

Self-Determination versus Development: The Evolution of Federalism in Nepal

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Introduction

The 2015 Constitution of Nepal envisaged a federal Nepal with governments at three levels: local, provincial, and federal. While the 2015 Constitution declared Nepal a federal republic on paper, the first major substantive step towards federalisation came in the form of federal, provincial, and local elections in 2017 that enabled the formation of three levels of government in accordance with constitutional mandates. The new governance system is comprised of seven provinces and 753 local governments. Federalism, as generally understood around the world, entails independently powerful provincial or state governments. Strong local governments are not unique to a federal system, as evinced by, for example, strong local governments in unitary United Kingdom. By contrast, strong and independent regional (provincial) governments are a distinguishing feature of federalism. For example, Australia, Germany, India, and the United States all have strong and independent state governments that have important exclusive responsibilities in health, education, and infrastructure and they have access to substantial revenue sources including taxes, duties, and resource royalties.

Currently, as Nepal is in the process of giving shape to its federal structure¹, provincial governments appear to be getting significantly less power and independence than what the Constitution envisaged and what their international counterparts possess. This is worrying for the federal project. Current legislators might point to the strength of local governments in Nepal as signs of a blossoming federalism but, as aforementioned, strong local governments are not sufficient for a strong federal system. Strong provincial governments are essential.

Analysts often point to ‘political will’² (or the lack thereof) when discussing the success or failure of political reform processes. Moreover, ‘political will’ is often linked to incentives, barriers, and the motives of political leaders by scholars. Federalism in Nepal was the result of a contingent event – the uprising in the Madhesh³. The political forces that pushed for a federal arrangement (during the time of state restructuring) were mainly the Madhesi parties, CPN-Maoists, and political activists of the country’s indigenous population. For them, their desired form of federalism involved identity-based provinces. In other words, the ‘political will’ to bring federalism to Nepal rested on the idea of self-determination and on autonomous provinces. The two main political parties of Nepal – Nepali Congress and CPN-UML – maintained a lukewarm stance on federalism throughout the constitution-making process and formally adopted a pro-federalism position because not doing so involved significant electoral risks (International Crisis Group, 2011, 13). With a strong push (political will) from the Madhesi movement and the CPN-Maoists, which were both in the ascendancy in the lead

¹ The federal form of government in Nepal represents the “holding together” type of federalism that divides a previously unitary government into constituent governments (federal and sub-national). the Constitution of Nepal aims for cooperative federalism, with substantial fiscal decentralization but with overlapping functions and responsibilities. For a ‘holding together’ type of federalization process along cooperative lines, a crucial but challenging aspect of decentralization involves the delegation of state capacity from the centre to subnational governments.

² The determination of an individual political actor to do and say things that will produce a desired outcome.

³ The uprising in the Madhesh required political guarantees that territorial autonomy would be a part of the new constitutional framework. This led to the first amendment to Nepal’s 2007 interim constitution that the country would be federal.

up to the promulgation of the 2015 Constitutions, and with lukewarm acceptance by the two main parties, the 2015 Constitution restructured the nation into seven provinces based on identity and capability.

Both the CPN-Maoists and the Madhesi parties have seen a decline in their electoral fortunes since the promulgation of the Constitution in 2015. This was particularly pronounced in the latest general election in November 2023, with CPN-Maoists and Madhesi parties losing a large chunk of seats in the federal parliament. Given the current weakness of the parties that fought for federalism in the lead-up to the Constitution and given the rise of anti-federal political forces (Rastra Swatantra Party and Rastra Prajatantra Party), it is not surprising that many analysts see a lack of 'political will' for building a strong federal system with strong and independent provincial governments. The current power dynamics favour the continuation of the pre-federalism set-up of strong federal and local governments but relatively passive provincial government. At the same time, few parties have called for the outright rejection of federalism, perhaps with electoral risks in mind. As economic development sits at the centre of the political vision of both the mainstream parties (Congress and CPN-UML) and the ascendant minor parties (Rastra Swatantra Party and Rastra Prajatantra Party), it is unsurprising that they tend to see federalism and provincial governments as useful insofar as they enhance economic development through, for example, better recognition of and investment in regional investment opportunities, more effective provision of skill-enhancing education and healthcare to boost productivity, and better informed and targeted infrastructure projects to aid economic efficiency. In this sense, two different logics appear to be involved in the federalisation process in Nepal supported by two distinct political coalitions: a self-determination logic that is championed largely by the Madhesi parties, the Maoists, and minor regional parties and a development logic that is adopted by the Nepali Congress, CPN-UML, Rastra Swatantra Party and Rastra Prajatantra Party. As this paper shows, the self-determination logic and the political will behind it was, in fact, responsible for the very emergence of a strong federalist movement in Nepal that succeeded in putting federalism at the centre of the 2015 Constitution. However, with declining electoral fortunes for the political coalition behind the self-determination logic and improving electoral outcomes for the development-oriented political coalition since the promulgation of the Constitution, the forms that federalism and provincial governments are taking seem to more closely resemble the development-oriented unitarist system of old rather than the type of federalism with a clear division of power and autonomous provincial government envisaged by the 2015 Constitution.

I use historical institutionalism and, in particular, the critical juncture approach to institutional change to analyse how past events, institutional arrangements, power dynamics, and the current structural context have played their part in the arrival and subsequent evolution of federalism in Nepal as well as the state of provincial governments that are critical to the federalist project. Specifically, I examine the critical antecedents, the critical juncture, the contingent event, and power dynamics impacting the direction of institutional change. I consider the political demands of marginalised groups in the 1990s following the arrival of multi-party democracy and the Maoist insurgency to be the critical antecedents to federalism. The critical juncture, I argue, was the overthrow of the King that led to the breakdown of the old institutional order and the consequent opening-up of the opportunity for state restructuring. The contingent event that gave shape to the institutional change was the Madhesi uprising, which forced the mainstream political parties to accept the demands for federalism and self-determination. The power dynamics since the promulgation of the federalist 2015 Constitution has involved the decline of political forces supporting self-

determination and the rise of a political coalition that is, at best, lukewarm towards self-determination and guided by a development logic. This has contributed to a significant departure from how federalism and provincial governments are envisaged in the 2015 Constitution, with self-determination becoming secondary to development as the *raison d'être* of federalism.

Background

Origins of Federalism in Nepal

The pathway of Nepali federalism can be traced through historical developments. Studying regimes tends to reveal that actions and decisions of key political actors in key moments strongly influence the probability of a regime embarking on a particular path of development in future years. In 2015, the Constitution made Nepal a federal state ending a centuries-old unitary system of governance. In the following section, we will use the analytical lens of historical institutionalism to explore how the federal system of governance emerged during a *critical juncture* from the interplay of *critical antecedents* and *contingent events*.

Historical institutionalism emphasizes that early events causally influence later developments (Pierson, 2016). Formative steps towards federalism, therefore, shape the evolution of succeeding federal trajectories (Broschek, 2012). As we will explain in the following sections, federalism was a contingent outcome (following a violent uprising by a group who wanted federalism) of a democratic transition process in Nepal (Lecours, 2014). We will also carefully analyse ideas of power and politics that have been central to the process of federalism in Nepal and integrate them into the broader context of timing and sequences. This will help illuminate the challenges of federalism in Nepal.

Critical Juncture, 2006-2008: Overthrow of monarchy and transition to a federal republic

The concept of *critical juncture* is an essential building block of historical institutionalism. According to Collier and Collier (1991) it is a generative cleavage that triggers a critical juncture. A cleavage is generative in the sense that it is likely to foster the emergence of new powerful actors and groups advocating for far-reaching change “. . . which raises political issues so compelling as to trigger some kind of larger reorganization of political relationships” (Collier and Collier, 1991: 33).

Nepal had an absolute monarchy from the middle of the eighteenth century until the mid-nineteenth century, when the Rana family established a system of hereditary prime ministership reducing the king to a figurehead (Stokke and Manandhar, 2010). The Rana rule came to an end in 1951 as a result of a revolt spearheaded by the Nepali Congress Party. The period between 1951 and 1958, although transformative, was marked by political instability. In 1958 the first constitution was established that introduced a parliamentary form of government in Nepal. However, the democratic experience was short-lived as the king dissolved the parliament in 1960. In 1962, a new constitution was established which introduced the Party-less Panchayat System (PPS). In 1990, the People's movement – led by the Nepali Congress Party and the United Liberation Front (a seven-party left-wing alliance) – ended the PPS system and forced King Birendra to accept a multi-party setting, with governments drawn from elected parliaments alongside a constitutional monarchy. On February 1, 2005, in the context of a Maoist insurgency, King Gyanendra took back absolute political power (all executive powers) through a bloodless coup. In November 2005, the

Maoists and the parliamentary parties reached a deal to restore democracy. In the following year, the opposition to the introduction of direct royal rule strengthened in the form of protests led by the political parties and the Maoists. The protests culminated in the second People's Movement, which ultimately led the king to concede on April 24, 2006 – initiating the critical juncture. On 21 November 2006, the Maoists and the democratic government (a seven-party alliance) signed the 'Comprehensive Peace Agreement' with one of the agreements being "progressive restructuring of the state by ending the current centralized and unitary form of the state" (Bajracharya, Manandhar and Bajracharya, 2020). The same agreement committed to establishing an inclusive state and holding an election of a Constituent Assembly to write a new constitution.

The peace agreement in 2006 committed to the idea of state transformation; however, it made no mention of federalism. The post-2006 period witnessed several other group-based and identity-based movements challenging the majoritarian governance system and demanding for power sharing and transformation of Nepal from unitary state to *federal state*. In April 2007, the Maoists joined the interim government and made the issues of social exclusion and representation central to the state-building process. The 2007 interim constitution stated provisions⁴ for restructuring the State, still with no mention of federalism. The CA elections did not take place in 2007, thus the restructuring of the state did not occur.

Contingency

In 2007, a contingent event substantially changed contextual conditions and, thus, the prospects for state restructuring: the three-week protests in the Terai. We recognise this event as contingency – a key element of critical juncture. The uprising in the Madhesh required political guarantees that territorial autonomy would be a part of the new constitutional framework. This led to the first amendment to Nepal's 2007 interim constitution that the country would be federal (UNDP, 2008). It is worth mentioning here, that a Madhesi movement first became visible in the late 1950s with a Madhesi political party – Nepali Terai Congress – demanding an autonomous region (like the Limbus) (Whelpton, 2005), however, they were of insufficient influence and did not have the infrastructural capacity on to which to claim autonomy – as a result a federal option were not pursued then.

Thus, although contingency may provide an explanation to why a federal solution eventually surfaced as a likely (yet not a necessary) outcome during the critical juncture (2006-2008), historical context still shapes the repertoire of available alternative in significant ways. It is therefore important to identify critical antecedents that structure the range of possible outcomes during a critical juncture.

Critical antecedents

Critical antecedents are "... factors or conditions preceding a critical juncture [that] combine in a causal sequence with factors during a critical juncture to produce divergent long-term outcomes" (Slater and Simmons, 2010: 887). In the following sections, we identify two critical antecedents that helped shape the federal trajectories in the state restructuring process in Nepal. First, the political demands of the marginalised groups and second, the pre-existing

⁴ Excerpt from the Comprehensive Peace Agreement ... "138. Progressive Restructuring of the State: (1) Inclusive, democratic and progressive restructuring of the state shall be made to bring about an end of the discrimination based on class, caste, language, sex, culture, religion and region by eliminating the centralized and unitary form of the state. (3) Final decision of restructuring of the State shall be as determined by the Constituent Assembly.

decentralisation policies and practices (institutional infrastructure) in the governance structure of Nepal.

For most of Nepal's history, the Nepali state has operated within a centralised unitary system of governance where "High caste" Hindus from the hills (approximately one third of the population), overwhelmingly dominated the state, politics, economy and society" and indigenous nationalities remained excluded from gaining access to power, state resources, and opportunities while also being disadvantaged socio-economically (Lawoti, 2007:23). Following the political liberalisation brought about by the 1990 constitution, political activists representing the indigenous nationalities started making demands based on self-determination and autonomy arrangements. In early 1996, the CPN-M started an armed struggle vowing to fight for the poor and the oppressed (Lawoti, 2007) by ending the dominance of "high-caste" Hindus from the hills and emancipating those who had been politically excluded and socially marginalised since the territorial unification of the country (Lecours, 2014). In early 2000, the Maoist insurgency stepped up its action in the Terai, leading to the Madhesi making more forceful claims about federalism connecting it to the notion of self-determination (Lecours, 2014). Thus, between the period between 1990s to 2000 there was some overlap between the discourse and demands of activists representing indigenous nationalities, Maoists and the Madhesi political parties, where all three sought fundamental changes to the Nepali state in a way that would end the dominance of the 'high-caste' Hindus from the hills, bringing the idea of federalism on the foreshore of state restructuring.

The pre-existing basis for decentralisation represents the second critical antecedent that significantly contributed to the evolution of the federal structure. Some commentators on reforms have described the development of the traditional panchayat system to have provided the cultural and political basis for decentralisation. Under the "Partyless Panchayat System" (PPS), the Local Administrative Act 1962 divided Nepal into 14 zones and 75 districts, with each district further divided into village and town panchayats (on average about 30 per district), and finally each village and town divided into wards. The districts were headed by the chief district officer (CDO). Several commissions were set up in the 1960s, including the Administrative Decentralisation Commission that recommended extreme decentralisation in what had always been a unitary structure. In 1982, the government enacted the Decentralisation Act, 1982. Later, the Local Self-Governance Act (LSGA) was enacted in 1999, which laid the foundation for a local self-governance system in the country. This still forms the basis of the present system. Thus, infrastructural capacities of constituent units (in Nepal's case – the LGs) can give a plausible explanation as to why a federal state was more likely to occur than a unitary one during the critical juncture (see Ziblatt, 2006).

Power dynamics

The critical juncture approach does not come to an end with the selection of an option. For the purpose of analysing self-reinforcing, path-dependent dynamics in federal constitutional orders, analysing power dynamics seem to be particularly important. The "players" in the federalism "game" are looking to secure some benefits (Riker, 1964) and if the federal model will not be to their advantage, they will oppose it. As explained in the earlier section, federalism in Nepal was a result of a contingent event rather than a political bargain involving key actors looking to secure some benefits. The interim constitution 2007, made no mention of federalism, and it was the Madhesi uprising that put pressure on the government to adopt federalism into the interim constitution (via amendment). Therefore, it is

reasonable to say that federalism was not a priority for the key political actors (the three main political parties) during the constitution-making process.

In the Constituent Assembly (CA) election held in April 2008, UCPN-M – the party that publicly supported federalism – emerged as the largest party with Madhesi parties emerging as the fourth-largest political force. Their victory attests to the widespread desire for change in the country – especially in terms of autonomy and federalism (reforms that these two political forces had been publicly advocating for). The CA was tasked with drafting the federal constitution for Nepal within a two-year mandate. However, despite two extensions, the assembly was unable to produce a constitution and was subsequently dissolved in 2012 for its impasse over federalism.

For the political forces that pushed for a federal arrangement at this point – the Madhesi parties, CPN-M⁵, and political activists of the country’s indigenous nationalities – the desired form of federalism was identity-based federalism⁶. However, the two main political parties’ (NC and CPN-UML) interests involved resistance to federalisation. They did so by linking the idea of identity-based federalism to conflict, disintegration, and impediment to development (Lecours and Arban). The second election for the CA took place in 2013. Contrary to the results of the first CA election, the Maoists finished a distant third place, with NC and CPN-UML gaining the highest number of votes. The Madhesi parties too saw a drop in their elected seats by 31 (Lawoti, 2007). This setback made the identity-based federalism unlikely. On 21 August 2015, the political parties agreed to federate the country into seven provinces based on capability and, to an extent, identity. Following this, the Tharus, Madhesi and Janajatis enforced indefinite strikes in the plains. Yet, on 20 September 2015, President Ram Baran Yadav promulgated the Constitution of Nepal 2015. For key actors who were never enthusiastic about federal structures, it could be said that the federal structure became more of a means to further development rather than an end in itself.

The role of ideas

In Nepal, two ideas have predominantly featured in debates about federalism: the idea of development and the idea of self-determination. The idea of development featured in the decentralisation programs as early as 1950s. The National Planning Commission, formed in 1956, became the home for theoretical formulations of decentralisation. The commission institutionalised the planning process in the form of five-yearly plans. The first five-year plan (1956-1961) focussed on infrastructure development with seventy percent of the plan’s budget being foreign assistance (Bajracharya, Manandhar and Bajracharya, 2020). In the following decade the national budget continued to depend on foreign development aid. In 1972, King Birendra established a National Council for Development to issue guidelines and directives for framing development plans. His uncompromising push for development could be seen in the slogan “*bikasko mul phutaune*” (tapping the source of development) through “*bikasko lagi rajniti*” (politics for development) (Khadka, 1991). Throughout the 1970s decade, the government made plans and policies with the prime objective of regional development, including the demarcation of four development regions (with fifth region added in early 1980s) (Bajracharya, Manandhar and Bajracharya, 2020). Following the restoration of multi-party democracy in 1990, the development initiatives were further strengthened with

⁵ The UCPN-M had been publicly supporting identity federalism since the beginning of the constitution-making process, yet the Maoists were not unanimously enthusiastic about the idea that constituent units should be established on the basis of ethnic identity.

⁶ Indeed, Madhesi parties demanded an identity-based federal structure with a central focus on having the whole of the Madhesh into a single constituent unit.

the establishment of District Development Committees (DDCs), Village Development Committees (VDCs), and municipalities, under separate DDC, VDC and municipality Acts.

In the initial phase of democracy (1994-1999), Nepali Congress – one of the two leading political parties of the time – positioned their policies on several areas of development (such as agriculture, industry, social security, and foreign policy). ‘A noticeable shortcoming of the [NC’s] manifesto was that it failed to highlight the issues related to regional disparities and ethnic problems’ (Upreti, 1993:58). On the other hand, the Communist Party of Nepal – United Marxist Leninist (CPN-UML), did put emphasis on the issues of the minority and disadvantaged sections of the society in their election manifestoes while also rooting for republicanism and restructuring of the state administration in the early stage of the multiparty democracy (Hachhethu, 2007). 1999 onwards, the NC maintained their focus on development by adopting the concept of human development – giving emphasis to employment and poverty alleviation – as the central thrust of their election manifestos and policy areas. Remarkably, 1999 onwards CPN-UML also adopted policies targeting economic growth, development, and poverty alleviation.

Development as the institutional logic behind decentralisation became contested when the Madhesi parties brought forth the idea of “self-determination”. The core supporters of the federal model – the Madhesi and the country’s indigenous nationalities challenged the longstanding practices of exclusion and marginalisation of the Nepali state and demanded autonomous territorial units based on these groups’ identity. However, the other key political parties – e.g., NC and CPN-UML, who were not enthusiastic about federal structures saw federalism as a means to further development. This can be seen in the parties’ insistence in creating a federal map where administrative capabilities and economic viability of constituent units were more important factors than territories based in identity.

While the Madhesi movement and Maoist parties were in the ascendancy (leading up to the first CA election), the self-determination logic had strength in terms of legitimation and formalisation. However, it was the bad electoral fortunes of both the CPN-M and Madhesi parties (during the second CA elections) that gave the development logic the upper hand once again. The Preliminary Draft Constitution was tabled in the CA-II despite severe reservations from several groups, including the Madhesi party. While the identity-based debates, underpinning the self-determination logic, continue in the years since the promulgation of the 2015 Constitution and elections to instate the new federated institutions in 2017, Nepal’s federal discourse has turned to issues of lack of autonomy in the provinces and the in distribution of power and resources.

Current structural and institutional context

It is instructive to examine the current structural context of Nepal to get a sense of the present state of federalism and its trajectory. I have thus far discussed political dynamics in the lead-up to the promulgation of the 2015 Constitution and also touched on the electoral fortunes of different political parties. I will now delve further into the current political context where the political parties that have a lukewarm view of federalism and prioritise a development logic rather than a self-determination logic continue to have far more parliamentary seats than the champions of self-determination, both in the federal parliament as well in most of the provincial legislatures. I will discuss how this affects the federalist project as it stands. This is in addition to the relative lack of autonomy for provincial governments that was already a

feature of the 2015 Constitution – which I discuss next. As aforementioned, while the federalist project took off during the Madhesi uprising, it took concrete form in the constitution that was promulgated when the champions of self-determination were already in decline. In this sense, the two main parties that are currently well ahead of the rest in terms of parliamentary seats – Nepali Congress and CPN-UML – are in a position to enact and implement federalism in line with their developmental logic and largely overlook the self-determinism logic that initially drove the federalist project. In the final part of this section, I will highlight another aspect of Nepali politics that undermines the independence of the provinces and, concomitantly, the logic of self-determination: the lack of independence of province-level politicians from their national-level leadership. Together, the current strength of political parties that prioritise the development logic over the self-determination logic, the lack of clear and substantial autonomy for provincial governments in the 2015 Constitution, and the lack of independence of province-level politicians from national-level political party leadership have greatly obstructed the self-determination logic from taking hold in the current federal set-up and have arguably even bypassed federalism by returning to the kind of development-focused arrangement that was prevalent before 2015 in the unitarist but decentralised institutional set-up.

Decline of federal champions and the lack of a federal spirit in the current leaders

Historical institutionalism analysis suggests, in multiethnic contexts, re-articulation of territory and group identity is seen as a threat by historically dominant groups (Bertrand, 2004). Nepali Congress Party (dominated by “high-caste” Hindus from the hills) had been vehemently against federalism until 2006. The party formally adopted pro-federalism position in 2006 because not doing so involved significant electoral risks (International Crisis Group, 2011, 13). Like NC, the other main political party CPN-UML formally adopted pro-federalism position after 2006. UCPN-M pushed identity-based federalism in order to mobilise the marginalised masses during the armed rebellion and promoted identity-based federalism publicly as early as 2004 but remained divided over institutionalising federalism in the later stages. Many Madhesi and indigenous political parties continue to contest the seven-province model as it does not fulfill their demands of self-determination. The negotiations over federal structure polarised the country since the signing of the Peace Agreement in 2006 to the establishment of Constitution in 2015. The current leading political parties’ lukewarm stance on federalism continues to shape intergovernmental relations. There have been several instances where prime ministers and other political party leaders have expressed contested and conflicting views on federalism during informal speeches and interviews.

Constitutional recognition of Provincial government

As explained in the previous chapter, it was the second Constituent Assembly that approved the seven-province federal model. For the core supporters of the federal model – the Madhesi and the country’s indigenous nationalities – the formation of seven provincial subunits remains a matter of contestation because of its failure to adopt the self-determination logic. This has affected the perceived political legitimacy to some degree. Additionally, the 2015 Constitution has granted provinces relatively little power when compared to the federal and local governments. The provinces are squeezed thin by national and local government in important areas such as education, healthcare, and security (Payne and Breen, 2022:10). For example, “as regards to education, basic and secondary education are placed under the exclusive jurisdiction of local government, while the federal government has sole authority

over central/national universities and university regulation; the provinces' only exclusive education responsibility concerns the regulation of provincial universities... Similarly, exclusive responsibility for basic health and sanitation is devolved directly to the local level, while control over health policy, services, standards, quality and monitoring, national and specialized hospitals, and communicable disease control is retained at the federal level. Little is left to be covered under the provincial exclusive jurisdiction over 'health services' or the shared provincial jurisdiction over 'health'... Greater space is afforded in relation to domestic security, with the Constitution envisaging the creation of provincial police forces. However, even here, the federation retains the central police, the Armed Police Force, and national intelligence and investigation services" (Payne and Breen, 2022:10).

Party system: Provincial level representatives' dependence on national-level party

In the previous general election in November 2022, the politicians vined for election into the provincial governments were, for the most part, selected by the central committees of the national parties, whereby the national party leaders clearly retained their power over such province-level appointments. This compromised the independence of provincial governments and ensured a continuing imbalance in power between different levels of government in a way as to go against the spirit of the 2015 Constitution. In other federal systems, such as the US, Australia, Germany and India, province or state level governments tend not to be so politically dependent on the national level party. For example, in the US, even though state level and national level governments can be from the same party, elected officials at the state level are generally directly elected by the electorate, hence maintaining at least some degree of independence from their national-level political leaders. In Australia, state-level party organisations are independent from national-level party organisations even when they come from the same broad political affiliations. This shows that for federalism to be effective, province-level governments need to maintain at least some degree of political independence from their national counterparts. While this might happen in Nepal in cases where different political parties head the provincial governments and the federal governments, usually because of coalitional politics (since the establishment of the Constitution in 2015), province level and federal level governments have tended to be from the same political coalitions. Therefore, unless political independence of province level government is not left to chance and ensured institutionally, federalism is unlikely to take the form that the Constitution envisages. Similarly, organisations and commissions entrusted to ensure the effective functioning of federalism are unlikely to work in the interests of provinces if there is little to no pressure from provincial governments.

Conclusion

Federalism is in a state of limbo and the currently dominant political parties appear to be satisfied with such a state given their lukewarm view of federalism coupled with their hesitation to reject federalism for fear of electoral backlash in the provinces. As federal elections have already occurred and federal governments have already been set up (at least in a basic form), the dominant political parties seem content to make use of this ostensibly federal structure to further their development agenda. Besides the support of Madhesi parties, province-level and identity-based minor parties, and perhaps the Maoists, the self-determination logic that initially instigated the federalist project and catapulted it into the constitution is largely opposed in Nepali politics. With the continuing electoral slide of the political coalition in support of self-determination, federalism has been upheld only

cosmetically and used for purposes other than what it was originally intended for. In essence, therefore, the current political system of Nepal may be called federal only in name as the institutional logic behind it is little different from the unitarist system that preceded it.

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