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# Lived Experiences of Corruption in Public Service Delivery: A Phenomenological Study in Butwal, Nepal

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#### **ABSTRACT**

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The level of corruption in Nepal in the public services is still eroding institutions and the trust of the people. This paper employed phenomenology and focused on how the general public perceive and feel corruptness within the government agencies. It presumes that the experience of users can shed light on how corruption

is continued to exist. We applied phenomenology in order to investigate actual experiences of corruption. Convenience sampling was used to select five service users of government agencies from Butwal Sub-Metropolitan City, who were interviewed using semi-structured questions. Our interview was manually coded and employing of principal-agent, collective action, institutional, and game theories to interpret the findings. Four main themes were found. The first: the users perceive corruption as a time-saving tool. They perceive informal payments as an instrument of accelerating processes and lessening the losses incurred due to the bureaucracy. The second theme: bureaucracy is so complicated, numerous documents, and lack of transparency present circumstances such that promote corruption. The third theme: corruption is a new way of life. Businesses and citizens depend on informal payments in terms of how services should operate. Corrupt behaviour is accepted by people though they are aware that the system is being damaged by it. The fourth theme: the users are extremely intensified and discontented with the government and officials attribute the bad progress in economy to

the overbearing prevalence and low regulation. The paper demonstrates that corruption does not increase because the laws against corruption are not in place; it is just a preference of the structures that makes people believe that corruption is a reasonable response to bureaucratic hurdles and government interference. Reforms should be done to cut down corruption, ease the processing, increase transparency, accountability, and reasonable compensation; not just to penalize individuals in already corrupt system.

**Keywords:** Corruption, institutional reformation, Nepal, perception of people, phenomenology, provision of public services.

#### INTRODUCTION

Corruption is a complicated phenomenon that influences the functioning of governments of any society (Transparency International, 2024). According to the World Bank and the United Nations, corruption involves the abuse of authority by the people to acquire selfish objectives. It may be small bribing or massive bribery (Hillman et al., 2004). This definition includes legal and moral violations that help to weaken the legitimacy of an institution (Rose-Ackerman & Palifka, 2016).

It is more likely in poor-quality institutions, damaged systems of accountability, and high concentrations of power in the hands of administrators that lead to corruption (Justesen & Bjornskov, 2014). In this context, where there are weak checks and balances with lack of the rule of law, the officials have opportunities to acquire bribe (Kaufmann et al., 2010). When individuals are used to giving bribes to get access to the services of the government, corruption is habituated to (Letki et al., 2023).

Developing economies are characterized by magnificent and small types of corruption that have certain implications in relation to investment and governance (Crombach et al., 2024). Micro-corruption in daily transactions is harmful to the users of the services and poses low confidence in the institutions (Letki et al., 2023). Large corruption, on the other hand, corrupts the policymaking process and allows the rich firms to bend the rules to their favor, at the expense of more money made by the economy (Hellman et al., 2003).

As empirical data indicate, corruption has a direct negative impact on the growth of the economy and foreign direct investment (Marquette & Peiffer, 2015). It lowers the productivity of capital and increases the business expenses (Tanzi & Davoodi, 1997). According to firm-level studies, informal payments are a deteriorating effect of some kind of bribe tax, and they

are the most damaging to small business and discourage the process of formalization (World Bank, 2010).

Systemic corruption exists in the public institutions of Nepal (Joshi & Dangal, 2023). According to Transparency International Corruption Perceptions Index, Nepal is ranked in the bottom half of 180 countries with 30s/100 scale (Transparency International, 2024). The surveys demonstrate that approximately 39 % of the users of services paid bribes or employed intermediaries, and the price was both small and high (Joshi and Dangal, 2023).

Most people do not experience any incidence of corruption, but rather it is an ordinary encounter with the government (Letki et al., 2023). According to the users, the ease of access to basic social services is influenced by bribery, favoritism, and informal payments (Crombach et al., 2024). These relations highly influence the perception of the legitimacy of the government among citizens and their intentions to interact with formal institutions (Letki et al., 2023).

Despite numerous international anti-corruption models, there is a considerable gap between the expectations of the policies on the macro level and the reality (Rose-Ackerman & Palifka, 2016). The interventions should be able to recognize the manifestations of corruption on the service delivery interface so that they can be able to design contextually relevant reforms (Hellman et al., 2003). This paper focuses on analyzing the experiences and perceptions of public service users on corruption at the government of Nepal in the context of the public entities. The research is useful for policy discussions and organizational regulations because it shows the failure of anti-corruption initiatives in the Nepal-based public sector given the lack of consideration of service-user voices.

#### REVIEW OF LITERATURE

#### **Democratic Accountability and Public Perception Surveys.**

The survey among people is the main way of assessing the citizen attitude toward public institutions and the quality of their governance (Trautendorfer et al., 2023). Publics enable the government and political representatives to be accountable by their constituents, exposing the population-level opinions and service delivery (Hernando, 2020). The perception of accountability and transparency related to the people of any given country are associated with strong impact on the trust towards the institutions of a particular country and are predictors of adherence to the rules and regulations of that state (Schraff, 2021).

Measurement tools of trust have been created and tested and it has been established that trust in government is multi-dimensional. Thus, it applies the institutional competence, responsiveness, and integrity (Burns et al., 2023). The cross-national research confirms that the legitimacy perceptions of citizens are systematically determined by government accountability arrangements, but the impact depends on institutional factors and already existing levels of trust (Brummel and De Blok, 2024). The results of the survey that were conducted during the COVID-19 pandemic indicated that credibility of government communication and transparency of the policy are intermediated by trust and the compliance of citizens, which proves the practical significance of learning about the views of citizens (Sharma et al., 2020).

#### Constitutional Commitment and Public Service Evolution.

Nepal has been organizing the delivery of the public services since the 1950s after the democratic empowerment of the country and the degradation of the Rana regime (Dhungel, 2017). The Interim Government Act of 1951 officially acknowledged the right of citizens to have a decent living, equal opportunities, non-discriminatory access of state services (Thapa, 2009). The functions of the government started to change towards the needs of the elites to offering all-inclusive basic services and support development (The Asia Foundation, 2012).

Modernization of the administration was expanded by the Public Service Commission (1951) and the Buch Commission (1952) and the Administrative Reorganization Planning Commission (1956), however, this was not fully implemented (Riggs, 1964). Good governance has become a fundamental national goal which is presented in the Constitution of Nepal-2015 as the will of citizens (Government of Nepal, 2015). Sustainable Development Goals insist on quality delivery of public services as one of its priorities until 2030, and Goal 16 is focused on strengthening of institutions and promoting public accountability (United Nations, 2015). Nepal is committed to this by restructuring its federal government and increasing the accountability of the local governments regarding service delivery (Government of Nepal, 2015).

## The Public Service Quality and Citizen Entitlements Conceptualization.

The whole process of system both in design and delivery of promises of the government to citizens are covered under the public service. Nepal National Governance Survey conducted by Nepal Administrative College in 2018 illustrates that a citizen considers the level of governance through the services offered to them. Modern theories consider the concept of public services being a right of citizens in terms of accessibility, efficiency, provider behavior, awareness of

rights by citizens and capacity of providers. Such an entitlement-based model sees education services more as an entitlement than a discretionary benefit shifting accountability to citizen satisfaction and accountability (Burns et al., 2023).

# Bribery in Infrastructure and Delivery of Public Services.

Corruption in the public infrastructure is what brings about which projects are constructed and in what locations but is not about the amount of money being expended on it or standards of quality (De Jong et al., 2004). According to a bibliometric analysis, corruption in construction projects research grew fast, the number of publications tripled in 2016-2021 (Zhai et al., 2021). Empirical research of Italian public procurement presents measurable corruption risk indicators using machine-learning methods to analyze tender documents, which allows identifying systematic instances of corrupt procurement practices (Decarolis & Giorgiantonio, 2022).

Research in the construction sector has determined that compliance by the contractors to the procurement regulations, involvement of community in the process of monitoring, and the quality of the social audit are important mechanisms that prevent instances of corruption. However, it needs the support of the government and availability of information to implement (Olken & Pande, 2012). Special corruption impediments encountered by the industry are compromised by routinely embracing corrupt practice, lack of idea about the code, and that corruption is an immutable component of procurement (Amoah & Steyn, 2023).

# General Corruption and Prevention Systems.

Systemic corruption within the public sectors gives rise to self-perpetuating cultures in which cultures of corruption become institutionalized and mainstreamed (Hoang & Goodman, 2018). The corruption spread modeling in construction projects demonstrates that corruption is spread using social networks and it uses susceptibility, exposure, infection, and recovery processes just like the transmission of epidemics. Previous and thorough attention to the network dynamics and personal vulnerability is hence critical to prevent such issues (Li et al., 2022). The fact that systemic corruption is vis-a-vis the idea that single means of intervention fail to work, the complex approach that implies regulation schemes, cultural transformation, populistic involvement, and integrity-development are required (Hoang & Goodman, 2018).

Recent studies argue in favor of voluntary accountability systems, as well as mandatory legal systems, acknowledging that the effective means of anti-corruption sustainability is to combine both external compliance responsibilities and internal institutional responsibility

to uphold ethical business practices (Dickinson et al., 2022). A system of transparency and accountability works on a set of behavioral principles where the information disclosure can affect accountability relations at various levels based on the quality of institutions and the possibility of the bureaucracy (Eckhard & Ege, 2021). Proper anti-corruption necessitates knowledge on the timing and reason why transparency enhances accountability that transcends the belief that disclosure of information will invariably and automatically lead to responsiveness (Porumbescu et al., 2021).

## Theoretical School of Thoughts to Define Corruption.

To gain clarity on the issue of corruption, one has to involve the diversity of theoretical views that shed light on the unique aspects of when and how corruption manifests and is perpetuated within the institutions of the population. The study builds on four main theories which determine the research question regarding the experience of corruption by the users of the public service.

### **Principal-Agent Theory**

Principal-agent theory elucidates corruption by the structural process between institutional superior (principals) and subordinates (agents). Agents are obligatory to protect the interests of principals, be it the interests of society, parliament, or organizational leadership, but in this way, they deviate, and do not prioritize the interests of principals (Graycar, 2022). The asymmetric information is beneficial to the agents, who are in a position to use the power of information to their benefit instead of their principal benefit (Graycar, 2022). This framework is useful in the delivery of services in the public, in understanding how a civil servant who has discretion when it comes to allocation of resources, licensing and dealing with distributing benefits, can abuse his or her offices to receive unofficial payments and favors by the service attendants. In exploring the perception of services-users, the principal-agent theory sheds light on the common definition of citizens about their experience with officials who take eases- officers take advantage of the information asymmetries regarding service processes and demands to force unofficial payments (Schuster et al., 2020). The theory also finds out the structural conditions that facilitate corruption but does not specify how corruption is normalized in whole organizations or societies.

# **Collective Action Theory**

The collective action theory goes beyond the scope of principal-agent analysis by stressing on how trust, the social perception, and individual behavior interact in the realm of corrupt systems. The theory shows that corruption is presented as a collective action problem where the person will be able to defend his/her corrupt behavior bone by the perception of how others will behave in the same situation (Maor, 2014). With the acceptance of corruption, people learn the beliefs of corrupt payment as a routine operation that must occur to gain access to services, and it gradually becomes a normalized behavior among the citizens (Marquette & Peiffer, 2015). Such rationalization of everyone doing it weakens the personal resistance to corruption because citizens realize that offering no benefits when they resist corrupt participation and others do it would be unfair to them (Marquette & Peiffer, 2015). It has been empirically established through empirical studies on corruption in corrupted economic settings that corruption systematically lowers the level of trust between the transactors, and reduces a behavior of trust, which has been self-reinforcing cycles where corruption expectations influence actual behavior (Becchetti et al., 2021). In this study, collective action theory is relevant since service users complain of how they view corruption as an unavoidable and required event-people adjust their behavior by seeing that many people are already engaging in corrupt activities, and this induces their corrupt interactions in groups because they realize the ill effects of negative collectivism. This theoretical approach discusses the psychological and social processes of how the service users form perceptions and experiences of corruption as institutional natural practice.

#### **Institutional Theory**

The institutional theory presents analytical theories of corruption entrenchment in the organizations and societies despite organizational anti-corruption laws. According to Scott (2015), the institutional contexts, which include social norms, formal rules, and cultural expectations, are the essence of the development and maintenance of corruption. Corruption does not only highlight personal sins but institutional arrangements and political arrangements in such a way, that they systematically generate the exemption of institutional requirements (Luo, 2004). Organizational conditions that allow the influence of corruption and protect it against punishment are based on the institutional environment that has discretionary power, lacks transparency, has fragmented accountability, and where recruitment processes are politicized (Swed & Howell, 2025). When organizational processes, informal customs, and expectations anchor the reinforcement of corruption, it becomes institutionalized as the acceptability of corruption promotes organization survival and self-interest growth (Thompson et al., 2017). In this view, corruption among service users are institutionalized practices into the systems of delivering the services as opposed to an individual official who goes rogue.

The research question of perceptions of the service-user is elucidated with the knowledge of how the institutional contexts are normalized to normalize corrupt interactions and frame the expectations of citizens on what they require as informal payments. The institutional theory facilitates looking at how corruption gets to be reproduced that it becomes forms of self-perpetuating organizational characteristics that are difficult to overcome using traditional reform strategies (Raab et al., 2015).

#### **Game Theory**

The concept of game theory analyses corruption on the basis of rational actor calculations in which persons are left to deal with a strategic question of whether or not to engage in corrupt interaction. Corruption is a logical decision in circumstances of incentive systems and strategic uncertainty (Macrae, 1982). Corruptive individuals have to deal with the situations of the so-called prisoner dilemma when agents are afraid of being disadvantaged in the case when they do not want to engage in corrupt behavior but other actors otherwise (Wang et al., 2024). The agent-based modelling of corruption emergence indicates that strategic interdependence can generate equilibria in which every actor benefit through compensating to corrupt, but would earn much more by refusing to do so collectively (Valverde et al., 2024). As seen in a game-theoretic analysis, the phenomenon of corruption as a rational collective behavior is observed to arise even in situations where all the actors would personally desire the absence of corruption in the system, such that the situation tends to be resistant to reform in a context where actors are aware that corruption is in fact harmful to the system. When applied to the delivery of services, it is observed that using game theory, service users will be able to rationally determine that pure corruption is the best individual strategy despite the realization that in the long run, system-wide corruption plays an undesirable role that not paying will lead to service denial or even being discriminated. This framework sheds light on the service user behavior in terms of corruption in the encounter with a service and clarifies the apparent paradoxes where service users on the one hand criticize corruption and on the other hand make corrupt payments (Becchetti et al., 2021).

# **Integration and Research Application in Theory**

These four theoretical frameworks touch upon the related sides of the research question. Principal-agent theory describes structure conditions that make corruption possible in discretional decision-making situations. Collective action theory sheds light on the social and psychological processes under which corruption turns into a self-organizing and self-

perpetuating phenomenon. The institutional theory is placing the corruption in the context of organization and systems, which allow the generation and reproduction of corrupt practices in a systematic manner. Game theory explains rational incentive mechanisms of individual involvement into corruption even when the individual understands harms of the systems. Collectively, these schemes provide in-depth insight into the experience and perception of corruption by the public service users in Nepal not as individual deviance of officials, but as institutionalized practice because of structural circumstances, mutual expectations, company cultures, and compensatory incentive system. The analysis of service user experience, in terms of these theoretical perspectives, will allow to define both institutional, which may be improved by reforming the institutions, and behavioral, which affect the participation of citizens in the corrupt systems, aspects.

#### METHODS AND MATERIALS

This inquiry uses the qualitative research approach based on the phenomenological design. Instead of quantifying and using a number, qualitative methodologies aim to understand and interpret the lived experiences and meanings and social context of the participants (Blanche et al., 2006). Phenomenology focuses on finding the phenomena and the investigation of the subjective experiences to make clear what the basic structures of the lived experience are (Husserl, 1931; Heidegger, 1927). This research design is, therefore, especially appropriate in studying how the users of the public service perceive and experience corruption in the Butwal Sub-Metropolitan City, Nepal because it allows the detailed description of the common traits that can be observed due to interactions of citizens with the public institutions.

The research was conducted in Butwal Sub-Metropolitan City and used as a geographic location where data was collected. The respondents were the users of the services of the government institutions within Butwal Sub-Metropolitan City. Sampling was done using the convenience method whereby 5 service-user respondents were selected to represent the study population. The saturation of data was reached on the 5th respondent, and it became evident that the respondents had provided enough material as a result of which it was possible to repeat certain patterns, which showed enough data on the thematic analysis (Fusch and Ness, 2015).

Three data collection methods were applied, such as the interview based on semi-structured interviews in-depth, analysis of documents, and observational notes (Yin, 2015). The semi-structured interviews were able to offer a flexible approach towards the respondents and ensure consistency across the interviews. Two respondents agreed to voice recording; the

other three who agreed to interview question provided a written response. The semi-structured format was conducive to the fruitful conversation and allowed exploring the emergent themes in interviews (Braun and Clarke, 2019). All the data were recorded in the Nepali language and later translated into English to analyze them.

The data analysis application involved the six phenomenological steps that were used during phenomenological inquiry (Creswell and Poth, 2016). First, the interviews were transcribed into the English language, which provided full written sets of data. Afterward, systematized review and systematic reading of the transcripts helped the researchers to form some initial idea and determine possible story lines. Manual coding was the process consisting of marking the transcripts and identifying the emerging themes by means of systematic labeling and annotation. The codes were then grouped into higher-order categories and thematic similarities were related and depicted conceptual frameworks. Similarities within the total dataset were determined and formulated into themes and suited to the research question which discussed the perceptions of corruption by the service user and the service officer. Lastly, the developed themes were gradually interpreted by connecting them to the general theories and study purposes, and thus understanding the meanings that the subjects focus on when expressing their experiences (Tracy, 2013). The following paper encompasses the results of the manual coding operations to emphasize on clear analytical operations and theme construction.

## RESULTS AND DISCUSSION

## Theme 1: Corruption as the Time Saving Tool

All the respondents mentioned having been bribed personally and having paid informal payments to the governmental officials at least once. The respondents were strategic rationally, as they viewed corruption in terms of bribes as time-saving systems to speed up the administration. They declared in agreement that they paid informal payments so that they can speed up official action and remove delays in the processes, which was completely contrary to the long waiting hours that would be associated with the process of refusal to pay informally.

One service user stated: "I have paid it to save time, if you pay some money they do work faster without any hesitation. I have limited time, and works are important" (Respondent 3).

This observation is consistent with the rational choice theory on corruption as a cost-benefits calculation (Super et al., 2016). Cost-benefit analysis will be used by the service users in

deciding whether to participate in bribery since they view saving of time and faster service delivery as personal gains which will counter the cost of informal payment. The spread of this rationalization is a wider economic trend where citizens are highly pricey to opportunity costs and opportunity losses than policy obedience. The authorities plan how to bribe users by employing service delivery schedules such that those who never want to pay informally will be assigned a longer wait time and those who can pay the unofficial fee system will be given a short delay. This illustrates that institutional contexts provide such perverse incentives in which corruption is a logical reaction to official awkward of standard procedures.

#### Theme 2: Complexity and Barriers of Bureaucracy and Procedure

Frustration on overly cumbersome bureaucracies, huge paperwork expectations and incomprehensible administrative footballs were common responses by the respondents. Majority of respondents (4 out of 5) said they were not aware of existing information board namely Citizen information Board (Nagarik Badapatra) which is located outside offices, which means there are considerable information access barriers. The service users found the government processes to be too long, vague and unsatisfactory to the common citizen especially those with limited educational backgrounds.

One respondent articulated: "Sometimes we, service user, also forgot to bring necessary documents. Going back and bringing these documents delay the work. Why not give some money to ignore the exceptions?" (Respondent 5).

Bureaucratic barriers were structural causes of corruption, and these structural factors, as opposed to incidental ones. Office layouts, room numbering systems and procedural documentation made it difficult and confusing to navigate the office to users who had no idea on how the administrative aspect of government operated. Although the government institutions decided to have formal job descriptions and position designs, the application of rational job design seemed to be lacking with the officials exercising discretionary power on the application of the procedures. Investigations of the bure-type obstacles in access to public services prove that complicated administrative conditions and ambiguity of information organizations fulfill systematic formation of service access errors and improve the possibilities of an official extortion (United Nations, 2019). These organizational aspects are directly related to the dynamics of the principal-agency theory whereby the officials use their administrative position and information asymmetric to deter informal payments that will enable them to make document exceptions and work around the procedures.

## Theme 3: Corruption as a Cultural Institutionalized Practice

All the respondents were ready to accept corruption as a traditional way of doing things in government institutions, which served as a normal expectation with regard to informal payments in government institutions as standard parts of being in the service sector. The respondents found that there was a common knowledge about the need to have efficient service completion through informal payment and they believed this was an institutional norm than an extraordinary event.

One service user explained: "Most people give money and get work done faster, if they give money for the work, officials expect from me too. So, I must pay. Work can be done without money, but it takes time" (Respondents 1).

This theme portrays the explanations of the institutional theory of corruption as a systemic organisational norm, which goes beyond individual misconduct within an office. Organisational cultures based on informal payment norms built self-reinforcing patterns of citizen expectations and official behaviours which became self-perpetuating and reinforced one another. The respondents understood that corruption was institutional functioning and not a breach of institutional requirements as informal payment was not an individual official pathology but a system requirement. According to the collective action theory, this phenomenon is caused by cascading behavior changes whereby individuals seek to conform to third-party behavioural practices of wide-spread corruption and, as a result, create equilibrium conditions where everyone is involved in the corrupt exchanges despite the knowledge that universal non-participation will create better collective outcomes (Maor, 2014).

The moral disengagement exhibited by service users towards the aspect of corruption participation was observed in the level of corruption service they provide and assessment of corruption at the society level. On the one hand, respondents condemned the overall prevalence of corruption and recognized its economic counterproductivity, however, on the other hand, they right away accepted corruption payments premised on arguments that do not allow one to gain a disadvantage individually without a reform of the system. The paradox is reminiscent of collective action dilemmas in which individual rational behaviour has collectively irrational system-level results (Marquette & Peiffer, 2015). Criminalization of corruption alters what began as intermittent aberrant official mal-practice to institutionalized good governance whereby individuals and officials alike find it informally necessary to pay informally to obtain service.

## Theme 4: Dissatisfaction of people and Frustration Level at the System

Each of the respondents expressed anger and frustration towards government officials and the wider political-administrative system. According to service users, Nepal was developing slowly because of rife bureaucratic corruption where they describe corruption as economically devastating and inherently opposite to development.

One respondent expressed: "Leaders destroyed the economy. Capable youths are flying abroad. Incapable, and underqualified people are ruling country. Then, how can we expect the proper regulation from these unhealthy systems" (Respondent 2).

Respondents presented weak political system and ineffective law enforcers as the main causes of corruption and found the causation of corruption in institutional frameworks and governance failures, instead of the deficiency of individual officials. The people displayed extreme feelings of dissatisfaction with the legitimacy of the system, which they saw as being caused by systemic corrupt practices as an issue related to the structure and not amenable to solution through individual provider responsibility. Although they maintained the systemic nature of corruption, respondents saw themselves as powerless players who will not be able to create some individual-level institutional reforms, instead feeling reluctant involvement in the corrupt game due to the necessity of practicality and not necessitating moral legitimacy.

This observation proves the extent to which institutional legitimacy is undermined by systemic corruption and creates alienation between citizens and system along with their active involvement in corrupted activities (Hoang & Goodman, 2018). The users of the services are in paradoxical roles whereby they are aware of the destructive nature of corruption yet being forced to engage in a corrupt relationship they are not able to leave the corrupt structures nor organize around an alternative collectively. This contradiction is a psychological burden that is created as a frustration towards the system, the citizens move the burden back to structural responsibility of the institutions, rather than moral responsibility. Empirical evidence on corruption and citizen approval exercises shows that endemic corruption creates deep institutional mistrust, lessens readiness to relate with formal institutions, and makes the dignity of democracy even among the citizens who join corrupt frameworks (Letki et al., 2023).

Respondents expressed desires for fair and sophisticated government services delivered by competent, ethical officials, yet experienced systemic conditions producing opposite outcomes. This gap between institutional aspirations and experienced service delivery reflects broader governance failures in Nepal's public sector. Citizens remain trapped within

institutional contexts wherein corruption functions as system-level requirement, despite universally held preferences for corruption elimination. The study findings underscore that corruption persists not through citizen moral acceptance but through structural institutional conditions that generate corruption as rational response to bureaucratic barriers, information asymmetries, and official obstruction of standard procedures.

## **CONCLUSIONS**

This phenomenological study requires exploring the understanding and experience of corruption in the system of delivering public services by the beneficiaries of the public services in Butwal Sub-Metropolitan City. The paper outlines four simultaneously contingent dimensions of exposure to corruption, which include the following: corruption as a temporally beneficial mechanism, bureaucratic procedural complexity, corruption as an institutionalized cultural norm, and system-level disaffection among a citizenry. These dimensions testify to the fact that corruption in the Nepalese statehouse is not a moral departure, but an institutional domain practice that reflects the shortage of structural government, incentive, and institutionalized social norms.

The study has shown that citizens make rational choices to participate in corrupt deals as a cost benefit analysis in response to bureau-political hindrance, information asymmetries and discretionary officials actions. Each respondent shared his or her experiences of being bribed and acknowledged how abusive corruption in their service encounters is. On the one hand, the respondents were also outraged by the depth of systemic corruption, yet on the other hand, they admitted that they engaged in dirty business practices because of expediency and moral compromise was not a condition. Such a paradox represents collective-action dilemmas whereby individually rational behavior generates collectively destructive equilibria and leaves the citizens trapped by the institutional structures of corruption against their collective preferences of corruption reduction.

# **Supply-side and Demand-side Corruption Drivers**

The empirical results represent corruption in both complementary demand and supply analytical methods. Demand-side determinants, which arise due to the flaws in the institutional design, include the complexity of bureaucracy, the obscurity of the procedure, and barriers to accessing information. Citizens lose consciousnesses of official the channels, navigational processes, and information disclosures tools such as governmental citizen information boards placed

outside offices. Such imbalance opens opportunities to an official to make unofficial conditions and demand informal payments, which is an extortion mechanism, a system of exploiting the lack of knowledge in citizens and procedural weakness. Bureaucratic processes are perceived by service users as making the process unnecessarily long and only understandable by an educated, seasoned group, thus creating logical biases towards corrupt shortcuts in acquiring services.

The supply-side factors which are products of government behavior and incentive systems include low civil-service pay, growing cost-of-living stresses, and a dream of the good life. The economic pressure faced by officials in the society working in structural settings of inadequate compensation in terms of payment limits them to bribery extraction. Low wages in civil service, especially during periods of inflationary shocks in the economy of developing economies, creates rationality in the minds of officials to augment the official remuneration by extracting informal payments (Youngs, 2015). Officials view bribery as an efficient revenue-generating tool that is needed to handle the economy and social status. Such supply-side incentive systems and lax accountability procedures, combined with an administrative discretionary power, all systematize to facilitate and encourage corruption among officials.

The fight against corruption requires an intervention on both the demand and supply aspect. The interventions by supply sides must entail a strong compensation system that will remove economic incentives towards the extraction of corruption in the offices. Demand-side interventions entail increased procedural transparency, availability of information to citizens and easiness in administration obligations to decrease bureaucracies. When focused on multi-dimensional anti-corruption strategies, research shows that focusing solely on demand-side components (transparency augmentation, procedural simplification) without demand-side components (official punishment, accountability mechanisms) is not very effective since the citizens are bound on the institutional arena that rewards corrupt activities (Maor, 2014).

# **Institutional Implications and Structural Reform Requirements**

According to findings of the research, corruption persists not by the lack of formal anticorruption policies but by the structural institutional factors and incentives malfunctions that inherently generate corrupt conduct in spite of formal forbans (Lindstedt and Naurin, 2010). To ensure the reduction of corruption, it is essential that institutional measures such as administrative procedures simplification, information rigor and improved accountability controls, and remuneration ensure that all these factors are dealt with effectively. The strategies of single intervention that focus on individual official punishment or creation of awareness by the citizens are not enough where the institutional structure breeds corruption as a logical reaction to bureaucratic hurdles and economic demands.

The federal restructuring and local-government decentralization programmes in Nepal give an opportunity to institutionalize the service-delivery reforms consistency in terms of transparency, community-based participation and accountability. However, even the substantial corruption reduction with the reorganization of the structures of institutions but without simultaneous procedural reform, the enhancement of access to information, and the adequacy of official compensation will bring only moderate reduction of corruption. Experience on anti-corruption efforts in developing democracies shows that institutional change, involving transparency, accountability, and alignment of incentives, can achieve much more corruption reduction than those that use punishment and target individuals working in structurally corrupt institutions (Rose-Ackerman & Palifka, 2016).

## **Contributions to Policy and Practice**

This research provides empirical evidence on the experiences and perceptions of corruption on citizen level shedding light on how institutional arrangements, bureaucratic processes, and incentive provision on the part of officials develop service-user engagement in the corrupt dealings. The results highlight the importance of the idea that corruption mitigation requires institutional transformation that should focus on structural forces of corruption and not on the personal responsibility of a particular official. Service-delivery enhancements made by the government agencies should focus on the simplification of the procedures, the exposure of information, and the increase in accountability along with the official adequacy of compensation and the intensity of monitoring.

Anti-corruption initiatives in Nepal would be enhanced by citizen-based service-delivery reforms to add simplified processes, open lines of information sharing and improved accountability machinery in the community. Reform efforts in the civil service must focus on the sufficiency of compensations and promotion based on merit instead of the patronage approach toward the recruitment of individuals in the civil service because the official incentive systems are the primary determinant of corruption levels. It is necessary that international development agendas in promoting the anti-corruption efforts in Nepal focuses on multi-dimensional institutional change, which incorporates the linkage of the demand- and supply-side programs and would recognize that piecemeal measures will produce modest outcomes in a situation of systemic institutional corruption.

#### **Limitation and Future Research Direction**

The present research utilized convenient sampling of five respondents in one of the submetropolitan areas making the findings to be applicable to the service users in the Butwal Submetropolitan City but not the diverse administrative settings of Nepal. Future studies deserve the use of larger stratified samples as rural and urban jurisdictions in more than one province and different levels of administration. A comparative study of the corruption experiences within service sectors (health, education, taxation and licensing) would help shed light on sector-specific institutional conditions that influence the experiences of corruption on the part of citizens.

Follow-ups with service users that would measure their perceptions and behaviors collected over time in the face of institutional reforms would allow to gauge reform efficacy and determine institutional changes that would lead to quantifiable corruption reduction. A complementary study of the supply-side drivers of corruption: studies that consider official views of corrupt drivers, institutional limitations, and incentive systems would augment this research and allow full comprehension of the official citizen relationships in the corrupt service-delivery system.

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