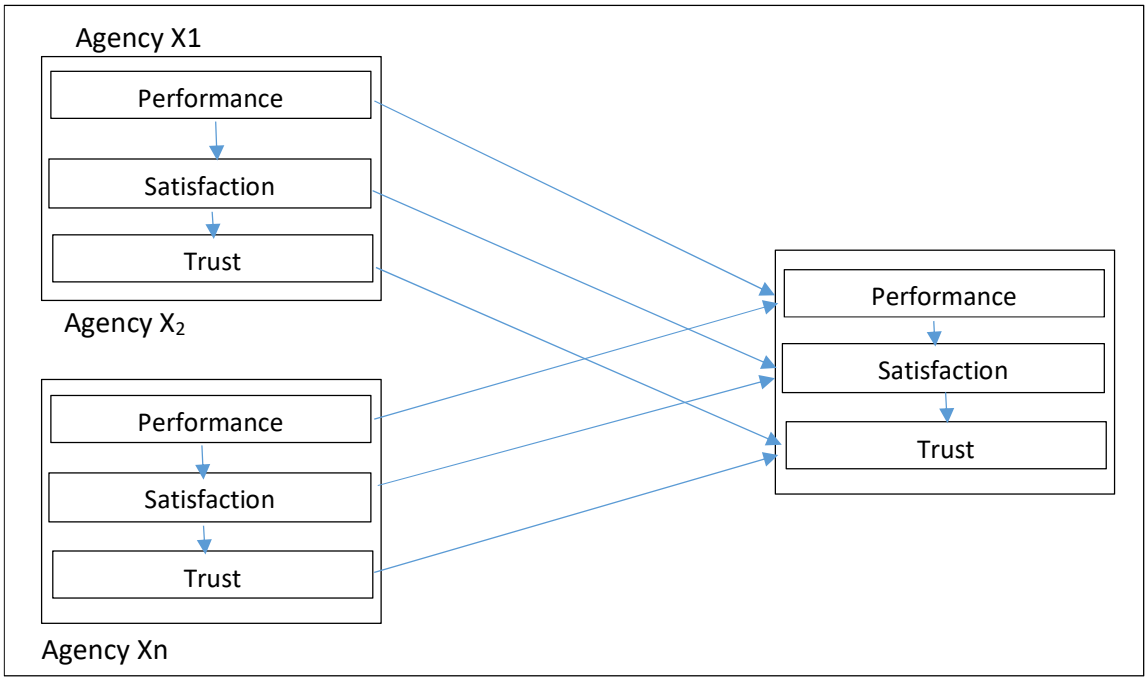
For this, this study will be based on the data-set of Nepal National Governance Survey 2017/18.

2.5 Theoretical Framework

“Rational choice theory is about individuals who use rational calculations to make rational choices and achieve outcomes that are aligned with their objectives. Rational choice theory helps us understand humans as self-interested, short-term maximises”, and deals with a social dilemma (Ostrom, 1998). It is the peoples’ calculation for their interest in exchange for the services from the institution. Rationalist approach presumes that the institutional trust as the output of the calculation by actors of their material interest (Shi, 2001, cited in Baniamin, 2019a). Ostrom, further discussed that “rational choice theory have found it necessary to assume real uncertainty about the duration of the situation or to assume that some players are "irrational" in their willingness to reciprocate cooperation with cooperation”. In what ways citizens' age, gender, education, profession, religion, and ethnic identity affect/shape their trustworthiness in LG's accomplishment of different activities related to cooperation. Rational choice theory "views all humans as complex, fallible learners who seek to do as well as they can be given the constraints that they face and who can learn heuristics, norms, rules, and how to craft rules to improve achieved outcomes" (Ostrom, 1998). “Rational Choice institutionalists on the one hand (Economic institutionalist) posit that actors have a fixed set of preferences and behave entirely instrumentally to maximise the achievement of these preferences and, on the other hand, two others: sociological and historical institutionalists perceive that preferences and actions of actors are shaped by the context or cultural arrangements in which they find themselves” (Hall and Taylor, 1996, cited in Baniamin, 2019b). Rational choice approach deals and advocates for human behaviour that is related self-interest for the social transaction and try to calculate on the basis cost-benefit. If the institutional performance, one found better will evaluate higher trust and vice versa, which means that performing institution will get higher trust from people and less performing institution gets lower, even negative trust. “According to rational choice theory, both institutional performance and quality of governance should play a role in determining the degree of institutional trust” (cited in Baniamin, 2019a). In line with the performance, ‘performance-based’ trust explanation has been rooted in the ‘rational choice’ theory (Wong et al., 2011, cited in Baniamin, Jamil, & Askvik, 2020). Performance-based trust denotes trust

based on how citizens assess the current policy achievements of public institutions (Van de Walle & Bouckaert, 2003). Askvik and et al. (2010) views that "the main idea is that when citizens are satisfied with the output of relevant institutions, they will tend to trust and support them". Higher the institutions make citizen satisfy, higher the citizens trust to the institutions and vice versa.

Van de Walle & Bouckaert (2003) has developed a framework for government agencies X_1 to X_n to show the linkage among the performances of agencies of government.



Source: Van de Walle & Bouckaert (2003)

Figure 1: Linkage among performance, satisfaction and trust of different agency of government

The figure shows that the performance of the government depends upon the performance of its agencies. The performance of agencies in government setup makes the citizens satisfy or not, results for the satisfaction towards the performance of government. If performance makes citizen satisfy, this will result in trustworthy of the government and vice- versa. Alternatively, we can interpret the agency as a different function of the government.

In determining the performance of a government institution, one can consider two aspects under a rational choice assumption: output (what?) and process (how?). Output of the government (for example: construction of road, establishment of school etc.), which comes in physical magnitude or can be measured. However, the process of the government is how

the government is going to execute its deliverables through the process variables like peoples' participation, corruption-free services, fair treatment to the citizen, promotion of social inclusion etc. In simple term, the citizen can feel the process of government performance. If one feels better, s/he is satisfied with the performance and trust more to the system and converse is also true.

For the better analysis and considering the limitation of secondary source of data (where output variables of local government are inadequate/missing), the present research has taken process variables as main explanatory variables: participation and the quality of governance which are described later on.

Here trustworthiness in local government serves as the dependent variable. For the explanation of the dependent variable, the proposed research will employ the ABI model developed by Mayer, Davis, & Schoorman (1995). ABI model explains that trust is the function of Ability, Benevolent and Integrity (ABI) of the institution; however, the operational definition of these attributes will be given in the next section. The model was initially developed to assess the trust in supervisor in an organisation but later on widely applied to determine the trust in inter-organisational and in the network level by a different scholar. Thus, Institutional trust will be assessed through these attributes of the local government. Here ABI will be defined in the framework as- *Ability*: Capable/potential to the function of the municipality; *benevolent*: feel and take authority and responsibility of functioning in service delivery; and honesty: *honesty* maintained in performing the role of local activities without any discrimination.

2.6 Research Hypothesis

Nepal is rich in various culture and traditions. Historically Nepal has faced political instability where a frequent change in government has been observed. Similarly, there are several departures in the governance system as well. Political understanding and rational characters towards political institutions of general people are still not matured. Nepal lacks critical-citizen, who does not support institutional decision passively, argue critically for the value in service delivery. Most of the Nepali citizens still believe central government activities as per granted to them. Due to centralised system till earlier system, still, in federal Nepal, most of the people regard local governments as a political unit of the central government, but this

concept is changing day by day and regard them as the autonomous government under the federal state. However, newly formulated LGs are constitutionally recognised as autonomous of the central government. In this contest activities of central government may affect the perception of the general public towards their local governments. Participatory development is one of the key strategies of the government from a couple of decades. This participatory development and decision-making are implemented by local governments as well. However, to what extent these are mainstreaming in local government activities. In this multi-level governance, the activities and trust of one level government institutions have some kinds of influencing relationship to other level government institutions (Muñoz et al., 2011). Thus, the general people evaluate the performances of their LGs and rate them accordingly. It because LGs are the nearest form of the government in the federal context and people have access to major information related to local activities.

On the other hand, the participation of general people in local government activities like in planning and development activities is a determining factor of participatory government where the government tries to involve its citizens. Nepal has a variety of culture, ethnicity with other socio-economic characteristics. The adult literacy rate of Nepal, according to the World Bank data, for 2018 is 67.9 per cent. Constitution of Nepal has ensured the participation in local government to the minority and marginalised group of people. The general people of such group may have hardly attended the activities as these people are engaged with solving their hand-mouth problems. We assume that people believe more in the governance system and trust if they have a chance of fair participation as well as meaningful participation of general people. Higher corruption implies the poor quality of governance. For better in quality of governance, there should be corruption-free in LGs and higher social inclusion. The corruption-less service delivery, along with social inclusion in LGs constitutes the higher quality of governance at LGs. For rational institutionalism, institutional performance and quality of governance together result in the trust in an institution (cited in Baniamin, 2019a). People trust LGs institutions when their performance is higher along with better in quality of governance by LGs.

With reference to the rational choice theory of institutional trust, the present study has the following hypotheses.

Hypothesis 1 (H1): *The better is the quality of governance by LG, the higher will be the trustworthiness in LG;*

Hypothesis 2a (H2a): *Higher the participation practices in local activities, higher will be the trustworthiness in LGs;*

Hypothesis 2b (H2b): *Higher the expected participation in local activities, higher will be the trustworthiness in LGs;*

Hypothesis 3 (H3): *The trust level in local government varies according to the socio-economic characteristics of the general people.*

2.7 Explanation of Variables: dependent and independent

Dependent Variable

This study has taken trustworthiness in local government as its dependent variable. Trustworthiness in local government will be assessed from the secondary data source. Trustworthiness in local government will be assessed applying the integrative model of Mayer and et al. (1995) taking ability, benevolence and integrity of local government. For this index has been constructed by taking an average value of three questions related to ability, benevolence and integrity of local governments.

i. *Ability*: Ability of local government in this research is the constitutional power delegated to local government. If constitutional power delegation is adequate and can apply this power in their work properly, people's perception of trust to their local government will be high. The converse is also true that if LGs are not able to utilise their constitutional power or have inadequate power constitutional delegation, the perceived trustworthiness will be low.

ii. *Benevolence*: Benevolence of local governments in this research is the delegated authority and responsibility to LGs to run their administration, formulate laws and deliver justice to their citizen. Benevolence is kindness or a kind of empathetic feelings of human. However, for the local government, such a feeling does not have meaning. For local government, benevolence will be considered how the delegated authority and responsibility will be utilised to run the administrative function as well as in the formulation of laws to maintain just among the citizen.

iii. *Honesty*: Honesty in local governments is considered as the fairness and impartiality of local governments activities among their citizen. The honesty of local governments means they are unbiased to all citizens in their work.

Independent Variables

This study has taken four independent variables, which includes

i. *Expected Quality of Governance*: This variable will represent the governance system that LGs are maintaining. Here quality refers to the fairness and corruption-free system in LGs. Two indicators are taken. They are promotion of social inclusion and corruption control by LGs.

- Promotion of social inclusion by LGs is perceived view of respondents for the fairness of people's involvement in all kinds of activities in LG. Promotion of social inclusion intended to that equality form that no one left behind on the basis of socio-economic characteristics. Local government will ensure that kinds of inclusion policy to involve people based on age, gender, caste and ethnicity, economic status and education level.
- Corruption control refers to the developing and establishing a mechanism by LGs to monitor its system for corruption-free service delivery where LGs can ensure its official (elected as well as the bureaucrats) are not involve and protect corruption behaviour. It is the perceived view of people regarding corruption-free service delivery in LGs.

ii. *Participation Practice*: This represents the existing practice of people's participation through ward meeting, Local-level planning and budgeting meeting, user groups' meeting.

- Ward meeting is the general kind of meeting where people participate in expressing their opinions and views regarding municipal overall regular activities.
- Local level planning and budgeting meetings are for planning the activities for resource allocation to be included in the annual plan of municipalities.
- User groups' meeting is responsible for monitoring and supervising the development programs/projects.

iii. *Expected Participation*: This represents the people's expectation regarding the participation in future. To what extent the local government will/can involve them in the function of municipal activities through the decision-making process as well as the planning and development process.

- Participation in decision-making at local development activities is to represent the participation of the citizen in decision making procedure of local development activities. This variable represents both ward meeting and user's group meeting held in local governments where general administrative, as well as participatory decision making, are discussed and implemented.
- Planning and development activities is a representation of the activities at local government where plans are discussed for development like an annual plan, strategic plan etc. This caters the future expectation form of local level planning and budgeting meeting in participation practice variable.

iv. *Socio-economic characteristics*: Socio-economic characteristics refers to the different attributes of people in terms of demographic features. This includes age, gender, education, economic status in locality and ethnicity of the people of local government. The survey the (NNGS2017/18) has measured these as

- Age: age of the respondent and is measure exact age in the year asking the question *how old are you?*
- Gender: gender is measured in three categories: male (1); female (2) and others (3)
- Education: education is the response of the respondents to the question related to education status and coded as Illiterate (1); Literate (can read and write but no formal education or primary level not completed) (2); Primary level (Completed class five) (3); Lower secondary level (Completed class 8) (4); Secondary level (Completed class 10) (5); Higher Secondary (Completed class 12) or Intermediate level (6); Bachelor and above (7); Vocational Education (8); and can't say (99).
- Economic status is measured as asking respondents to rate their family in terms of economic status as compared to other people in their locality. The responses has been measured 'very rich' (1); 'rich' (2); 'medium' (3); 'poor' (4); 'very poor' (5), 'can't say/refuse to say' (99)
- Caste and ethnicity is the social group that the respondent belongs to one of them. The response of the respondent to this particular category has been included in NNGS2017/18 as 'Hill Brahmin, Sanyasi'; 'Hill Chhetri, Thakuri'; 'Newar'; 'Hill Janajati'; 'Tarai Brahman, Bhoomihar, Rajput, Kayastha'; 'Other Tarai caste'; 'Tarai Janajati' (except Tharu); 'Hill Dalit'; 'Tarai Dalit'; 'Muslim'; 'Tharu'; and 'Others'.

With this background, this research has chosen socio-economic characteristics; participation practice; expected participation, and expected quality of governance as explanatory variables and trustworthiness in LGs as an explained variable. The analytical framework for this study is presented as.

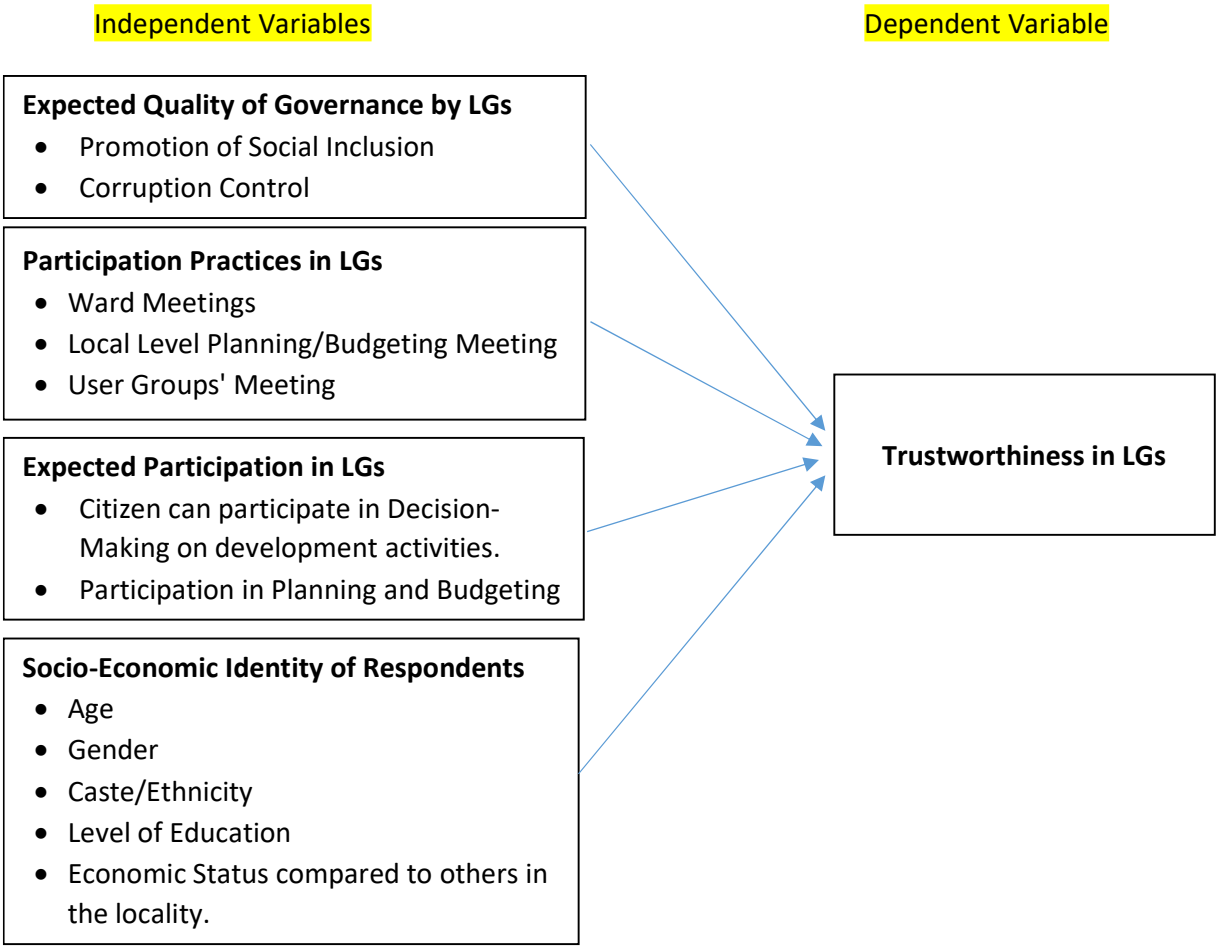


Figure 2: Analytical Framework

2.8 Operationalisation of Variables

The operational definition of the dependent and independent variables are presented in the table as

Table 1.1: Operational definition of variables

Variable	Indicators	Definition	Source of information	Question no. NNGS 2017/18
Trustworthiness in LGs	Perceived ability	Constitutional devolution of adequate power to LGs	NNGS 2017/18	Q 405
	Perceived benevolence	Delegated authority and responsibility to LGs to run their administration, formulate laws and deliver justice to their citizen.	NNGS 2017/18	Q402.2
	Perceived honesty	It is the honesty of LGs to the citizen in their activities. No unfair treatments to the citizen	NNGS 2017/18	Q701.2
Quality of Governance	Social Inclusion	Perceived view regarding the promotion of social inclusion by local government	NNGS 2017/18	Q1202.7
	Corruption Control	Perceived view regarding the corruption control by local government	NNGS 2017/18	Q1202.8
Participation Practice	Ward Meeting	People's participation in ward meeting to express the need and views	NNGS 2017/18	Q301.4
	Local level planning/Budgeting Meeting	People's participation in planning and budgeting meeting to be part in the formulation of annual plan and activities	NNGS 2017/18	Q301.5
	User group's Meeting	People's participation in user groups' meeting to monitor and supervise the development activities	NNGS 2017/18	Q301.6
Expected Participation	Participation in decision-making	To what extent people can participate in decision-making in development activities in their locality	NNGS 2017/18	Q402.3
	Participation in Planning and development	Perceived view regarding the participation of people in the planning and development process in local government	NNGS 2017/18	Q1202.1
Socio-economic feature	Age Gender Ethnicity Education Economic Status	• Age of respondents, • Sex of respondents • Different category of social-caste system. • Education status of the respondent, • Level of Annual income: income group upper, middle and lower	NNGS 2017/18	Section 1 (Q101 to Q104 and Q112)

2.9 Conclusion

Trustworthiness in local government is an essential element in the governance system. Municipalities as local governments are supposed to be nearer government to the general public which serves in numerous aspects in several functional activities. This chapter includes a review of some selected literature to develop a theoretical background. It also encompasses theoretical discussion which helps to develop an analytical framework for the analysis of the data from the secondary source of NNGS 2017/18, which will explain the possible connection of trustworthiness in local governments of Nepal and participation in local activities. Rational Choice Theory of institutional trust is taken as the foundation for theoretical explanation to assess the relationship. Based on the theoretical and empirical findings, three hypotheses have been developed, which will answer the research questions that are developed to get the objective of this research. To test these hypotheses, this chapter also identifies some variables and provides their operational definitions for the study.

Chapter Three

METHODOLOGY

3. 1 Introduction

This methodology chapter is the explanation of how the research has been conducted. "Research method provides a planned and systematic approach of investigation that denotes the detailed framework of the unit of analysis, data gathering techniques, sampling focus and interpretation strategy and analysis plan" (Cited in Pande, 2010). Thus, this chapter discusses the detail aspects of the study, including the study area, research design, data collection, and data analysis.

3. 2 Area of the study

This research is based on the survey data, a secondary source, conducted by NASC in 43 out of 77 districts under randomisation techniques in Nepal (Nepal Administrative Staff College [NASC], 2018). According to the survey report, this survey has been conducted in a four-stage sampling design. The NNGS 2017/18 adopted a four-stage sampling design to select the respondents, covering: 1) district, 2) municipalities/rural municipalities, 3) polling centres, and lastly 4) individuals. Thus, this study includes all municipalities surveyed through NNGS 2017/18. The study area of this research has covered for Nepal will be serving the purpose of research questions set under the theoretical ground. Based on the secondary source with a large sample of 12872, the study has adopted a quantitative approach to answer its research question in order to achieve the objective of the study. This quantitative approach of this study lets to draw the appropriate inference for the analysis for the local governments through the numeric description of the opinion of the respondents during sampling. This study involves getting a statistical generalisation the expressed opinion to the municipalities in Nepal.

3. 3 Research approach: A Quantitative

“Research approaches are plans and the procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation”. This plan involves several decisions, and "the overall decision involves which design should be used to study a topic (Creswell & Creswell, 2018, p. 40). Creswell defines three types of research approaches in carrying out social science research: quantitative, qualitative and mixed

approach. "Quantitative research uses numbers and statistical methods, and the method tends to be based on numerical measurements of specific aspects of the phenomenon" (King, Keohane, & Verba, 1994). Qualitative research is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem (Creswell & Creswell, 2018, p. 333). Qualitative research aims to explore feelings, perception and experiences via naturalistic inquiry in the real world setting inductively through human interactions more closely (Limb & Dwyer, 2001). Mixed methods research is an approach to an inquiry involving collecting both quantitative and qualitative data, integrating the two forms of data, and using distinct designs that may involve philosophical assumptions and theoretical frameworks (Creswell & Creswell, 2018, p. 41). Depending upon the research question, objective of the study and secondary data set, this study has been carried out using a quantitative research approach.

Some previous empirical study on institutional trust has been conducted using a quantitative research approach. According to (Hetherington, 1998) assessing trust involves understanding "people's normative expectations" and for data, there is no better component than carrying out numerical method such as a survey to get the perceived opinion. Jamil and Askvik (2015) used countrywide door-to-door questionnaire surveys to find out the level of citizens' trust in public and political institutions in Bangladesh and Nepal. Another research on institutional trust related to Nepal is also based on a quantitative approach. Askvik, Jamil and Dhakal (2011) used a questionnaire survey from 1836 households for quantitative analysis for assessing the institutional trust in public and political institution.

The present study is based on the sample of selected municipalities, but the inference drawn from its analysis will be generalised to all municipalities (local governments) of Nepal. The generalisation is appropriate when we apply quantitative analysis where quantitative approach helps the study to generalise from the sample to the population. The inferences drawn from this analysis about the LGs on how they are involving people and engaging them as meaningful participation in their local activities. In quantitative analysis, the association of the variable is established through the statistical methods. This study also uses some necessary statistical tools to establish the relationship among the variable for the descriptive quantitative analysis. In addition, the hypothesis involving the variables will make the analysis robust to determine the trustworthiness in LGs with the theories with the study of

institutional trust. The quantitative approach employs empirical methods, and empirical evaluations are applied to determine the degree to which a specific policy empirically fulfils or does not fulfil a particular norm (Cohen, Manion, & Morrison, 2013). The quantitative approach along with the available data based on the questionnaire survey of the sample size of 12872 (secondary data source), is appropriate to the present study which tries to identify the level of trustworthiness of LGs on the basis of participation of people that how the people have taken the participation practices by LGs, expected participation in future local activities, and quality of governance by LGs.

3. 4 Research design

Research design entails a research strategy/practical guide followed in executing a research project. It is the procedures of inquiry (Creswell & Creswell, 2018, p. 40). This study is mainly based the secondary data from NNGS 2017/18, where data collection is based on the questionnaire survey in 43 districts. This research has adopted a quantitative research approach with descriptive cum analytical research design for the evaluation of trustworthiness in LGs.

3. 5 Data collection methods

Data are collected for any kind of research or the study from primary data collection and the secondary collection methods. This study is based on secondary data collection method. The source of data for this research is the Nepal National Governance survey 2017/18 conducted by Nepal administrative staff college between December 2017 and March 2018. According to survey report "the NNGS 2017/18 adopted a four-stage sampling design to select the respondents, covering: 1) district, 2) municipalities/rural municipalities, 3) polling centres, and lastly 4) individuals"(Nepal Administrative Staff College [NASC], 2018). The report stated that "the source of potential respondents was the voters' list prepared by the Election Commission of Nepal in August 2017 for the federal and provincial elections". The respondents were chosen through random techniques.

Using the data set from NNGS2017/18, as a secondary source of sample 12872, the present study has been conducted to determine the trustworthiness in local governments. Some few issues came in the time of analysis regarding the coding of the data with the original coding at data set, which are maintained according to the requirement of the study (discussed later).

The survey has overall, 53% of the respondents are women and 47% men. The report has declared that none of the respondents chose 'other' when asked about their gender.

3. 6 Data analysis and presentation

Data analysis is the process of "examining, categorising, tabulating, testing, or otherwise recombining both qualitative and quantitative evidence to address the initial proposition of the study" (Yin, 2018). Data analysis for this study a bit crucial and challenging as it needs both skills. The use of statistical software as well as the knowledge of inferential statistics where both knowledge related statistical parameter with significance level and the hypothesis required.

This study has used 'IBM SPSS 21' (free version) for the statistical calculation of t-test for a variable with two-category like gender, ANOVA for mean of the variables (education, economic status, caste and ethnicity) with three-category or more in order to determine whether the variable is significant itself or not. That means the occurrence of the result has statistical meaning, or it happens by chance. Similarly, the correlation of the variables has been analysed whether the variables are correlated or not. The rationale behind calculating correlation is to determine the correlation of trustworthiness in local government with the independent variables and among the independent variables as well. As the final statistical calculation, regression analysis has been conducted for trustworthiness in local governments (dependent variable) on the expected quality of governance, participation practice, expected participation and socio-economic characteristics of respondents (independent variables). One more variable (rural/urban municipality) is also used to determine whether which form of local government has higher trust than others.

The regression model for this study is

$$\text{Trustworthiness in LGs} = \beta_0 + \beta_{i1}(\text{participation practices}) + \beta_{i2}(\text{expected participation}) + \beta_{i3}(\text{expected quality of governance}) + \beta_{i4}(\text{socio-economic characteristics}) + \beta_{i5}(\text{form of LGs}) + \varepsilon_i \quad \text{---------- equation (1)}$$

Where β_0 is a constant term of the regression model, βi s are coefficients of each variable, and εi represents the error term involving in the regression.

3.6.1 Data management

For the meaningful calculation of statistical result and interpretation, data management has been done for some variables. The data management in this study is revisit of the coding associated with the original data set. The original data-set has coding of some variable with high to low coding system and some with low- high combination of the coding. Thus, for the consistency in the calculation and interpretation, this study has set all the variable with low-high coding. On the other hand, some categorical variables are coded with binary values to analyse the result separately.

The details have been presented as

Dependent variable: Trustworthiness in LGs

For the dependent variable, an index has been constructed by taking an average score of three questions related to ability, benevolence and integrity of LGs. In this index, higher values indicate higher trustworthiness.

i. *Ability*: Ability of local government is measured in the survey (NNGS2017/18) by asking the respondents ***to what extent do you agree that the new constitution has devolved adequate power to the local governments*.** This is measured by a 1-4 point where '1' indicates completely agree coded as '1' and subsequently number '4' means completely disagree and don't know/can't say as (99). For the convenience of interpretation, the variables are reversed that means '4' is completely agree and '1' for completely disagree. The 'don't know/can't say' kept as 'System Missing' during analysis including in other questions as well for the both dependent and independent variables in presented below.
ii. *Benevolence*: Benevolence of LGs is measured by asking people a question ***to what extent are you aware that authority and responsibility have been delegated to local governments to run their administration, formulate laws and deliver justice?*** The NNGS 2017/18 measures the answer on '1-3' point scale with the possible answers "fully aware", "aware to some extent" and "unaware". The '1' indicates fully aware, and subsequently, number '3' means unware; and "don't know/can't say" as (99). For the convenience of interpretation, the variables are reversed; that means '3' is fully aware and '1' for unware.
iii. *Honesty*: Honesty of the LGs, in NNGs 2017/18, is measure asking the question of ***how honest do you think LGs are in their work***. The answer is measured '1' to '4' point scale

with possible answers: "very honest", "honest to some extent", "not very honest" and "not honest at all" where 1 indicates very honest and 4 indicates not honest at all. For the convenience of interpretation, the variables are reversed; that means '4' is very honest and '1' for not honest at all.

Independent Variables

This study has taken four independent variables, which includes

i. *Expected Quality of Governance*: Expected quality of governance has two sets of questions related to the promotion of social inclusion and corruption control by LGs.
   - Promotion social inclusion by LGs has been measured by NNGS 2071/18 by asking ***to what extent you are confident that the local governments will promote social inclusion***. The answer is coded on 1 to 3 point code: 'fully confident' (1); 'confident to some extent' (2); 'not confident' (3); and 'don't know/refuse to say' (99). For the convenience of interpretation, the answer and codes are reversed. That is '3' indicates 'fully confident' and subsequently '1'indicates for 'not confident'.
   - Corruption control by local government has been in NNGS 2071/18 by asking ***to what extent you are confident that the local governments will control corruption***. The answer is coded on 1 to 3 point scale: 'fully confident' (1); 'confident to some extent' (2); 'not confident' (3); and 'don't know/refuse to say' (99). For the convenience of interpretation, the answer and codes are reversed. That is '3' indicates 'fully confident' and subsequently '1'indicates for 'not confident'.

ii. *Participation Practice*: The second independent variable has been evaluated from the question related to three categories: 'ward meeting' 'user groups' meeting' and 'participation in decision-making'. These meeting practices are measured by NNGS 2071/18 by asking ***how often you participate in these activities***. The answer is measured in '1' to '4' point scale as 'frequently' (1); 'occasionally' (2); 'rarely' (3); 'never' (4); and 'don't know/refuse to say' (99). For the convenience of the interpretation the answer and code are reversed, where 4 indicates for frequently and 1 indicates never.

iii. *Expected Participation*: Under this variable, two questions and their answer codes are transformed as
   - Expected participation in decision-making at local development activities is measured in NNGS 2017/18 by asking people the question ***to what extent are you aware that***

citizens can participate in decision-making on development in their locality? The answer is measured in '1' to '3' scale point: "fully aware" (1), "aware to some extent" (2) and "unaware" (3) including "don't know/can't say" as (99). For the convenient of interpretation, the code of the answers are reversed as 3 indicates for fully aware, and 1 indicates unware.

- Expected participation in planning and development activities is measured by NNGS 2071/18 by asking ***to what extent you are confident that the local governments will ensure participation of people in the planning and development process***. The answer is coded in '1' to '3' point scale: 'fully confident' (1); 'confident to some extent' (2); 'not confident' (3); and 'don't know/refuse to say' (99). For the convenience of interpretation, the answer and codes are reversed. That is '3' indicates 'fully confident' and subsequently '1'indicates for 'not confident'.

iv. *Socio-economic characteristics*:

- Age: The exact age has been used
- Gender: originally, the codes are male (1) and female (2) and others (3). This has been transferred with the new code system: Male (1), female (0) and other as "system missing". In fact, other category of the gender was absent in the survey as none of the respondents answered as "other". Here the female is re-coded as '0' to consider female as a reference category.
- Education: it is measured in NNGS2017/18 in '1' to '7' point scale where 1 indicates for illiterate, and 7 indicates 'vocational education. For the convenience in the smooth analysis, two categories are transformed into new coding. They are 'vocational education' has been re-coded as '7' instead of '8' and 'bachelor and above' has been re-coded as '8' instead of '7'. After new re-coding, the codes become as illiterate (1); literate (2); primary level (3); lower secondary level (4); secondary level (5); higher secondary (6); vocational education, (7) bachelor and above (8).
- Economic status has been measured by NNGS 2017/18 by asking on '1' to '5' point scale 'very rich' (1); 'rich' (2); 'medium' (3); 'poor' (4); 'very poor' (5), 'can't say/refuse to say' (99). For the convenience of the interpretation, the codes are reversed where '5' indicates very rich and subsequently '1' indicates very poor.

- Caste and ethnicity: For separate analysis of each caste and ethnicity binary code has been assigned to each category as
    - ‘Hill Brahmin, Sanyasi’ re-coded as Hill Brahmin’ as ‘1’ and others ‘0’;
    - ‘Hill Chhetri, Thakuri’ (2) re-coded as ‘Hill Chhetri’ as ‘1 and others ‘0’;
    - ‘Newar’ (3) re-coded as 'Newar' '1' and others '0';
    - ‘Hill Janajati’ (4) re-coded as 'hill Janajati' '1' and others '0';
    - ‘Tarai Brahman, Bhoomihar, Rajput, Kayastha’ (5) re-coded as 'Tarai Brahman’ ‘1’ and others ‘0’;
    - ‘Other Tarai caste*’ (6) re-coded as 'Other Tarai caste’ ‘1’ and others ‘0’;
    - ‘Tarai Janajati’ (except Tharu) (7) re-coded as 'Tarai Janajati as ‘1’ and others ‘0’;
    - ‘Hill Dalit’ (8) re-coded as 'Hill Dalit' as '1' and others '0';
    - ‘Tarai Dalit’ (9) re-coded as 'Tarai Dalit’ as ‘1’ and others ‘0’;
    - ‘Muslim’ (10) re-coded as 'Muslim' as '1' and others '0';
    - ‘Tharu’ (11) re-coded as 'Tharu' as '1' and others '0'; and
    - ‘Others’ (12) into "system missing.'

Note: * other Tarai caste refers to those who do not belong to Tarai Brahman or Tarai janajati or Tarai Dalits like 'Teli'; 'Baniya'; 'Keanu'; 'Kurmi'; 'Yadav'; 'Kalwar'; 'Kushwaha'; 'Sudhi' etc. For the case of analysis, ‘Hill Chhetri' are considered as the reference category in this research as ‘Hill Chhetri’ is highest (16.60%) in the composition of national population according to population census 2011 compared to next highest 12.18% of ‘Hill Brahmins’ (*Population Census, National Report*, 2011).

The additional variable as ‘Rural Municipality’ has been inserted for the comparison purpose with the reference of 'Urban Municipality' where rural municipality has been re-coded as '1 and urban municipality as '0' from the question number 06 for the questionnaire of NNGS2017/18. This helps to analyse whether one form of municipality possesses higher trust compared to other.

Chapter Four

FINDINGS AND ANALYSIS

4.1 Introduction

This chapter presents data and statistical calculations based on the data of NNGS 2017/18, a rigorous survey conducted by Nepal Administrative Staff College. This section analyses how trust in local governments (LGs) is affected by citizen's participation. This chapter also explains how socio-economic characteristics and peoples' participation affect the trustworthiness in local government. The four sets of explanatory variables are used to describe the trustworthiness to the local level governments. Among them, two sets which are related to peoples' participation, serve for the performance (process) under the rational choice theory of institutional trust in local governments before the local election under the new constitution of 2072 of federal Nepal. Likewise, the second set of variable, which is the anticipated participation of people in future, measures peoples' anticipation towards ensuring their participation by local governments.

On the other hand, for the performance variable for the rational choice aspect, the survey fails to capture sufficient information. Hence, the two variables, corruption control by LGs and social inclusion by LGs, are taken to address quality of governance. Thus, these variables are taken as the measure of performance of local governments. Finally, another variable is taken as socio-economic characteristics of respondents (age, gender, ethnicity/caste, education, and economic status).

The analysis starts with the results of categorical variables applying t-test and ANOVA. And then through correlation, the study explores the mutual relationship among the variables. Finally, the study has conducted linear regression for more robust analyses.

4.2 Findings of the study

This section includes the finding of the data analysis of the study. This consists of the results of some hypothesis test: t-test for gender, ANOVA for the mean of caste and ethnicity on trustworthiness as well as social inclusion to determine the significant relationship among the variables.

T-tests and one way ANOVA

The study first tries to understand the variations of trust level based on different socio-economic factors. For this, t-test has been conducted for gender. In case of gender, there is a difference in showing their preference by male and female. The mean values of male and female showing the trustworthiness in LGs are 2.85 and 2.73 with sample size 3872 and 2707 respectively. Similarly. The standard deviations of the mean of male and female are 0.43 and 0.42 with their standard errors of 0.007 and 0.008, respectively shown in table 4.1.

Table 4.1 Group Statistics of t-test results

(Scale of Trustworthiness is 1 - 4)

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Trustworthiness in LGs	Male	3,872	2.85	0.43	0.007
	female	2,707	2.73	0.42	0.008

Source: Author's Calculation

In showing trustworthiness, from t-test for gender, the F value is 15.182 ($p<0.001$) shown in table 4.2; there is a clear difference between the trust level between male and female. This signifies that the variance level in male and female are significantly different. Levene's statistic indicates that the result we have for gender has a statistically significant result. Hence, male possess higher trust than female in LGs.

Table 4.2 Independent Samples Test of t-test results for gender

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Trustworthiness in LGs	Equal variances assumed	15.182	0.000	11.471	6577	0.000	0.122	0.011	0.101	0.143
	Equal variances not assumed			11.519	5907.787	0.000	0.122	0.011	0.101	0.143

Note: the values in the table are rounded to their third places of decimals.
Source: Author's Calculation

ANOVA for Ethnicity/Caste and trustworthiness in LGS in Table 4.3 shows that 'Newar' and Tarai Brahman have the highest mean. 2.85 where 'Newar' with N= 194 and standard

deviation = 0.45; 'Tarai Brahman' with N=80 and SD =0.39, 'Hill Brahmin' have mean trustworthiness 2.83 with N= 1134 and standard deviation 0.45. Similarly the mean trustworthiness of 'Hill Chhetri' is 2.81, N=1993 and standard deviation(SD)= 0.44; 'Hill Janajati'= 2.81, N=1644 and SD =0.43; 'Other Tarai Caste' = 2.78' with N= 423 and SD = 0.40; 'Tarai Janajati' =2.77with N=250 and SD=0.38; 'Hill Dalit' =2.73 with N= 567 and SD =0.42; 'Tarai Dalit' = 2.72 with N= 156 and SD =0.40; 'Muslim' = 2.77 with N= 104 and SD =0.34; and 'Tharu' = 2.79 with N= 334 and SD = 0.37. With this information the trustworthiness showing by eleven caste and ethnic groups have shown their trustworthiness almost similar and not much different each other as the mean trustworthiness of total sample N=6579 has been observed as 2.80 with a standard deviation of mean is 0.43. However, a slight first decimal difference of one to second decimal difference is seen looking at the figures.

Table 4.3 Descriptive values for Trustworthiness showing by Ethnicity/Caste

(Scale of Trustworthiness is 1 - 4)

Caste/Ethnicity	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Newar	194	2.85	0.45	0.03	2.79	2.91	1.33	3.67
Tarai Brahman	80	2.85	0.39	0.04	2.76	2.94	2.00	3.67
Hill Brahmin	1,134	2.83	0.45	0.01	2.81	2.86	1.00	3.67
Hill Janajati	1,644	2.81	0.43	0.01	2.79	2.83	1.00	3.67
Hill Chhetri	1,693	2.81	0.44	0.01	2.79	2.83	1.00	3.67
Tharu	334	2.79	0.37	0.02	2.75	2.83	1.33	3.67
Other Tarai caste	423	2.78	0.40	0.02	2.75	2.82	1.00	3.67
Muslim	104	2.77	0.34	0.03	2.70	2.84	2.00	3.67
Tarai Janajati	250	2.77	0.38	0.02	2.72	2.81	1.00	3.67
Hill Dalit	567	2.74	0.42	0.02	2.71	2.78	1.33	3.67
Tarai Dalit	156	2.72	0.40	0.03	2.66	2.79	1.67	3.67
Total	6,579	2.80	0.43	0.01	2.79	2.81	1.00	3.67

Source: Author's Calculation

While the Hochberg post hoc tests (Appendix 3) for multiple comparisons of means among the Ethnicity/ and Caste groups 'Hill Brahmins' and 'Hill Dalit'; and 'Hill Janajati' and 'Hill Dalit' shows that only two differences of mean are significant at 5 percentage. 'Hill Brahmins' and 'Hill Janajati' have shown statistically significantly ($p<0.05$) higher trust than that of 'Hill Dalit'. However, from this analysis, we may conclude that there is no much variation on the trust among the caste and ethnicity.

ANOVA for Ethnicity/Caste and Social inclusion in LGS in Table 4.4 shows that in terms of participation 'Hill Chhetri' has higher participation in Local governments with a mean value of social participation 2.11, and N= 2856 with SD=0.56. The second highest in terms of social inclusion opportunities is of 'Hill Brahmins'. The mean of social inclusion of 'Hill Brahmins' is 2.10 with N=1,525 with SD=0.53. Similarly next higher social inclusion of other ethnic group are 'Hill Janajati' with mean 2.07, N=2,915 and SD=0.55; 'Hill Dalit' with mean 2.04, N=1,140 and SD=0.55; 'Muslim' with mean 2.024, N=246 and SD=0.625; 'Newar' with mean 2.021, N=329 and SD=0.54; Other Tarai caste with mean 2.01, N=985 and SD=0.65; 'Tarai Brahman with mean 2.01,N=145 and SD=0.51; 'Tarai Janajati with mean 2.00 and N=569, SD=0.52; and Tharu with mean 1.97, N= 810 and SD=0.53. Looking on the mean value of social inclusion, based on Caste and Ethnicity, there is not much difference in the figure as the mean of mean social inclusion is 2.05 among the total sample size N = 12,034 and standard deviation of mean is 0.637. The Levene's test for homogeneity of variance ($p<0.001$) shows that there is no homogeneous variance among the groups.

Table 4.4 Descriptive values for Social Inclusion showing by Ethnicity/Caste

(Scale of social inclusion is 1 - 3)

Caste/Ethnicity	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Hill Chhetri	2,856	2.11	0.56	0.01	2.08	2.13	1.00	3.00
Hill Brahmin	1,525	2.10	0.53	0.01	2.07	2.13	1.00	3.00
Hill Janajati	2,915	2.07	0.55	0.01	2.05	2.09	1.00	3.00
Hill Dalit	1,140	2.04	0.55	0.02	2.00	2.07	1.00	3.00
Muslim	246	2.02	0.63	0.04	1.95	2.10	1.00	3.00
Newar	329	2.02	0.54	0.03	1.96	2.08	1.00	3.00
Other Tarai caste	985	2.01	0.65	0.02	1.97	2.05	1.00	3.00
Tarai Brahman	145	2.01	0.51	0.04	1.92	2.09	1.00	3.00
Tarai Janajati	569	2.00	0.52	0.02	1.95	2.04	1.00	3.00
Tharu	810	1.97	0.53	0.02	1.93	2.01	1.00	3.00
Tarai Dalit	514	1.89	0.64	0.03	1.84	1.95	1.00	3.00
Total	12,034	2.05	0.56	0.01	2.04	2.06	1.00	3.00

Source: Author's Calculation

Looking on the Hochberg post hoc tests(appendix 4) for multiple comparisons of means among the Ethnicity/Caste groups, there is statistically significant ($p<0.05$) differences of social inclusion of Hill Brahmins than 'Other Tarai caste'; 'Tarai Janajati'; 'Tarai Dalit'' and 'Tharu' in LGs. 'Hill Chhetri' also have statistically significant ($p<0.05$) differences of social

inclusion than the 'Other Tarai caste'; 'Tarai Janajati'; 'Hill Dalit'; 'Tarai Dalit'; and 'Tharu' in LGs. Similarly, 'Hill Janajati' have statistically significantly ($p<0.05$) differences of social inclusion in LGs than 'Tarai Dalit' and 'Tharu'; 'Other Tarai caste' have statistically significantly ($p<0.05$) difference of social inclusion than 'Tarai Dalit'; and 'Hill Dalit' have statistically significantly ($p<0.05$) differences of social inclusion than 'Tarai Dalit'.

The Levene's test for homogeneity of variance ($p<0.001$) and the $F(7, 6571) = 24.145$ with $p<0.001$ implies that there is no homogeneous variance among the group. That is there are significant differences among the variances of the mean of trustworthiness in LGs based on the level of education. ANOVA for education and trustworthiness in LGs in Table 4.5 shows the education level and trustworthiness are moving to the same direction. Higher the education level, higher the mean of trustworthiness in LGs. The mean of trustworthiness in LGs of the education group 'Bachelor and above' is 2.94 with standard deviation (SD) = 0.42, N= 428 and standard error (SE) = 0.02. Similarly the mean of trustworthiness in LGs of 'Higher secondary' is 2.87, SD = 0.43, N= 1,040 and SE = 0.01.

Table 4.5 Descriptive values for Trustworthiness showing by Education Level

(Scale of Trustworthiness is 1 - 4)

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Bachelors and above	428	2.94	0.42	0.02	2.90	2.98	1.33	3.67
Higher Secondary	1,040	2.87	0.43	0.01	2.84	2.89	1.00	3.67
Secondary	1,078	2.85	0.44	0.01	2.82	2.88	1.00	3.67
Lower Secondary	885	2.81	0.43	0.01	2.78	2.84	1.00	3.67
Primary	812	2.80	0.43	0.02	2.77	2.83	1.33	3.67
Vocational Education	13	2.80	0.50	0.14	2.49	3.10	1.67	3.33
Literate	1,161	2.77	0.41	0.01	2.75	2.79	1.33	3.67
Illiterate	1,162	2.69	0.41	0.01	2.67	2.72	1.00	3.67
Total	6,579	2.80	0.43	0.01	2.79	2.81	1.00	3.67

Source: Author's Calculation

The next higher mean values of trustworthiness are 'Secondary' with mean value = 2.85, SD = 0.44, N=1,078 and SE = 0.01; 'Lower Secondary' with mean value of trustworthiness is 2.81, SD = 0.43, N = 885 and SE = 0.01; 'Primary' with mean value 2.80, SD = 0.43, N = 812 and SE = 0.02; 'Vocational Education' with mean 2.80, SD= 0.50, N = 13 and SE = 0.14; 'Literate' with mean value 2.77, SD = 0.41, N = 1,161 and SE = 0.01; and Illiterate with mean value 2.69, SD = 0.41, N = 1162 and SE = 0.01. Looking on the mean of the total sample N= 6579, the average

mean is 2.80 with SD =0.43 and SE = 0.01. This shows that there is much difference among the mean value of trustworthiness.

Looking on the Hochberg post hoc tests (appendix 5) for multiple comparisons of means among the different 'Education Level' there is statistically significantly ($p<0.05$) differences of trustworthiness in LGs from higher education level to lower one except for vocational education.

The possible reason for higher trust value possess by higher educated people than that of lower one may be the changed context in the governance system. The analysis based on the data NNGS 2017/18 was conducted immediately after the national election during December 2017. General people might not be in the position to understand the dimensions of the federal system. However, this might be, to some extent, technical things to the general people who possess lower knowledge in this area.

The Levene's statistic ($p>0.05$) signifies there is not much difference in the variance of mean, however the $F (4, 6571) = 8.904$, $p<0.05$ for trustworthiness in Local Governments by 'economic status' indicates some relationship exist.

Table 4.6 Descriptive values for Trustworthiness showing by Economic Status in the locality

(Scale of Trustworthiness is 1 - 4)

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Very Rich	4	3.00	0.54	0.27	2.13	3.87	2.33	3.67
Rich	130	2.89	0.42	0.04	2.82	2.96	1.67	3.67
Medium	4,636	2.82	0.43	0.01	2.81	2.83	1.00	3.67
Poor	1,648	2.76	0.43	0.01	2.74	2.78	1.00	3.67
Very Poor	158	2.73	0.42	0.03	2.67	2.80	1.33	3.67
Total	6,576	2.80	0.43	0.01	2.79	2.81	1.00	3.67

Source: Author's Calculation

The highest mean value of trustworthiness based on economic status is 3 by very rich group of people; however the sample of this group is very small of 4 with SD = 0.54, and SE = 0.27. The second highest mean value of trustworthiness is of 'Rich' group i.e. 2.89, N = 130, SD = 0.42 and SE = 0.04. The mean value of trustworthiness of 'medium' group is 2.82, N= 4,636,

SD= 0.43 and SE = 0.01; 'poor' group have mean 2.76, N =1648, SD = 0.43 and SE = 0.01; and the 'very poor' group have mean 2.73, N= 158 with standard deviation 0.42, N = 158.

Hochberg post hoc tests (appendix 6) for multiple comparisons of means among the different 'Economic Status' shows that there is statistically significantly ($p<0.05$) differences of trustworthiness in LGs between 'Rich' group with 'very poor' and 'poor' group as well as between 'medium' group and 'poor' groups. This implies there might exist some kind of relationship between trustworthiness and economic status of people but not of much strong.

Correlation analysis among the variables

Correlation is the statistical tool to measure the degree and direction of the relationship between two or more variables. The present study has eleven variables in the correlation analysis: Age of the respondents, level of education of the respondents, economic status of the respondents in the locality, participation practice (ward meeting of LGs, planning and budgeting meeting, user group's meeting), Expected participation in future (decision making, future planning and budgeting), quality of governance by LGs (promotion of social inclusion, corruption control). Table 4.7 shows the correlation coefficients among the variables.

Table 4.7 Correlation Coefficients of the variables

	1	2	3	4	5	6	7	8	9	10
Socio-economic Characteristics										
1. Age	1									
2. Level of Education (Low-High)	-0.515	1								
3. Economic Status (Low-High)	-0.128	0.333*	1							
Participation Practices in LGs										
4. Ward Meetings (Low-High)	-0.045	0.180*	0.100*	1						
5. Planning/Budgeting (Low-High)	-0.023**	0.195*	0.109*	0.580*	1					
6. User Group meeting (Low-High)	-0.033*	0.146*	0.085*	0.611*	0.558*	1				
Expected Participation in LGs										
7. decision-making process (Low-High)	-0.057*	0.339*	0.161*	0.245*	0.242*	0.227*	1			
8. Future plan. & dev. Pro (Low-High)	0.079*	-0.010	0.018**	0.130*	0.125*	0.133*	0.154*	1		
Expected QoG by LGs										
9. Social Inclusion (Low-High)	0.040*	0.027*	0.043*	0.114*	0.112*	0.130*	0.187*	0.692*	1	
10. Corruption Control (Low-High)	0.056*	-0.047*	-0.018**	0.043*	0.067*	0.040*	0.085*	0.467*	0.502*	1
Trustworthiness in LGs	-0.004	0.153*	0.072*	0.160*	0.139*	0.154*	0.401*	0.336*	0.344*	0.238*

*Note: * Correlation is significant at the 0.01 level (2-tailed),*
*** Correlation is significant at the 0.05 level (2-tailed).*
Source: Author's Calculation

Among the significant ($p<0.05$) correlation analysis of the variables show that 'Age' is negatively correlated with Planning and budgeting practices of local governments, users group meeting of LGs, and future decision making procedure implies that along with the higher age of people, the association of people in those activities reduces and vice versa. Similarly, Corruption control has a negative correlation with 'level of education' and 'economic-status'. This is an indication of the people's expectation regarding the efficiency of LGs for corruption control. Richer people and educated people are cynical regarding corruption control efficiency of LGs. They have shown their view that LGs will not be able to control the corruption at their level in future.

The remaining significant correlation coefficients are positive among the variables. The results show that 'Age' has a positive correlation with future planning budgeting procedure, promotion of social inclusion and corruption control by LGs. This indicates for the future system in LG; senior people are more hopeful in maintaining those activities by LGs and expect more involvements. 'Level of Education' has a positive correlation with 'economic status'; 'ward meeting'; 'planning and budgeting practice'; expected participation in decision making'; and 'trustworthiness in LGs'. This refers to higher the education level, higher the correlation with these variables implies that educated people are more hopeful and trust LGs than the uneducated people.

Similarly, the positive correlation among 'participation practice in LGs' (ward meeting of LGs, planning and budgeting meeting, user group's meeting), Expected participation in LGs' in future (decision-making process, planning/development process), 'quality of governance by LGs' (promotion of social inclusion, corruption control) show the expectation of people from their LGs. The inter-connection among the activities and function by LGs results in the belief of the people to their LGs. This can be seen through the positive correlation coefficients of 'trustworthiness in LGs' and other variables which are significant under desirable range ($p<0.05$) except 'Age'.

The positive or negative correlation coefficients among the variables indicate for the degree and direction of the relationship they associated each other. The local level activities by LGs constitute for the greater impression to the general people as this is the nearest government to the people and have expectation from their government. However, the overall impression

from this analysis is that degree of association among the variables are not much stronger as none of the coefficients is of higher value. Here the positive correlation of an independent variable with trustworthiness signifies that these go on the same direction. Higher the participation (either form) in local government activities generates trust in LGs. Similarly, the variables like promotion of social inclusion and corruption control increase the belief of in LGs system and hence trust.

Multiple Regression Models: Understanding the Effects of Explanatory Variables

Overall Model

Multiple regression is a tool to explain the predictive properties of the set of independent variables on the dependent variable. With the help of this regression model, the present study tries to explore the effect of explanatory variables (expected quality of governance by LGs, participation practices, expected citizen's participation, and socio-economic characteristics) on the explained variable (trustworthiness in LGs).

The overall fit of the multiple regression model which indicates that to what extent the variation of the dependent variable is explained by the explanatory variables within the model depends up of the value of the coefficient of determination (R^2). Higher the value of R^2, higher will be the goodness of fit of the model. R^2 represents the predictive power of the regression model. R^2 ranges from 0 to 1, and higher the value of R^2, better the predictive power of regression. However, - studies that try to explain human behaviour generally have R^2 values less than 50 per cent as people are just harder to predict than things like physical processes (Frost, n.d.). In table 4.8, the adjusted R^2 (0.270) is lower than 50 per cent. This shows that the goodness fit of the model where the variation of the dependent variable is explained by the independent variables around 27 percentage. The ANOVA test of regression model indicates that $F(22, 6295) = 107.00$, $p<0.001$ signifies the regression model is significant for result analysis.

Regression Coefficients

Along with the t-tests of some variables and the ANOVA analysis of both cases: some variables as well as the model itself, another important part is the coefficients in the regression model. They do not explain the predictive aspect of the dependent variable to explain its variation. It

is the coefficient that describes the degree, direction and the dimension of the prediction on the dependent variable in the regression by explanatory variables and which variable has more predictive power to the dependent variable.

Table 4.8 represents the multiple regression model of the study and presents the coefficients of each explanatory variable which are associated with the dependent variable. There are two types of coefficients: unstandardized coefficients and standardised coefficients. Unstandardized coefficients are calculated without adjusting the scale among the variables. In contrast, the standardised coefficients called beta coefficients, are calculated for the transformed variables into the same scale so that they can be compared. The beta values (β) are helpful to compare the contribution of each explanatory variables. Regarding the significance level of contribution of the variables, it can be analysed through 'p' value. Looking on β value in table 4.8, 'Citizen can participate in Decision-Making on development activities in their locality' has the highest value, which is 0.303 among all. This implies the variable 'Citizen can participate in Decision-Making on development activities in their locality' contributes in explaining the dependent variable 'Trustworthiness in LGs'. Comparing to the contribution in the dependent variable among its independent variables, both indicators of 'Expected participation' have higher β values in comparison to others. The next highest β values are of independent variable 'Expected Quality of Governance'.

i. Expected Quality of Governance by Local Governments

One of the explanatory variables in the regression model is 'Expected Quality of Governance by LGs. This variable is intended to explain the improvement in the governance system at the local level by ensuring social inclusion and corruption control by LGs in their jurisdiction. In both indicators, people show higher expectation from their local governments. The standardised beta coefficient of social inclusion is 0.138, with 'p'<0.001 indicated people' expectation for social inclusion is highly associated with the trustworthiness in LGs positively. That means higher the social inclusion promotion by LGs in future; higher will be the trustworthiness shown by the people towards their LGs. A similar result can be observed in case of corruption control by LGs. Corruption control explaining trustworthiness in LGs as its coefficients are highly significant. Standardised coefficients of 'corruption control' is 0.086

with 'p' value<0.001. However, regarding the magnitude of β, social inclusion has a higher coefficient than the corruption control.

Table 4.8: Multiple Linear Regression Analysis

Model[a]	Standardized Beta Coefficients (β)
Expected Quality of Governance by LGs	
Promotion of Social Inclusion (Low-High)	0.138*
Corruption Control (Low-High)	0.086*
Participation Practice in LGs	
Ward Meetings (Low-High)	0.040**
Local Level Planning/Budgeting Meeting (Low-High)	-0.028***
User Groups' Meeting (Low-High)	0.019
Expected Participation in LGs	
Participation in Decision-Making at local development activities (Low-High)	0.303*
Participation in Planning and development (Low-High)	0.166*
Socio-Economic Identity of Respondents	
Age of the respondent (Low-High)	0.003
Gender (Male) (Ref: Female)	0.059*
Caste/Ethnicity (Ref: Hill Chhetri)	
Hill Brahmins	0.006
Newar	0.031**
Hill Janajati	0.017
Tarai Brahmins	0.004
Other Tarai Caste	-0.029***
Tarai Janajati	-0.007
Hill Dalits	0.000
Tarai Dalits	-0.008
Muslims	-0.009
Tharu	0.018
Level of Education (Low-High)	0.064*
Economic Status compared in the locality (Low-High)	0.014
Rural Municipality (Ref: Urban Municipality)	0.032**
(Constant (unstandardized)	1.638*
Adjusted R Square	0.27

*Note: a. Dependent Variable: Trustworthiness in LGs and *p<0.001, **p<0.01, and ***p<0.05*
Source: Author's Calculation

ii. Participation Practice in Local Governments

The second independent variable is taken as 'participation practice' which represents the existing participation practices by LGs. In this category the study has adopted three indicators: a) ward meeting which is the general practice by the local government where everyone has equal opportunity to show their needs to be addressed by the local governments regarding

administration, rights and needs individually. It is a kind of general assembly conducted by the local government to monitor all kinds of their functioning. b) Local Level Planning/Budgeting Meeting is the planning meeting conducted by the local governments to take views of local people to prepare annual plan and activities. In this meeting, some local representatives present a collective need for their requirements to the local government to be addressed in their locality. c) User Groups' Meeting is the general and mandatory practice for conducting any kinds of development projects like constriction of road, bridge, building etc. It is the user groups that regulate, monitor and supervise the project which is run through public purse money. Regarding the coefficients in these categories, the significance level for these three categories is different. 'Ward Meeting' has a positive influence on the 'trust in LGs'. The standardised beta coefficient is 0.040 with 'p' value less than 0.01 ($p < 0.01$). This signifies that people believe and recognise the ward meeting practices by local governments and show their trust in these practices to their local governments. Similarly, another practice is 'planning and budgeting meeting' at the local level. The standardised beta coefficient is (-0.028) with 'p' value $p<0.05$, indicates that people have less trust in the existing practices of planning and budgeting meeting. The result shows the practices are not implementing in a proper way to be assumed. This might be indicating that there is not properly managing these meetings. One of the possible reason for being this may be because of resource allocation related factor. Due to limited resources, all the needs may not be addressed. On the other hand, there may exist some malpractices of diverting resources to some lower priority activities to please higher profile, people, from the higher priority of common people. Another possible reason is that those who participate may know about the malpractices, and that is why they have lower trust. Similarly, they may be more enthusiastic people who believe for the betterment at local level, and that is why they may get disappointed as their needs may not be fulfilled. The standardised beta coefficient for the third indicator, 'User Groups' Meeting' are 0.019 with 'p' >0.05. This does not have any significance.

iii. Expected Participation in Local Governments

This variable measures for the future expectation of people to their local governments. In this independent variable, the study has taken two indicators to explain the expectation of people toward their local governments regarding participation. a) First is 'Citizen can Participate in

Decision-Making on development activities'. This variable is supposed to address the people's aspiration of participation like ward meeting and user groups 'meeting in the previous case as this caters for the general administration as well as processes of all kinds of participatory decision-making of local government activities. People show high trust in local government that local governments will ensure participation in the decision-making process in future as its coefficient is highly significant. The standardised beta coefficients is 0.303 (highest among the *β* values) with 'p' value less than 0.001. b) Second indicator is 'Participation in Planning and development process. This indicator is taken to identify whether people show their expectation in resource allocation meetings like planning and budgeting meeting. Looking its standardised beta coefficient (0.166) with 'p'<0.001, people are showing highly respects to their local governments that their local governments will ensure their participation in planning and development process at the local level.

iv. Socio-Economic Identity of Respondents

In 'Socio-Economic Identity, most of the factors do not show a significant relationship, and only a few have shown a significant relationship with trustworthiness in LGs. Among these few which are showing significant relationship. Male have higher trust than female for gender category as male has *β* value 0.059 with 'p'<0.001.

'Newar' have higher trust and 'Other Tarai caste' show lower trust than the reference category 'Hill Chhetri' under caste and ethnicity as the *β* value for 'Newar' is 0.031 with 'p'<0.01 and 'Other Tarai caste' has *β* value (-0.029) with 'p' <0.05. Remaining others in caste and ethnicity group do not possess any significant result.

Finally 'Level of Education' has a positive influence in trustworthiness with *β* coefficient 0.064 ('p'<0.001). This indicates that the educated people trust more to their local government than less educated. The reason in line with the education level may be the new governance system in federal setup. The understanding level in lower educated people seems confusion and only those can analyse the scenario who has sufficient knowledge in the political arena of federal context, and others are showing some kind of puzzle situation.

v. Rural Municipality

The final variable has been used as 'rural municipality' where 'urban municipality' has been taken as the reference category to avoid the problem of perfect multi-collinearity. The rationale of taking this variable is to make a simple comparison between forms of local governments: urban or rural in terms of citizen's trust that whether rural or urban municipalities have higher citizen's trust? Looking on the regression standardised beta coefficient, β = 0.032, with $p<0.01$, rural municipalities are higher trustworthy local government among the local governments. That means rural municipalities have higher trustworthiness than urban municipalities. Composition and geography wise, rural municipalities are less developed area, includes remote parts of Nepal. They have fewer facilities than urban. Rural municipalities have fewer options for higher education and health facility as well. The internal migration is high from the rural area to the city area because of opportunities: health, education, employment etc. The lifestyle of general people in the rural area is a kind of traditional than urban/city in Nepal. The higher trustworthiness in rural municipalities indicates people are trusting their services regardless of the limited services. In the urban area, the need of people varies than the rural area people. People from urban areas may have higher expectations compared to rural areas. Compared to the services received from LGs, people from the urban area might be dissatisfied compared to urban people. Hence, lower trust in urban Municipalities.

Another possible reason may be that people from rural area are satisfied with the functioning under the geographical condition and financial limitation. Sometimes they couldn't be so critical to their LG activities and their service delivery. Similarly, the municipality authorities are well known to most of the people where municipality authorities enjoy more social capital compared to urban municipalities where the urban municipality has relatively higher population compared to the rural municipality. Especially in the city area, people are less known to authorities and have less of their social capital. This relates to the social-based trust discussed by Robert Putnam (2001) to explain the variation of institutional trust.

The culture in both areas may differ from each other. Urban has less hierarchy in cultural orientation than rural, where the authoritarian orientation of culture is dominant. Baniamin, Jamil, & Askvik (2020) views that authoritarian culture orientation generates trust in institution as this cultural orientation is related to power and authorities which constitute for

the loyalty and respect to the institutions. Comparison among the LGs results that rural municipalities may have a relatively higher inclination to authoritarian culture orientation than the urban municipalities. If we take the example of MCPM (minimum conditions of performance measure: criteria under performances of municipalities are evaluated), normally urban municipalities stood ahead. The higher trustworthiness of rural municipalities regardless of their performance may be an indication to the hypothesis of authoritarian culture orientation.

4.3 Analysis of the Finding

Rational choice theory of trust is about citizen's trust to the government depends upon the performance of government, and the quality of governance ensures by it. Here, the government, in this study, is a local government (rural municipality and urban municipality) of Nepal. Performance of local government is measured through the citizen's participation in local government activities (both developmental and regulation function). The participation in local government is necessary to mainstream people in the local activities. Higher the people's participation in local activities, higher will be the ownership of the people at the development and possess higher trust to LGs. In this study, participation has been taken to represent existing practices (present participation situation) and expected participation (future expectation of citizen). Similarly, quality of governance is measured from the lenses of the expectation of promotion of social inclusion and corruption control by local governments. Citizen's trust in local governments is the result of people's evaluation to their LGs that how participation and quality of governance are ensured by the local government. In this regard, both types of participation seem to be fair and contribute to trustworthiness in local governments, and people trust their local government. The higher trust in local level government as local bodies (an earlier form of LGs) is also proved by Askvik, Jamil, & Dhakal (2011) for Nepal. However, the analysis is of different forms.

Quality of Governance and Hypothesis 1 (H1)

H1: *The better is the quality of governance by LG, the higher will be the trustworthiness.*

The quality of governance is an important variable of this study. It is one of the pillars for assessing institutional trust under rational choice intuitionalism (Baniamin, 2019a) which

intended for the fair treatment among the citizen through social inclusion and corruption-less services. No corruption or corruption-free services mean the local government should control corruption behaviour of both elected body and bureaucrats in the jurisdiction of LGs. LGs can encourage people not to be involved in corrupt attitudes through monitoring mechanism as well as setting an example of corruption-free services. As a government, LG has authority to corruption control. The people who are anticipating to have less corruption, they tend to have higher trust, which is also the case in this study (Baniamin, 2019a, Baniamin, 2019b; Baniamin et al., 2020). The positive sign of β corruption control, indicating that efficient LGs in corruption control will have higher trust. The intension of the result in this variable is quite similar to some previous studies related to Nepal like Baniamin (2019a) and Baniamin et al. (2020) for the case of civil servants, as corruption has negatively related with institutional trust (showing the corrupt behaviour of civil servants).

Similarly, promotion of social inclusion also possesses the positive relationship with trustworthiness in LGs. considering the ANOVA of social inclusion for the case of Cast and Ethnicity in table 4.4, the result shows that people believe that there will be the promotion of social inclusion. Each caste and ethnicity have a kind of similar participation where 'Hill Chhetri' and 'Hill Brahmin' have a higher mean value of social inclusion. This matches the national figure of the population where 'Hill Chhetri' and 'Hill Brahmin' stood first and second caste/Ethnicity on the total size of population(*Population Census, National Report*, 2011). This implies to some extent the social inclusion has followed according to the composition of the total population. With this, this study comes to conclude in this section that those people who are anticipating to have a higher promotion of social inclusion; they tend to trust higher to the LGs.

The present study has taken corruption control to represent the corruption-free function of LGs where people have shown their expectation regarding corruption control. Similarly, promotion of social inclusion indicating for the fair treatment to the people according to their caste and ethnicity. Comparing β within the group, people have shown more weightage for promotion of social inclusion in comparison to corruption control in 'Quality of Governance category', where, the first has higher coefficient than the later one. This may be because people believe LGs can ensure social inclusion better than corruption control. People may still

believe that corruption control is the exclusive function of central government because the anti-corruption agency in Nepal called the Commission for the Investigation of Abuse of Authority (CIAA) is a federal organisation.

Both indicators: social inclusion and corruption control have determined positively trustworthiness in LGs. This section concludes for the first research question of the study: Does quality of governance matter in LGs? This research question has been evaluated through the first hypothesis. Both the β coefficients for quality of governance are positive and significant. This implies that the quality of governance is important and determining factor for trustworthiness in LGs. Previous some studies of institutional trust have taken the quality of governance for the central government case, after this study may confirm for the case of local governments.

People's Participation

Participation practice in LGs and Hypothesis 2a (H2a)

H2a: Higher the participation practices in local activities, higher will be the trustworthiness.

'Ward meeting' is a general meeting to express opinion where people get more opportunities to participate. In this meeting, people express their needs as well as their requirements to be addressed by the local government. Because of this, it has higher regression coefficient and significant too in existing participation category. On the other hand, planning and budgeting meeting is supposed to have planning for resource allocation to determine the activities for the annual program calendar of LGs. Because of this feature planning and budgeting meetings is more technical than the ward meetings. The negative relationship of planning and budgeting meeting with trustworthiness indicates people have less trust in those activities at LGs. This may be because how people have opportunities to participate in this meeting. Every citizen may not get opportunity to put their voices and participate in a rigorous process of planning and budgeting. Thus, the lower opportunities may imply for the lower trust.

Malpractices at both time: during resource allocation as well as implementation, might be another reason. People may have mind-set of unethical transaction or diverting resources in fewer priority activities related examples at any point of time and try to relate in every case. Similarly, another reason may be limited resources. All the wishes of the public cannot be

fulfilled with limited resources. General people do not know and even do not understand the situation. Their concern is only to get their wish and requirement taken as activities whether the requirement is genuine or not. Similarly, some people may have difficulty in expression of their requirement in a large mass of meeting headed by the authorities of LGs. Later on, this may come out as unfulfilled sentiment for lower trust. Those unaddressed sentiments accumulating year on year may be the opposing cause. Such situations in a successive year result to the negativity towards that activities and hence negative trust. This might be the area for further study; however, the present study has not focused on extensive analysis in this area. Among three indicators: ward meeting, local-level planning and budgeting meeting, user groups' meeting first is positive and significant; second is negative and significant, and third is positive but not significant. This indicates that people regard and recognise ward meeting and accordingly trustworthiness in LGs.

With these findings, this section concludes that participation practices adopted by LGs determine the trustworthiness in LGs. This is in the line of the second hypothesis of this study. Hence, Participation practice by LGs supports the hypothesis of this study and concludes that higher the participation practices, higher will be the trustworthiness in LGs.

Expected Participation in LGs and Hypothesis 2b (H2b)

H2b: Higher the expected participation in local activities, higher will be the trustworthiness.

Another participation variable is linked with the future expectation of people in newly changed federal context of Nepal after the national election of 2017. The expressed views of the people in this section were for local governments of the new governance system in the federal context of Nepal.

The rational choice of people has clearly been expressed through this variable. They are hopeful that federal LGs will ensure more participation and engagement of people in LGs activities. The higher *β* coefficients of the indicator among other participation variables refer that people have more future expectation than the existing practice of participation. Participation in decision-making at local level activities is a kind of earlier form of participation which includes the ward meeting and user groups' meeting in regular and monitoring activities at the local level. Newly changed federal governance system is a hope to the citizen

as they are more hopeful than the existing system in terms of their participation. The expectation of participation constitutes trustworthiness in LGs implies that people are trusting new local governments in the changed governance system.

With these findings, like participation practice discussed earlier, this section also concludes that expected participation in LG activities determines the trustworthiness in LGs which supports the another sub-hypothesis of this study related to expected participation.

In a nutshell, this section concludes for the second research question how people's participation in Local government activities determines trustworthiness in LGs? To get answer to this research question, the study has set two sub-hypotheses H2a and H2b. With the proven sub-hypotheses in this study, we may conclude that the people's participation at local activities is a determining factor for trustworthiness in LGs. The practice of participation (ward meeting) by LGs and the expected participation in LG activities contribute to determining the trustworthiness in LGs. This implies for higher the participation; higher will be the trustworthiness in LGs.

Socio-Economic Identity and Hypothesis 3 (H3)

The trust level in local government varies according to the socio-economic characteristics of the general people.

The socio-economic variable is not significant in determining trust in LGs as most of the indicators have not statistically significant coefficient except 'gender'; 'Newar', 'Other Tarai caste' in caste/ethnicity; and 'level of education'. On one hand, this is quite surprising to Nepal case (Askvik et al., 2011) because Nepal is a country of diversity. On the other hand, it indicates that there is no significant difference according to caste/ethnicity of people except Newar and other Tarai caste. The result of gender in this study also support the result of some previous research like (Baniamin, 2019a; Baniamin et al., 2020) and contradicts with the result of (Pande, 2010) in case of Lalitpur sub-metropolitan city. The variation in such result may be because of the sample size, area of study and other conditions of sampling time. This result presents that male has higher trust than that of the female. The coverage of sample throughout Nepal includes more cases outside of Kathmandu valley, including several remote areas. The possible reason for lower trustworthiness of female may be due to patriarchal

society, where the male is supposed to be the guardian in the family (Pradhan, 2005). Due to male-dominated society, even the representation in parliament is not sufficient as there is 33 percentage provision in the election for women. “Due to the women’s low representation in all the decision making bodies of the government, women’s social, political, economic and legal rights are more likely to be overlooked in policy, planning and implementation” (Pradhan, 2005). Pradhan (2005) discusses further that “the democratic system of governance has made a difference to women’s political participation and access to positions of power in a long-term perspective. In the short term, however, no change on the score is visible. Even today, women’s are excluded from major decision-making, at all levels of governmental activities”. The possible reason for this is due to the legacy of past belief and political systems. This constitutes the social rigidity of male-dominated society. Another reason for the woman may be the domestic responsibility and engagement in household activities, which causes relatively low participation in the decision-making level and hence low trust.

In the case of ethnicity/caste (reference: Hill Chhetri) out of 11 subgroups, only two groups show the significant result in the regression model. ‘Newar’ show higher trust to LGs than the ‘Hill Chhetri’. The possible reason for this may be the political understanding of Newar. With the changed context, Newar may have the expectation for the more opportunities than the previous governance system. Newar themselves once in the political movement had put forward for their ‘*Newa-Rajya*’ (Newar province) related political demand. This may have increased some kind of political understanding and accordingly they may have presented their view. In some LGs inside Kathmandu valley, Newari language has been authorised as one of the official language. The language authorization could be another possible reason for the higher trust. On the other hand, ‘Other Tarai caste’ have lower trust than ‘Hill Chhetri’. From table 4.4, the ranking of ‘Other Tarai caste’ is seventh out of eleven categories in the social inclusion. They might feel that their participation in LG activities are not much better even in federal governance. The possible reason may be inclusion opportunities. After the changed context of the governance system, ‘Other Tarai caste’ may believe that they do not have such opportunities in comparison to others. They still may believe for the lower opportunities in LGs activities.

Regarding hypothesis related to socio-economic characteristics of respondents, a mixed result has been observed; however, the degree of the association is not strong. It is meaningful if the hypothesis is dealt case-wise. Thus, the third hypothesis of this research ***'the trust level in local government vary according to the socio-economic characteristics of the general people'*** has been evaluated based on different characteristics.

a. *Age*: Age variable does not have a significant regression coefficient and hence, does not support the hypothesis.
b. *Gender*: The results of the t-test and regression model for gender are significant. This implies that the gender-based trust level varies in LGs. Especially, the result of higher trustworthiness of male in LGs than the female is statistically significant from both the analysis. Hence, support the hypothesis.
c. *Caste and ethnicity*: Considering ANOVA for mean, only two groups 'Hill Brahmin'; and 'Hill Janajati' have statistically significant mean difference with 'Hill Dalit'. Rest of the caste and ethnicity are not significant. On the other hand, the regression result is quite different from the ANOVA result. Considering regression result, 'Newar' and 'Other Tarai caste' have a statistically significant result, whereas other castes and ethnicities do not possess statistically significant showing that 'Newar' has higher trustworthiness and 'Other Tarai Caste' has lower trust than 'Hill Chhetri'. However, the result is not much strong. As this study does not have strong as well as statistically significant relationship of all subgroups of caste and ethnicity with trustworthiness in LGs, the variable 'Caste and Ethnicity' does not fully support the hypothesis.
d. *Education level*: Education level has a statistically significant and positive regression coefficient, which indicates that educated people tends to have higher trust to their LGs. which is a different result compared to the global scenario. From both results related to education level: ANOVA for mean as well as regression, in this study, supports the third hypothesis. Thus, trustworthiness in LGs differs according to the level of education.
e. *Economic status*: Economic status does not possess a statistically significant result in regression analysis. To conclude, without a statistically significant result from regression analysis, the variable 'economic status' does not support the third hypothesis of this research.

Chapter Five

CONCLUSION

5.1 Introduction

This chapter presents the summary of this study with the discussion and linking with the research questions set for the investigation in line with the objective of the study. The objective of this study is to assess the level of trustworthiness of local governments in Nepal. Especially, this research has tried to establish the relationship between people's participation in local government activities and trustworthiness in LGs along with the quality of governance by LGs. To attain the objective, this study has adopted three research questions: Does the quality of governance matter to determine trustworthiness in LGs?; Whether people's participation in local government activities determine trustworthiness in LGs; and Whether trustworthiness in local government differs based on socio-economic characteristics (age, gender, caste, education, economic level) of the people? Quantitative research design has been applied to analyse the data from a secondary source (NNGS2017/18) to prove or disprove the hypotheses of this study. The regression model is employed for to establish the relationship between a dependent variable (trustworthiness in LGs) and set of independent variables (participation practice in LG, expected participation in LG, expected quality of governance by LG, socio-economic characteristics of respondents, and rural/urban municipality). The association of these variables has been tested, and the research has established the link to explain the position of the explanatory variables that how these variables are connected with the explained variable. On top of the findings from the analysis, this chapter highlights how this research supports and open the new area for further studies on the relationship between trustworthiness and people's participation in local governments in Nepal.

5.2 Summary of Findings

This research has come up with the findings associated with the dependent variable and independent variables. Trustworthiness in LGs has a relationship with the opportunities for people's participation. Participation in local activities has a relationship with trustworthiness whether LGs ensure the existing practice of participation or promote expected participation. Similarly, the expected quality of governance is also significant to explain the trustworthiness

in LGs. Promotion of social inclusion and corruption control by the LGs constitute for explaining trustworthiness. Another independent variable is in this study: socio-economic characteristic of the respondents is partially explaining the trustworthiness in LGs. Among these characteristics, gender (male) and level of education of the respondents show a positive relationship with the trustworthiness in LGs. The meaning with this is male has shown higher trust than female and educated people possess more trust than less educated or below. Age of respondents and economic status are indifference with the trustworthiness as these variables do not show any significant relationship with trustworthiness. Finally, caste and ethnicity have mixed result in explaining trustworthiness. Only two among 11 categories have a significant result; however, none of their relationships is very strong. This concludes that trustworthiness does not differ significantly according to the caste and ethnicity of the people. In addition, this study has taken one more variable to compare the trustworthiness in two forms of municipalities: Rural or Urban. Findings from this study shows that rural municipality possess more people's trust than the urban municipality.

5.3 Linkage with the research question

RQ1: *Does the quality of governance matter to determine trustworthiness in LGs*?

The answer to this question in terms of Yes/No is 'Yes'. With the established principle of the relationship between the quality of governance and trust in government, this study has taken the expected quality of governance by LGs to explain the trustworthiness in LGs. Findings show that expectation of people from their government is to improve the existing governance system. Meaning that if LGs can promote social inclusion and maintain corruption-free service delivery, their trustworthiness will be higher.

RQ2: *Whether people's participation in local government activities determines trustworthiness in LGs?*

Based on the data and necessary statistical calculation, the yes or no answer to the first research question for this study is 'Yes'. To attain the objective, the first research question seems to be relevant for these types of studies. Among the indicators of two sets of independent variables, most of the indicators are explaining the trustworthiness in a positive direction. This can help to prediction trustworthiness in local governments. However, this

study has also shown avenues for the fair and meaningful participation will constitute positive trustworthiness in LGs; otherwise the result will be adverse.

RQ3: *Whether trustworthiness in local government differs based on socio-economic characteristics (age, gender, caste, education, economic level) of the people?*

This study has partially proven that trustworthiness varies according to socio-economic characteristics of people in LGs. Age, caste and ethnicity and economic status do not have a significant role in explaining trustworthiness in LGs, whereas, gender and level of education explain trustworthiness in LGs.

5.4 Analytical framework and theoretical discussion

The validations of research questions justify and establish the relationship among the variables. With this, the analytical framework seems to be appropriate for this study under the theory chosen. This study has used the rational choice theory for theoretical back-up. Under the rational choice theory, institutional trust depends on the performance and the quality of governance. This study has taken the process variable (participation and quality of governance) to measure the performance of the local governments with the limitation of the output variable of local governments. Ostrom (1998) has the view that rational choice is about the individual's self-interest to achieve the objective. It helps to understand the human as self-interested and short-term maximise. Out of this statement, the finding and conclusion of the study supported people's expectation. They expressed the opinion on the individual level that every person has self-interest and calculative behaviour. They want meaningful participation with the selfishness to achieve more and better services from their local governments, which aligns to the economic calculation, and people have evaluated their local government. The cost-benefit approach in rational choice has been fulfilled and justified to some extent that people have evaluated the capability of their local governments. The negative relationship between planning and budgeting meeting (under participation practice) and trustworthiness is an example of the reaction of people to their local government to express their view that local government should revisit this types meeting to achieve a common goal. Moreover, the rational choice approach has come up with the calculative way of human behaviour, related to self-interest for the social transaction, evaluated through cost and benefit.

5.5 Conclusion

This study has attempted to analyse the trustworthiness in local government of federal Nepal. For this a set of independent variables are taken which are: expected quality of governance, participation practice in LGs, expected participation in LGs; and socio-economic characteristics of respondents. For further more analysis of LGs, one more independent variable has been take as rural/urban municipality to determine which forms of LGs acquire higher trustworthiness. Among the variables, all indicators of 'expected quality of governance' and 'expected participation in LGs' possess statistically significant coefficients and positively determining trustworthiness in LGs. Among the three indicators of 'participation practice in LGs' 'ward meeting' and 'planning and budgeting meeting' possess statistically significant result. The 'ward meeting' is positively related whereas, other has negative relationship with trustworthiness in LGs. The socio-economic characteristics has mixed result. Gender (male), educated people have higher trust than the other categories in their group. 'Newar' has higher and 'Other Terai caste' has lower trust in LGs than the reference group 'Hill Chhetri'. Lastly for the comparative discourse, rural municipality possess higher trustworthiness than urban municipality.

5.6 Scope for future research

Time and budget are always limited to anyone. The same situation is realised during thesis writing. Writing a thesis in a fixed time interval is the obligation, and to include several issues related to this study would not be possible within a single study. As a researcher, during this research, some of the pertinent issues are realized in determining trustworthiness as well as for the further research scope.

- The study tested the implication of quality of governance, people's participation, socio-economic in trust formation and result seem to have promoted new arena of study of trust, especially in the context of LGs in Nepal.
- This leads to the further scope of the study as taking performance, quality of services of LGs and other dimensions in local government activities in federal Nepal.
- However, it appears from the empirical findings via the socio-economic characteristics, forms of municipality (rural or urban) trust dimensions are generally country, culture and context-specific.

- For socio-economic factors, a rigorous study will define trust potentially.
- The regression model used in this study can explain only around 27% of the total variation. So, other dimensions like the quality of services, political-economic dimensions and their relative contribution in influencing citizens' trust in LGs can be addressed in further research as well.
- Social capital and the Authoritarian culture orientation will be pertinent issues for rigour study of LGs in Nepal.
- Size of the LGs might be a crucial factor to study for the trustworthiness in LGs.

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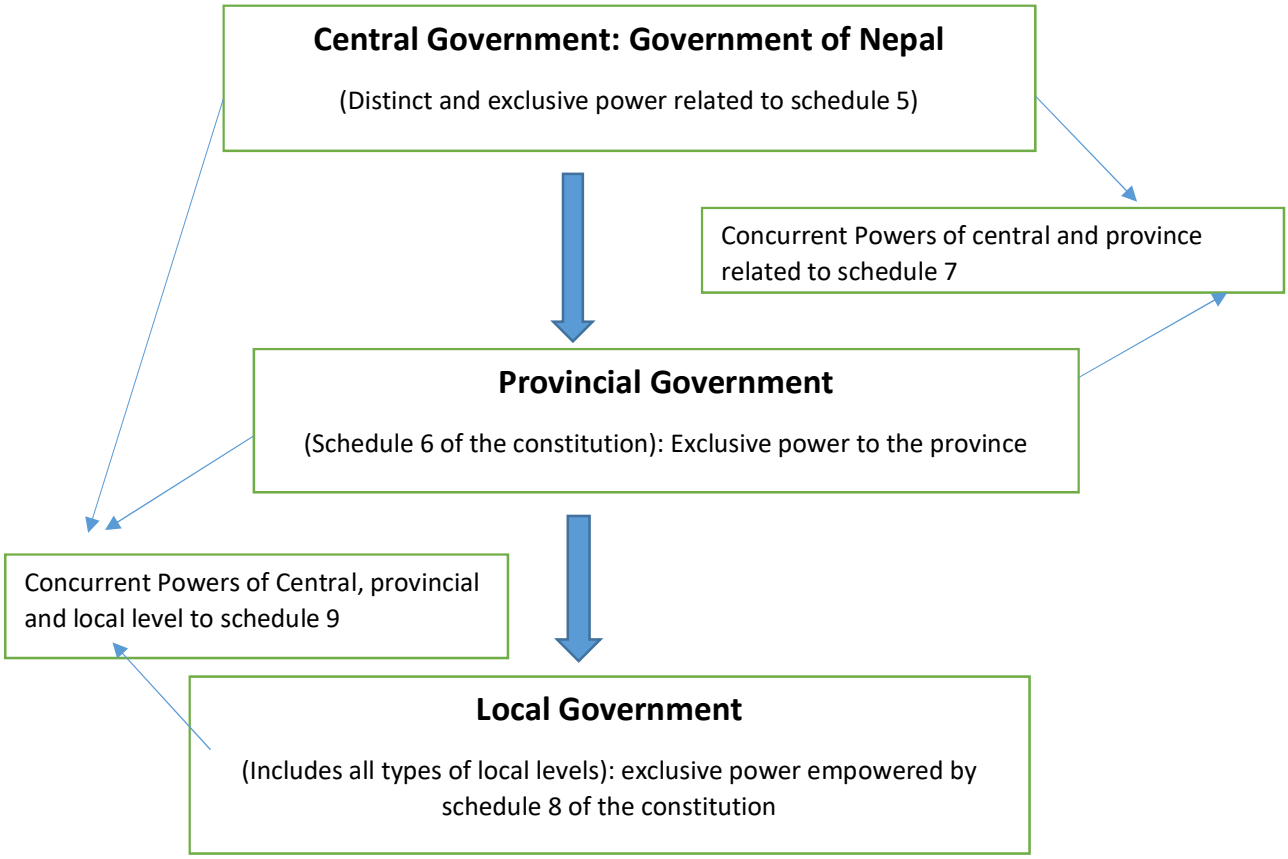
Appendix 1

Division of constitutional power among central, provincial and local government in federal Nepal.



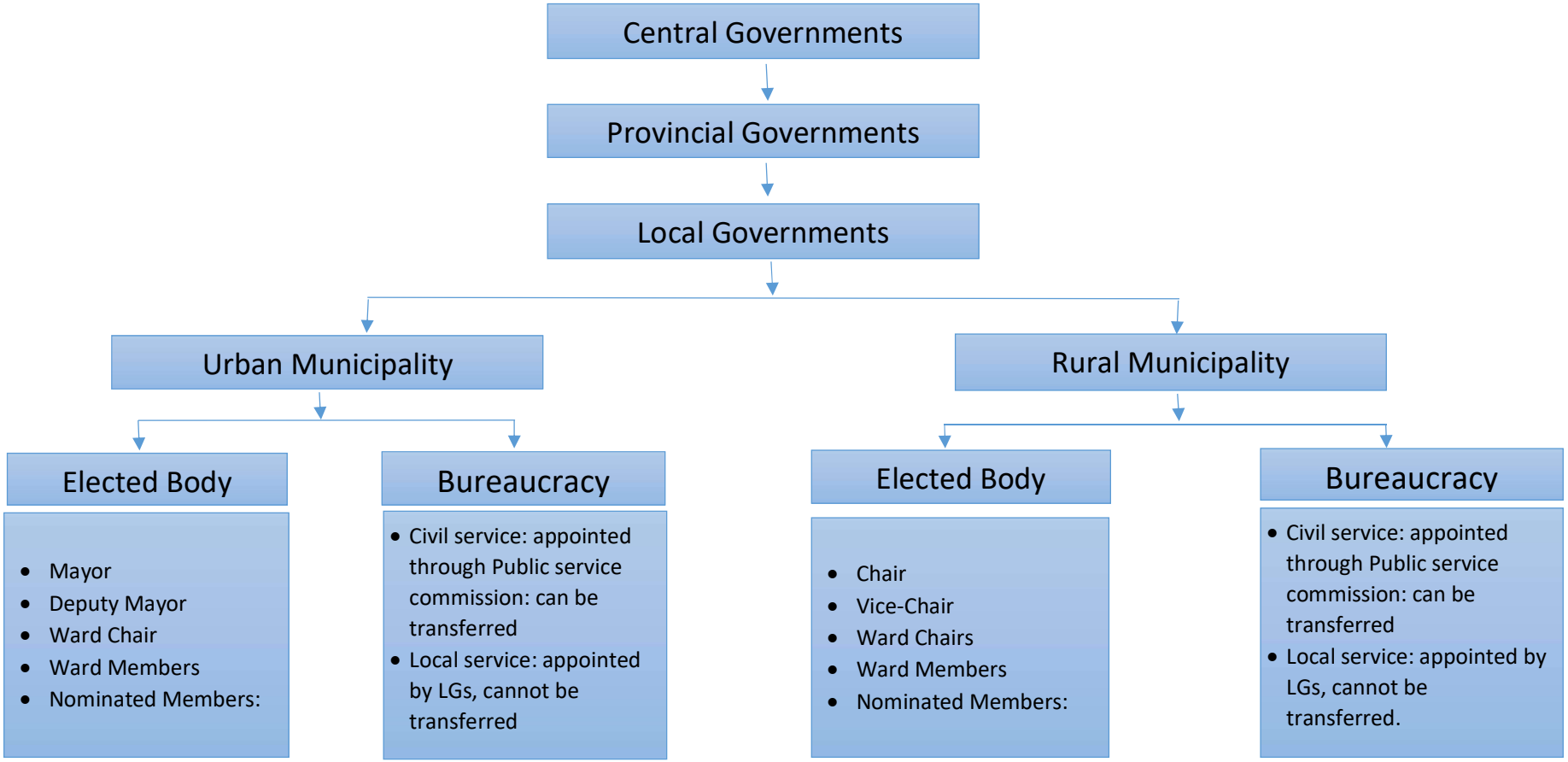
- There is no perfect vertical hierarchy in three-layer of government. Constitution has ensured some field of independence for each government.
- These schedule 5, 6, 7, 8 and 9 have a long list of areas and roles.

Figure 3: Relationship among different level governments

Source: Author's self-drawing from the constitutional provisional

Appendix 2

Political and Administrative Structure of Local Government in three-level governments in the federal structure



Source: Author's self-drawing from the constitutional provisional

Figure 4: Structure of Local Government in the Federal structure of Nepal

Appendix 3

Hochberg's analysis for multiple comparison for Trustworthiness in LGs and caste/ethnicity

(I) Caste/ethnic group	(J) Caste/ethnic group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Hill Brahmin	Hill Chhetri	0.019796	0.016435	1.000	-0.0346649	0.07425632
	Newar	-0.018946	0.033276	1.000	-0.129213	0.09132141
	Hill Janajati	0.018107	0.016533	1.000	-0.0366787	0.07289179
	Tarai Brahman	-0.018430	0.049545	1.000	-0.1826074	0.14574676
	Other Tarai caste	0.048276	0.024401	0.932	-0.0325821	0.12913361
	Tarai Janajati	0.064903	0.029925	0.814	-0.0342592	0.16406522
	Hill Dalit	.088477*	0.022029	0.004	0.01547972	0.16147501
	Tarai Dalit	0.107211	0.036573	0.170	-0.0139832	0.22840459
	Muslim	0.062339	0.043881	1.000	-0.0830703	0.20774809
	Tharu	0.044145	0.026664	0.996	-0.0442119	0.13250091
Hill Chhetri	Hill Brahmin	-0.019796	0.016435	1.000	-0.0742563	0.03466493
	Newar	-0.038741	0.032464	1.000	-0.1463165	0.0688335
	Hill Janajati	-0.001689	0.014830	1.000	-0.0508312	0.04745294
	Tarai Brahman	-0.038226	0.049003	1.000	-0.2006072	0.12415513
	Other Tarai caste	0.028480	0.023281	1.000	-0.0486661	0.10562613
	Tarai Janajati	0.045107	0.029019	0.999	-0.0510523	0.14126691
	Hill Dalit	0.068682	0.020781	0.052	-0.0001818	0.13754515
	Tarai Dalit	0.087415	0.035836	0.558	-0.0313347	0.20616467
	Muslim	0.042543	0.043268	1.000	-0.1008352	0.18592157
	Tharu	0.024349	0.025643	1.000	-0.060624	0.10932162
Newar	Hill Brahmin	0.018946	0.033276	1.000	-0.0913214	0.12921301
	Hill Chhetri	0.038741	0.032464	1.000	-0.0688335	0.14631649
	Hill Janajati	0.037052	0.032513	1.000	-0.0706873	0.14479205
	Tarai Brahman	0.000515	0.056907	1.000	-0.1880596	0.18909048
	Other Tarai caste	0.067222	0.037137	0.982	-0.0558411	0.19028418
	Tarai Janajati	0.083849	0.040979	0.898	-0.0519436	0.21964116
	Hill Dalit	0.107423	0.035624	0.132	-0.0106238	0.22547009
	Tarai Dalit	0.126156	0.046059	0.289	-0.0264685	0.27878146
	Muslim	0.081285	0.052051	0.999	-0.0911979	0.25376731
	Tharu	0.063090	0.038662	0.997	-0.065024	0.19120461
Hill Janajati	Hill Brahmin	-0.018107	0.016533	1.000	-0.0728918	0.03667865
	Hill Chhetri	0.001689	0.014830	1.000	-0.0474529	0.0508312
	Newar	-0.037052	0.032513	1.000	-0.1447921	0.07068732
	Tarai Brahman	-0.036537	0.049036	1.000	-0.1990272	0.12595341
	Other Tarai caste	0.030169	0.023350	1.000	-0.0472064	0.10754474
	Tarai Janajati	0.046796	0.029074	0.998	-0.0495474	0.14314024
	Hill Dalit	.070371*	0.020859	0.041	0.00125033	0.13949127
	Tarai Dalit	0.089104	0.035881	0.514	-0.0297948	0.20800301
	Muslim	0.044232	0.043305	1.000	-0.0992696	0.1877343
	Tharu	0.026038	0.025706	1.000	-0.0591433	0.11121915
Tarai Brahman	Hill Brahmin	0.018430	0.049545	1.000	-0.1457468	0.18260743
	Hill Chhetri	0.038226	0.049003	1.000	-0.1241551	0.20060718
	Newar	-0.000515	0.056907	1.000	-0.1890905	0.18805955
	Hill Janajati	0.036537	0.049036	1.000	-0.1259534	0.19902721

	Other Tarai caste	0.066706	0.052217	1.000	-0.1063248	0.23973692
	Tarai Janajati	0.083333	0.055015	1.000	-0.0989709	0.26563755
	Hill Dalit	0.106908	0.051151	0.871	-0.0625926	0.27640795
	Tarai Dalit	0.125641	0.058896	0.841	-0.0695247	0.3208067
	Muslim	0.080769	0.063692	1.000	-0.1302889	0.29182731
	Tharu	0.062575	0.053312	1.000	-0.1140845	0.23923422
	Hill Brahmin	-0.048276	0.024401	0.932	-0.1291336	0.03258214
	Hill Chhetri	-0.028480	0.023281	1.000	-0.1056261	0.04866605
	Newar	-0.067222	0.037137	0.982	-0.1902842	0.05584112
	Hill Janajati	-0.030169	0.023350	1.000	-0.1075447	0.04720641
Other Tarai	Tarai Brahman	-0.066706	0.052217	1.000	-0.2397369	0.10632479
caste	Tarai Janajati	0.016627	0.034167	1.000	-0.0965925	0.12984699
	Hill Dalit	0.040202	0.027517	1.000	-0.0509807	0.13138395
	Tarai Dalit	0.058935	0.040119	1.000	-0.0740068	0.19187675
	Muslim	0.014063	0.046877	1.000	-0.1412732	0.16939955
	Tharu	-0.004131	0.031350	1.000	-0.1080178	0.09975532
	Hill Brahmin	-0.064903	0.029925	0.814	-0.1640652	0.03425922
	Hill Chhetri	-0.045107	0.029019	0.999	-0.1412669	0.0510523
	Newar	-0.083849	0.040979	0.898	-0.2196412	0.05194357
	Hill Janajati	-0.046796	0.029074	0.998	-0.1431402	0.04954738
Tarai	Tarai Brahman	-0.083333	0.055015	1.000	-0.2656376	0.09897088
Janajati	Other Tarai caste	-0.016627	0.034167	1.000	-0.129847	0.09659245
	Hill Dalit	0.023574	0.032515	1.000	-0.0841724	0.13132113
	Tarai Dalit	0.042308	0.043699	1.000	-0.1024979	0.18711332
	Muslim	-0.002564	0.049975	1.000	-0.1681677	0.16303947
	Tharu	-0.020758	0.035818	1.000	-0.1394495	0.09793255
	Hill Brahmin	-0.088477	0.022029	0.004	-0.161475	-0.0154797
	Hill Chhetri	-0.068682	0.020781	0.052	-0.1375452	0.0001818
	Newar	-0.107423	0.035624	0.132	-0.2254701	0.01062376
	Hill Janajati	-0.070371	0.020859	0.041	-0.1394913	-0.0012503
Hill Dalit	Tarai Brahman	-0.106908	0.051151	0.871	-0.276408	0.06259255
	Other Tarai caste	-0.040202	0.027517	1.000	-0.131384	0.05098068
	Tarai Janajati	-0.023574	0.032515	1.000	-0.1313211	0.08417239
	Tarai Dalit	0.018733	0.038722	1.000	-0.1095795	0.14704615
	Muslim	-0.026138	0.045687	1.000	-0.1775322	0.12525523
	Tharu	-0.044333	0.029542	1.000	-0.142226	0.05356031
	Hill Brahmin	-0.107211	0.036573	0.170	-0.2284046	0.01398321
	Hill Chhetri	-0.087415	0.035836	0.558	-0.2061647	0.03133467
	Newar	-0.126156	0.046059	0.289	-0.2787815	0.02646848
	Hill Janajati	-0.089104	0.035881	0.514	-0.208003	0.02979476
Tarai Dalit	Tarai Brahman	-0.125641	0.058896	0.841	-0.3208067	0.06952465
	Other Tarai caste	-0.058935	0.040119	1.000	-0.1918768	0.07400684
	Tarai Janajati	-0.042308	0.043699	1.000	-0.1871133	0.10249794
	Hill Dalit	-0.018733	0.038722	1.000	-0.1470462	0.1095795
	Muslim	-0.044872	0.054218	1.000	-0.2245364	0.13479277
	Tharu	-0.063066	0.041534	0.999	-0.2006975	0.07456513
	Hill Brahmin	-0.062339	0.043881	1.000	-0.2077481	0.0830703
	Hill Chhetri	-0.042543	0.043268	1.000	-0.1859216	0.10083516
Muslim	Newar	-0.081285	0.052051	0.999	-0.2537673	0.09119792
	Hill Janajati	-0.044232	0.043305	1.000	-0.1877343	0.09926964
	Tarai Brahman	-0.080769	0.063692	1.000	-0.2918273	0.13028885

	Other Tarai caste	-0.014063	0.046877	1.000	-0.1693996	0.14127322
	Tarai Janajati	0.002564	0.049975	1.000	-0.1630395	0.16816767
	Hill Dalit	0.026138	0.045687	1.000	-0.1252552	0.17753217
	Tarai Dalit	0.044872	0.054218	1.000	-0.1347928	0.22453636
	Tharu	-0.018194	0.048094	1.000	-0.1775627	0.1411739
	Hill Brahmin	-0.044145	0.026664	0.996	-0.1325009	0.04421188
	Hill Chhetri	-0.024349	0.025643	1.000	-0.1093216	0.06062397
	Newar	-0.063090	0.038662	0.997	-0.1912046	0.06502398
	Hill Janajati	-0.026038	0.025706	1.000	-0.1112192	0.05914325
Tharu	Tarai Brahman	-0.062575	0.053312	1.000	-0.2392342	0.11408452
	Other Tarai caste	0.004131	0.031350	1.000	-0.0997553	0.10801775
	Tarai Janajati	0.020758	0.035818	1.000	-0.0979326	0.13944952
	Hill Dalit	0.044333	0.029542	1.000	-0.0535603	0.14222602
	Tarai Dalit	0.063066	0.041534	0.999	-0.0745651	0.20069748
	Muslim	0.018194	0.048094	1.000	-0.1411739	0.17756266

Appendix 4

Hochberg's analysis for multiple comparison for Promotion of Social Inclusion by LG and caste/ethnicity

(I) Caste/ethnic group	(J) Caste/ethnic group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Hill Brahmin	Hill Chhetri	-0.006	0.018	1.000	-0.060	0.050
	Newar	0.078	0.034	0.718	-0.040	0.190
	Hill Janajati	0.031	0.018	0.987	-0.030	0.090
	Tarai Brahman	0.092	0.049	0.965	-0.070	0.250
	Other Tarai caste	0.086*	0.023	0.009	0.010	0.160
	Tarai Janajati	0.104*	0.028	0.007	0.010	0.200
	Hill Dalit	0.063	0.022	0.203	-0.010	0.140
	Tarai Dalit	0.208*	0.029	0.000	0.110	0.300
	Muslim	0.075	0.039	0.950	-0.050	0.200
	Tharu	0.130*	0.024	0.000	0.050	0.210
Hill Chhetri	Hill Brahmin	0.006	0.018	1.000	-0.050	0.060
	Newar	0.084	0.033	0.437	-0.020	0.190
	Hill Janajati	0.037	0.015	0.464	-0.010	0.090
	Tarai Brahman	0.098	0.048	0.894	-0.060	0.260
	Other Tarai caste	0.092*	0.021	0.000	0.020	0.160
	Tarai Janajati	0.110*	0.026	0.000	0.030	0.200
	Hill Dalit	0.069*	0.02	0.023	0.000	0.130
	Tarai Dalit	0.214*	0.027	0.000	0.130	0.300
	Muslim	0.081	0.037	0.819	-0.040	0.200
	Tharu	0.136*	0.022	0.000	0.060	0.210
Newar	Hill Brahmin	-0.078	0.034	0.718	-0.190	0.040
	Hill Chhetri	-0.084	0.033	0.437	-0.190	0.020
	Hill Janajati	-0.046	0.033	1.000	-0.150	0.060
	Tarai Brahman	0.014	0.056	1.000	-0.170	0.200
	Other Tarai caste	0.008	0.036	1.000	-0.110	0.130
	Tarai Janajati	0.027	0.039	1.000	-0.100	0.160
	Hill Dalit	-0.015	0.035	1.000	-0.130	0.100
	Tarai Dalit	0.13	0.04	0.054	0.000	0.260
	Muslim	-0.003	0.047	1.000	-0.160	0.150
	Tharu	0.052	0.037	1.000	-0.070	0.170
Hill Janajati	Hill Brahmin	-0.031	0.018	0.987	-0.090	0.030
	Hill Chhetri	-0.037	0.015	0.464	-0.090	0.010
	Newar	0.046	0.033	1.000	-0.060	0.150
	Tarai Brahman	0.061	0.048	1.000	-0.100	0.220
	Other Tarai caste	0.054	0.021	0.377	-0.010	0.120
	Tarai Janajati	0.073	0.026	0.225	-0.010	0.160
	Hill Dalit	0.032	0.02	0.998	-0.030	0.100
	Tarai Dalit	0.177*	0.027	0.000	0.090	0.270
	Muslim	0.043	0.037	1.000	-0.080	0.170
	Tharu	0.098*	0.022	0.000	0.020	0.170
Tarai Dalit	Hill Brahmin	-0.092	0.049	0.965	-0.250	0.070

Tarai Brahman	Hill Chhetri	-0.098	0.048	0.894	-0.260	0.060
	Newar	-0.014	0.056	1.000	-0.200	0.170
	Hill Janajati	-0.061	0.048	1.000	-0.220	0.100
	Other Tarai caste	-0.006	0.05	1.000	-0.170	0.160
	Tarai Janajati	0.012	0.052	1.000	-0.160	0.180
	Hill Dalit	-0.029	0.05	1.000	-0.190	0.130
	Tarai Dalit	0.116	0.053	0.793	-0.060	0.290
	Muslim	-0.017	0.059	1.000	-0.210	0.180
	Tharu	0.038	0.051	1.000	-0.130	0.210
Other Tarai caste	Hill Brahmin	-0.086*	0.023	0.009	-0.160	-0.010
	Hill Chhetri	-0.092*	0.021	0.000	-0.160	-0.020
	Newar	-0.008	0.036	1.000	-0.130	0.110
	Hill Janajati	-0.054	0.021	0.377	-0.120	0.010
	Tarai Brahman	0.006	0.05	1.000	-0.160	0.170
	Tarai Janajati	0.018	0.03	1.000	-0.080	0.120
	Hill Dalit	-0.023	0.024	1.000	-0.100	0.060
	Tarai Dalit	0.122*	0.031	0.002	0.020	0.220
	Muslim	-0.011	0.04	1.000	-0.140	0.120
	Tharu	0.044	0.027	0.997	-0.040	0.130
Tarai Janajati	Hill Brahmin	-0.104*	0.028	0.007	-0.200	-0.010
	Hill Chhetri	-0.110*	0.026	0.000	-0.200	-0.030
	Newar	-0.027	0.039	1.000	-0.160	0.100
	Hill Janajati	-0.073	0.026	0.225	-0.160	0.010
	Tarai Brahman	-0.012	0.052	1.000	-0.180	0.160
	Other Tarai caste	-0.018	0.03	1.000	-0.120	0.080
	Hill Dalit	-0.041	0.029	1.000	-0.140	0.050
	Tarai Dalit	0.104	0.034	0.123	-0.010	0.220
	Muslim	-0.03	0.043	1.000	-0.170	0.110
	Tharu	0.026	0.031	1.000	-0.080	0.130
Hill Dalit	Hill Brahmin	-0.063	0.022	0.203	-0.140	0.010
	Hill Chhetri	-0.069*	0.02	0.023	-0.130	0.000
	Newar	0.015	0.035	1.000	-0.100	0.130
	Hill Janajati	-0.032	0.02	0.998	-0.100	0.030
	Tarai Brahman	0.029	0.05	1.000	-0.130	0.190
	Other Tarai caste	0.023	0.024	1.000	-0.060	0.100
	Tarai Janajati	0.041	0.029	1.000	-0.050	0.140
	Tarai Dalit	0.145*	0.03	0.000	0.050	0.240
	Muslim	0.012	0.039	1.000	-0.120	0.140
	Tharu	0.067	0.026	0.411	-0.020	0.150
Tarai Dalit	Hill Brahmin	-0.208*	0.029	0.000	-0.300	-0.110
	Hill Chhetri	-0.214*	0.027	0.000	-0.300	-0.130
	Newar	-0.13	0.04	0.054	-0.260	0.000
	Hill Janajati	-0.177*	0.027	0.000	-0.270	-0.090
	Tarai Brahman	-0.116	0.053	0.793	-0.290	0.060
	Other Tarai caste	-0.122*	0.031	0.002	-0.220	-0.020
	Tarai Janajati	-0.104	0.034	0.123	-0.220	0.010
	Hill Dalit	-0.145*	0.03	0.000	-0.240	-0.050
	Muslim	-0.133	0.044	0.113	-0.280	0.010
	Tharu	-0.078	0.032	0.530	-0.180	0.030

Muslim	Hill Brahmin	-0.075	0.039	0.950	-0.200	0.050
	Hill Chhetri	-0.081	0.037	0.819	-0.200	0.040
	Newar	0.003	0.047	1.000	-0.150	0.160
	Hill Janajati	-0.043	0.037	1.000	-0.170	0.080
	Tarai Brahman	0.017	0.059	1.000	-0.180	0.210
	Other Tarai caste	0.011	0.04	1.000	-0.120	0.140
	Tarai Janajati	0.03	0.043	1.000	-0.110	0.170
	Hill Dalit	-0.012	0.039	1.000	-0.140	0.120
	Tarai Dalit	0.133	0.044	0.113	-0.010	0.280
	Tharu	0.055	0.041	1.000	-0.080	0.190
Tharu	Hill Brahmin	-0.130*	0.024	0.000	-0.210	-0.050
	Hill Chhetri	-0.136*	0.022	0.000	-0.210	-0.060
	Newar	-0.052	0.037	1.000	-0.170	0.070
	Hill Janajati	-0.098*	0.022	0.000	-0.170	-0.020
	Tarai Brahman	-0.038	0.051	1.000	-0.210	0.130
	Other Tarai caste	-0.044	0.027	0.997	-0.130	0.040
	Tarai Janajati	-0.026	0.031	1.000	-0.130	0.080
	Hill Dalit	-0.067	0.026	0.411	-0.150	0.020
	Tarai Dalit	0.078	0.032	0.530	-0.030	0.180
	Muslim	-0.055	0.041	1.000	-0.190	0.080

Appendix 5

Hochberg's analysis for multiple comparison for trustworthiness and education level

(I) Level of Education	(J) Level of Education	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Illiterate	Literate	-0.079263035*	0.017584	0.001	-0.134124	-0.024402
	Primary	-0.105748116*	0.019383	0.000	-0.166219	-0.045277
	Lower Secondary	-0.115353099*	0.018906	0.000	-0.174338	-0.056368
	Secondary	-0.158671793*	0.017920	0.000	-0.214579	-0.102765
	Higher Secondary	-0.176257778*	0.018089	0.000	-0.232692	-0.119823
	Vocational Education	-0.103821881	0.118186	1.000	-0.472544	0.264901
	Bachelors and above	-0.247423606*	0.023960	0.000	-0.322177	-0.172671
Literate	Illiterate	0.079263035*	0.017584	0.001	0.024402	0.134124
	Primary	-0.026485081	0.019386	0.995	-0.086967	0.033997
	Lower Secondary	-0.036090065	0.018910	0.803	-0.095086	0.022906
	Secondary	-0.079408758*	0.017924	0.001	-0.135327	-0.023490
	Higher Secondary	-0.096994744*	0.018093	0.000	-0.153441	-0.040549
	Vocational Education	-0.024558846	0.118187	1.000	-0.393283	0.344166
	Bachelors and above	-0.168160572*	0.023963	0.000	-0.242922	-0.093399
Primary	Illiterate	0.105748116*	0.019383	0.000	0.045277	0.166219
	Literate	0.026485081	0.019386	0.995	-0.033997	0.086967
	Lower Secondary	-0.009604984	0.020593	1.000	-0.073851	0.054641
	Secondary	-0.052923677	0.019691	0.184	-0.114356	0.008509
	Higher Secondary	-0.070509663*	0.019845	0.011	-0.132423	-0.008597
	Vocational Education	0.001926235	0.118468	1.000	-0.367675	0.371527
	Bachelors and above	-0.141675491*	0.025312	0.000	-0.220646	-0.062705
Lower Secondary	Illiterate	0.115353099*	0.018906	0.000	0.056368	0.174338
	Literate	0.036090065	0.018910	0.803	-0.022906	0.095086
	Primary	0.009604984	0.020593	1.000	-0.054641	0.073851
	Secondary	-0.043318694	0.019222	0.497	-0.103289	0.016651
	Higher Secondary	-0.060904679*	0.019380	0.046	-0.121367	-0.000443
	Vocational Education	0.011531218	0.118390	1.000	-0.357829	0.380892
	Bachelors and above	-0.132070507*	0.024949	0.000	-0.209909	-0.054232
Secondary	Illiterate	0.158671793*	0.017920	0.000	0.102765	0.214579
	Literate	0.079408758*	0.017924	0.001	0.023490	0.135327
	Primary	0.052923677	0.019691	0.184	-0.008509	0.114356
	Lower Secondary	0.043318694	0.019222	0.497	-0.016651	0.103289
	Higher Secondary	-0.017585985	0.018419	1.000	-0.075050	0.039878
	Vocational Education	0.054849912	0.118237	1.000	-0.314032	0.423731
	Bachelors and above	-0.088751813*	0.024210	0.007	-0.164285	-0.013219
Higher Secondary	Illiterate	0.176257778*	0.018089	0.000	0.119823	0.232692
	Literate	0.096994744*	0.018093	0.000	0.040549	0.153441
	Primary	0.070509663*	0.019845	0.011	0.008597	0.132423
	Lower Secondary	0.060904679*	0.019380	0.046	0.000443	0.121367
	Secondary	0.017585985	0.018419	1.000	-0.039878	0.075050
	Vocational Education	0.072435897	0.118263	1.000	-0.296526	0.441398
	Bachelors and above	-0.071165828	0.024336	0.093	-0.147090	0.004758
	Illiterate	0.103821881	0.118186	1.000	-0.264901	0.472544

Vocational Education	Literate	0.024558846	0.118187	1.000	-0.344166	0.393283
	Primary	-0.001926235	0.118468	1.000	-0.371527	0.367675
	Lower Secondary	-0.011531218	0.118390	1.000	-0.380892	0.357829
	Secondary	-0.054849912	0.118237	1.000	-0.423731	0.314032
	Higher Secondary	-0.072435897	0.118263	1.000	-0.441398	0.296526
	Bachelors and above	-0.143601725	0.119302	0.999	-0.515806	0.228603
Bachelors and above	Illiterate	0.247423606*	0.023960	0.000	0.172671	0.322177
	Literate	0.168160572*	0.023963	0.000	0.093399	0.242922
	Primary	0.141675491*	0.025312	0.000	0.062705	0.220646
	Lower Secondary	0.132070507*	0.024949	0.000	0.054232	0.209909
	Secondary	0.088751813*	0.024210	0.007	0.013219	0.164285
	Higher Secondary	0.071165828	0.024336	0.093	-0.004758	0.147090
	Vocational Education	0.143601725	0.119302	0.999	-0.228603	0.515806

Appendix 6

Hochberg's analysis for multiple comparison for trustworthiness and Economic status

(I) Economic Status	(J) Economic Status compared to others in locality	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Very Poor	Poor	-0.026023104	0.0356452	0.998	-0.12593234	0.07388613
	Medium	-0.087892225	0.0346257	0.106	-0.18494382	0.00915937
	Rich	-0.155111977*	0.050681	0.022	-0.29716482	-0.01305913
	Very Rich	-0.267932489	0.2166947	0.913	-0.87530184	0.33943686
Poor	Very Poor	0.026023104	0.0356452	0.998	-0.07388613	0.12593234
	Medium	-.061869121*	0.0122749	0.000	-0.09627413	-0.02746411
	Rich	-.129088872*	0.038991	0.010	-0.23837612	-0.01980162
	Very Rich	-0.241909385	0.2142623	0.950	-0.84246098	0.35864221
Medium	Very Poor	0.087892225	0.0346257	0.106	-0.00915937	0.18494382
	Poor	.061869121*	0.0122749	0.000	0.02746411	0.09627413
	Rich	-0.067219752	0.0380612	0.553	-0.17390086	0.03946136
	Very Rich	-0.180040265	0.214095	0.994	-0.78012307	0.42004254
Rich	Very Poor	.155111977*	0.050681	0.022	0.01305913	0.29716482
	Poor	.129088872*	0.038991	0.010	0.01980162	0.23837612
	Medium	0.067219752	0.0380612	0.553	-0.03946136	0.17390086
	Very Rich	-0.112820513	0.2172701	1.000	-0.72180276	0.49616173
Very Rich	Very Poor	0.267932489	0.2166947	0.913	-0.33943686	0.87530184
	Poor	0.241909385	0.2142623	0.950	-0.35864221	0.84246098
	Medium	0.180040265	0.214095	0.994	-0.42004254	0.78012307
	Rich	0.112820513	0.2172701	1.000	-0.49616173	0.72180276