Policy Goals of Federalism and Decentralization in Nepal

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Abstract
This study, descriptive and analytical in nature, aims to assess the appropriate policy goals of federalism and decentralization focusing on providing local autonomy to meet the needs of local people, improving good governance, avoiding domination of elite group and promoting inclusive democracy, reducing ethnic and cultural conflict and promoting social harmony in Nepal. The data collected through questionnaire from 350 respondents was used for analysis. Federalism seemed to be an appropriate system that deals with providing local autonomy to meet the needs of local people. The findings from this study can provide information about policy goals of local governance in Nepal. It could be helpful to provide some special guidelines to the policy makers for improving local governance. In addition appropriate policy must be adapted and sound communication/information system would be developed.

Key words: Local autonomy, accountability, effectiveness, ethnic/cultural conflict and social harmony.

Introduction
Decentralization is the transfer of the part of the power of the central government or regional or local authorities. It is in response to demand for diversity. Centralization and decentralization both forms of administration co-exist in different political system. Decentralization has been considered as the foundation of democratic governance in Nepal (Rijal, 2011, p.218). In the context of management decentralization is the policy of delegating decision making authority throughout an organization (Nepal, 2007, p.172). Likewise, the word federal is derived from the Latin word ‘foedius’, meaning, “covenant”. Federalism is a form of government where power is divided and shared between the canter and provinces (Thapa, 2007). According to the Concise Encyclopedia, federalism is defined as, “political system that binds a group of states into a larger, non-centralized, superior state while allowing them to maintain their own political identities”.

Federal system of governance is one of the systems of governance practice around the world. Federalism is a new movement for Nepal. The current constitution declared on 2015 has provided for federalism where the country is reformed into three tires of government (i.e. federation, provience and local government). However, this federal democratic structure can be strengthened and sustained through the expansion of quality services to the people. Hence, the concept of rendering such services
needs to be one of the cornerstones of Nepal’s transformation. In this context; Government of Nepal can facilitate the reform process that the transition to the new structure of national, provincial and local government requires (Association of District Development Committees of Nepal [ADDCN], 2010). Article 50 (1) of the present Constitution of Nepal 2072 has made provisions regarding decentralization. By acknowledging the sovereignty, independence and integrity of the country to be of utmost importance, the property, equality and freedom of the citizens are to be protected ensuring the rule of law, norms and values of fundamental rights and human rights, gender equality, proportional inclusion, participation and social justice through which a just system is to be maintained in all the spheres of national life along with the establishment of a government system aimed at public welfare and while the relations between the federal units are to be maintained on the basis of cooperation between them, the principle of inclusion in the governance system on the basis of local autonomy and decentralization is to be internalized.

Research Questions
- What is the status of policy goals of federalism and decentralization in Nepal from the perspectives of stakeholders?
- What is the opinion of respondents on expected outcomes of the federalism and decentralization?

Research Design
The focus of the study was to analyze policy goals on federalism and decentralization. To the end, I applied trend survey design under quantitative research approach (McNabb, 2012). The primary data had been collected from only two areas for controlling the variances in locality (rural-urban). During the course of PhD research journey (Adhikari, 2016), an interview schedule was administered in 2015. The population was comprised of NGOs (Non Government Organizations), CBOs (Community Based Organizations), officials/employees of Municipalities and secretaries of VDCs (Village Development Committees) of Kathmandu and Kaski Districts. Presently, Kathmandu District lies in province number three and Kaski District lies in province number four. Out of population, 350 sample sizes were taken from an infinite/unknown population by applying purposive sampling technique (see in table 1). The sample was selected from those who were involved in decentralization practices for more than two years. The response rate was 100 percent since the data collection method was direct questionnaire method undertaken by the researcher himself. For the sake of study the sample size was taken as follows:

| S.N. | Population Groups                                      | Sample Size |
|------|--------------------------------------------------------|-------------|
| 1    | Local People involved in local planning process (Kaski) | 85          |
| 2    | Local leaders (Kaski)                                 | 15          |
| 3    | Local People involved in local planning process (Kathmandu) | 85        |
| 4    | Local leaders (Kathmandu)                             | 15          |
| 5    | Government Officials                                  | 30          |
| 6    | Academicians                                           | 30          |
| 7    | Officials of NGOs/CBOs                                | 40          |
| 8    | Employees of Municipality                              | 40          |
| 9    | VDC Secretaries                                        | 10          |
|      | Total                                                  | 350         |

(Adhikari, 2016).
The above table shows information on population and sampling of the study. More so, local people involved in local planning process and local leaders of Kaski District included 100 respondents who attended Ilaka Bhela (Area Level Meeting) at Tokhailaka regarding Minimum Condition Performance Measurement (MCPM) held on February 2015. Local people involved in local planning process and local leaders of Kathmandu district included 100 respondents who attended ilaka Bhela at Dhampusilaka regarding MCPM held on March 2015. Government officials included 30 respondents who worked in Local Bodies Fiscal Commission and Ministry of Local Development and Federal Affairs. Academicians consisted 30 respondents having experience in federalism and decentralization field. NGOs/CBOs officials included 40 respondents belong to Kathmandu and Kaski Districts. Employees of municipality included 40 respondents working in Kathmandu Metropolitan City, Tokha Municipality and Gokerneshower Municipality (Kathmandu) and Pokhara Sub-metropolitan City, Lekhnath Municipality (Kaski). VDC secretaries included 10 respondents from Kaski District as there was no VDC in Kathmandu District.

For the presentation and analysis of data as per the group of stakeholders, local people involved in local planning process and local leaders have been merged together because of the similarity of their opinion with regard to the execution of decentralization policy. Likewise, government officials and academics have also put together because of the similarity of their opinion with regard to the execution of decentralization policy. Employees of municipality and VDC secretaries have also been combined because of the similarity of their opinion with regard to the execution of decentralization policy. For collecting primary data, interview method was used. As a data collection instrument, structured questionnaire schedule and interview guides were administered. Variation of policy goals which were measured by the appropriateness of federalism and decentralization also measured in terms of the variation of groups of stakeholders and ethnicity.

**Discussions of Findings**

This section presents an analysis of data that were obtained from the survey. Nepal has a decentralized multi-level government but is in a process to implement federalism. Federalism addresses the following policies: providing local autonomy to meet the needs of local people, improving good governance (effectiveness, responsiveness, and accountability), avoiding domination of elite group and promoting inclusive democracy and reducing ethnic and cultural conflict and promoting social harmony (Mula, 2013). However decentralization also acknowledges the above mentioned policies. Respondent's view regarding appropriate policy goals of federalism and decentralization are presented in table 2.

| Policy Goals | Appropriate System | Total |
|--------------|--------------------|-------|
|              | Federalism | Decentralization |       |
| A. Providing local autonomy to meet the needs of local people | 284 (81 %) | 66 (19 %) | 350 (100%) |
| B. Improving good governance (effectiveness, responsiveness, and accountability) | 228 (65 %) | 122 (35 %) | 350 (100%) |
| C. Avoiding domination of elite group and promoting inclusive democracy | 308 (88%) | 42 (12 %) | 350 (100%) |
| D. Reducing ethnic and cultural conflict and promoting social harmony | 314 (90 %) | 36 (10 %) | 350 (100%) |
| Average | | | (100%) |

(Adhikari, 2016).
The above table presents the opinion of respondents on appropriate policy goals of federalism and decentralization. On an average, 81 percent of the respondents viewed that federalism is appropriate system providing local autonomy to meet the needs of local people and the rest nineteen per cent of the respondents viewed that decentralization is appropriate system providing local autonomy to meet the needs of local people. Furthermore, 65 percent of the respondents viewed that federalism is appropriate system improving good governance: effectiveness, responsiveness, and accountability and the rest thirty five per cent of respondents viewed that decentralization is appropriate system improving good governance: effectiveness, responsiveness, and accountability. Likewise, 88 percent of the respondents viewed that federalism is appropriate system avoiding domination of elite group and promoting inclusive democracy and the rest twelve per cent viewed that decentralization is appropriate system avoiding domination of elite group and promoting inclusive democracy. Similarly, 90 percent of the respondents viewed that federalism is appropriate system reducing ethnic and cultural conflict and promoting social harmony and the rest ten percent of the respondents viewed that decentralization is appropriate system reducing ethnic and cultural conflict and promoting social harmony.

**Systems of Providing Local Autonomy**

Autonomy of local institutions is one of the significant attributes of the nation. Autonomy to local bodies is like the soul to the human body. The local government institutions decide upon their fate without central imposition and get operational freedom to function independently with autonomy. The conditions for autonomy in local governance must include structural continuity and clarity in functional responsibilities, elimination of uncertainties in local finances, and independence from undue interferences from the higher levels of government in day to day decision making (Khanal, 2010, p. 121). Respondent's view regarding appropriate system of providing local autonomy by ethnicity is shown in table 3.

| Ethnicity         | Appropriate System | Total Response |
|-------------------|--------------------|----------------|
|                   | Federalism | Decentralization |               |
| Bramin/Chhetri    | 89 (62 %)      | 55 (38 %)      | 144            |
| Janajati          | 150 (97 %)     | 5 (3 %)        | 155            |
| Dalit             | 45 (88 %)      | 6 (12 %)       | 51             |
| Total             | **284 (81 %)** | **66 (19 %)**  | **350**        |

(Adhikari, 2016).

The above table presents the opinion of respondents on the appropriate system of providing local autonomy to meet the needs of local people by ethnicity. On an average, 62 percent of the respondents as Bramin/Chhetri viewed that federalism is the appropriate system appropriate system of providing local autonomy to meet the needs of local people and the rest 38 percent of the respondents viewed that decentralization is the appropriate system for providing local autonomy. Whereas 97 percent of the respondents as Janajati viewed that the federalism is the appropriate system for providing local autonomy and the rest 3 percent viewed that decentralization is the appropriate system for providing local autonomy. Likewise, 88 percent of respondents as Dalit viewed that the federalism is the appropriate system for providing local autonomy and the rest 12 percent viewed that decentralization is the appropriate system for providing local autonomy. Similarly, respondents’ views
regarding appropriate system of providing local autonomy to meet the needs of local people by group of stakeholders are presented in table 4.

Table 4. Appropriate System of Providing Local Autonomy by Group of Stakeholder

| Group of Stakeholders                          | Appropriate System | Total Response |
|-----------------------------------------------|--------------------|----------------|
| A. Local people/leaders (Rural)               | Federalism: 92 (92%) Decentralization: 8 (8%) | 100 |
| B. Local people/leaders (Urban)               | Federalism: 86 (86%) Decentralization: 14 (14%) | 100 |
| C. Govt. officials/academics                  | Federalism: 42 (70%) Decentralization: 18 (30%) | 60 |
| D. NGO/CBO officials                          | Federalism: 33 (83%) Decentralization: 7 (17%) | 40 |
| E. Employees of municipality/VDC secretaries   | Federalism: 31 (62%) Decentralization: 19 (38%) | 50 |
| Total                                         | Federalism: 284 (81.1%) Decentralization: 66 (18.9%) | 350 |

(Adhikari, 2016).

The table 04 presents the opinion of respondents on the appropriate system of providing local autonomy to meet the needs of local people by group of stakeholder. On an average, 92 percent of the respondents as local people/leaders (Rural) viewed that federalism is the appropriate system for providing local autonomy and the rest 8 percent of the respondents viewed that decentralization is the appropriate system for providing local autonomy. Whereas 86 percent of the respondents as local people/leaders (Urban) viewed that the federalism is the appropriate system for providing local autonomy and the rest 14 percent of the respondents viewed that decentralization is the appropriate system for providing local autonomy. Likewise, 70 percent of respondents as government. officials/academics viewed that the federalism is the appropriate system for providing local autonomy and the rest 30 percent viewed that decentralization is the appropriate system for providing local autonomy. Similarly, 83 percent of respondents as NGO/CBO officials viewed that the federalism is the appropriate system for providing local autonomy and the rest 17 percent viewed that decentralization is the appropriate system for providing local autonomy. Similarly, 62 percent of respondents as employees of Municipalities and VDC secretaries viewed that the federalism is the appropriate system for providing local autonomy and the rest 38 percent of the respondents viewed that decentralization is appropriate system for providing local autonomy to meet the needs of local people.

Improving Good Governance: Effectiveness, Responsiveness and Accountability

Good governance is a synonym to effective governance. Quality of governance is matter of concern to all of us because everyone can feel the impact of bad governance in everyday life. Weak governance cannot address public concerns and make public life difficult, erodes the credibility of state machinery, slows the pace of growth and development, fosters corruption and creates chaos in society which leads to growing citizen disappointment. From micro/organization perspective, good governance implies meeting performance target and achieving objectives, gaining stakeholder recognition as an organization that manages resources efficiently and responds to client needs, and capable to manage its operations in a sustainable manner. From macro (government/state), it implies achieving economic, social, cultural and political objectives, meeting effectiveness, responsiveness, and accountability. Good governance promotes efficient and effective in the use of resources by institutionalizing accountability and transparency and regular exchange of information and opinion among public officials (Nepal Rastra Bank [NRB], 2007, p.134). Responsiveness implies the quality of reacting quickly and responding to
the emotion of people and events. Likewise Khanal (2010, p. 128) observed that accountability is essentially based on moral and ethical values of the society. People need to realize what their duties are and how much they are responsible in matter that affects the lives and liberty of others. Accountability, in fact, has become a culture of advanced country whereas it is the most difficult thing to achieve in developing countries (Khanal, 2010, p. 127). The variation among the responses about effectiveness, responsiveness and accountability are found not significant. For this reason, the total responses have been taken in average. Respondent's view regarding appropriate system of improving good governance: effectiveness, responsiveness, and accountability by ethnicity are shown in table 5.

| Ethnicity      | Appropriate System | Total Response |
|---------------|--------------------|----------------|
|               | Federalism        | Decentralization |
| Bramin/Chhetri| 58 (40 %)         | 86 (60 %)       | 144 |
| Janajati      | 133 (86 %)        | 22 (14 %)       | 155 |
| Dalit         | 37 (73 %)         | 14 (27 %)       | 51  |
| Total         | 228 (65%)         | 122 (35 %)      | 350 |

(Adhikari, 2016).

The above table presents the opinion of respondents on the appropriate system of improving good governance: effectiveness, responsiveness, and accountability by ethnicity. On an average, 40 percent of the respondents as Bramin/Chhetri viewed that federalism is the appropriate system for improving good governance and the rest 60 percent of the respondents viewed that decentralization is the appropriate system for improving good governance. Whereas 86 percent of the respondents as Janajati viewed that the federalism is the appropriate system for improving good governance and the rest 14 percent of the respondents viewed that decentralization is the appropriate system for improving good governance. Likewise, 73 percent of respondents as Dalit viewed that the federalism is the appropriate system for improving good governance and the rest 27 percent of the respondents viewed that decentralization is the appropriate system for improving good governance. Likewise, the respondents’ views to the appropriate system of improving good governance by groups of stakeholders are reported in table 6.

| Group of Stakeholders                | Appropriate System | Total Response |
|--------------------------------------|--------------------|----------------|
|                                      | Federalism        | Decentralization |
| Local people/leaders (Rural)         | 75 (75 %)         | 25 (25 %)       | 100 |
| Local people/leaders (Urban)         | 55 (55 %)         | 45 (45 %)       | 100 |
| Government officials/academics       | 34 (57 %)         | 26 (43 %)       | 60  |
| NGO/CBO officials                    | 29 (73 %)         | 11 (27 %)       | 40  |
| Employees of municipality/VDC secretaries | 35 (70 %)     | 15 (30 %)       | 50  |
| Total                                | 228 (65 %)        | 122 (35 %)      | 350 |

(Adhikari, 2016).

The above table presents the opinion of respondents on the appropriate system of improving good governance by group of stakeholders. On an average, 75 percent of the respondents as local people/leaders (Rural) viewed that federalism is the appropriate system for improving good governance and the rest 25 percent of the respondents viewed that decentralization is the appropriate system for...
improving good governance. Whereas 55 percent of the respondents as local people/leaders (Urban) viewed that the federalism is the appropriate system for improving good governance and the rest 45 percent of the respondents viewed that decentralization is the appropriate system for improving good governance. Likewise, 57 percent of respondents as govt. officials/academics viewed that the federalism is the appropriate system for improving good governance and the rest 43 percent of the respondents viewed that decentralization is the appropriate system for improving good governance. Similarly, 73 percent of respondents as NGO/CBO officials viewed that the federalism is the appropriate system for improving good governance and the rest 27 percent of the respondents viewed that decentralization is the appropriate system for improving good governance. More so, 70 percent of respondents as employees of Municipalities and VDC secretaries viewed that federalism is the appropriate system for providing local autonomy to meet the needs of local people.

Avoiding Domination of Elite Group and Promoting Inclusive Democracy

Inclusive democracy mainly focuses on the marginalized community which comprises of inclusion in the state system, including rules for representation, access to the public services, secured guarantees of citizenship, participation in public affairs, greater flexibility about language policies, preferential treatment it is found necessary and avoidance of domination of elite group (UNDP, 2004). Interim constitution contains concrete commitments to more proportional representation and participation (Marcus, 2011, p. 14). Respondent's views regarding appropriate system of avoiding domination of elite group and promoting inclusive democracy by ethnicity are shown in table 7.

| Ethnicity   | Federalism | Decentralization | Total Response |
|-------------|------------|------------------|----------------|
| Bramin/Chhetri | 113 (79%) | 31 (21%) | 144 |
| Janajati     | 150 (97%) | 5 (3%)  | 155 |
| Dalit        | 45 (88%)  | 6 (12%) | 51  |
| Total        | 308 (88%) | 42 (12%) | 350 |

(Adhikari, 2016).

The above table presents the opinion of respondents on appropriate systems of avoiding domination of elite group and promoting inclusive democracy by ethnicity. On an average, 79 percent of the respondents as Bramin/Chhetri viewed that federalism is the appropriate system for avoiding domination of elite groups and the rest 21 percent of the respondents viewed that decentralization is the appropriate system for that purpose. Whereas 97 percent of the respondents as Janajati viewed that the federalism is the appropriate system for avoiding domination of elite groups and the rest 3 percent of the respondents viewed that decentralization is the appropriate system for avoiding domination of elite groups. Likewise, 88 percent of respondents as Dalit viewed that the federalism is the appropriate system for avoiding domination of elite groups and the rest 12 percent of the respondents viewed that decentralization is the appropriate system for avoiding domination of elite groups. Likewise, the respondents’ views to the appropriate system of avoiding domination of elite group and promoting inclusive democracy by group of stakeholders are shown in table 8.
### Table 8. Appropriate System of Avoiding Domination of Elite Groups by Group of Stakeholders

| Group of Stakeholders                          | Appropriate System | Total Response |
|------------------------------------------------|--------------------|----------------|
|                                                | Federalism         | Decentralization |                  |
| Local people/leaders (Rural)                   | 94 (94 %)          | 6 (6 %)         | 100              |
| Local people/leaders (Urban)                   | 81 (81 %)          | 19 (19 %)       | 100              |
| Government officials/academicians              | 49 (82 %)          | 11 (18 %)       | 60               |
| NGO/CBO officials                              | 40 (100 %)         | 0 (0 %)         | 40               |
| Employees of Municipality/VDC secretaries      | 44 (88 %)          | 6 (12 %)        | 50               |
| **Total**                                      | **308 (88 %)**     | **42 (12 %)**   | **350**          |

(Adhikari, 2016).

The above table presents the opinion of respondents on the appropriate system of avoiding domination of elite group and promoting inclusive democracy by group of stakeholders. On an average, 94 percent of the respondents as local people/leaders (Rural) viewed that federalism is the appropriate system and the rest 6 percent of the respondents viewed that decentralization is the appropriate system. Whereas 81 percent of the respondents as local people/leaders (Urban) viewed that federalism is the appropriate system and the rest 19 percent of the respondents viewed that decentralization is the appropriate system. Likewise, 82 percent of the respondents as government officials/academics viewed that federalism is the appropriate system and the rest 18 percent of the respondents viewed that decentralization is the appropriate system. Similarly, 100 percent of respondents as NGO/CBO officials viewed that the federalism is the appropriate system for avoiding domination of elite groups. Similarly, 80 percent of respondents as employees of Municipalities and VDC secretaries viewed that federalism is the appropriate system and the rest 12 percent viewed that decentralization is the appropriate system for avoiding domination of elite group and promoting inclusive democracy.

### Reducing Ethnic and Cultural Conflict and Promoting Social Harmony

A community of people who have similar cultural and linguistic characteristics including history, tradition, myth and origin are called ethnic groups (Lrobi, 2005). Conflicts may occur between two or more community groups. The conflicts may range from individual differences to divisions perpetuated by ignorance and intolerance, discrimination, and a long history of fear and animosity. Social harmony is necessary to reduce ethnic and cultural conflict. Social harmony is a condition where different communities could co-exist peacefully. This is the minimum. Harmony refers to the development without which development might not be achieved or meaningless (Laksiri, n.d.).

Respondent's view regarding reducing ethnic and cultural conflict and promoting social harmony by ethnicity is shown in table 9.

### Table 9. Reducing Ethnic and Cultural Conflict and Promoting Social Harmony by Ethnicity

| Ethnicity       | Appropriate System | Total Response |
|-----------------|--------------------|----------------|
|                 | Federalism         | Decentralization |                  |
| Bramin/Chhetri  | 115 (80 %)         | 29 (20 %)       | 144              |
| Janajati        | 153 (99 %)         | 2 (1 %)         | 155              |
| Dalit           | 46 (90 %)          | 5 (10 %)        | 51               |
| **Total**       | **314 (90 %)**     | **36 (10 %)**   | **350**          |

(Adhikari, 2016).
The above table presents the opinion of respondents on the appropriate system of reducing ethnic and cultural conflict and promoting social harmony by ethnicity. On an average, 80 percent of the respondents as Bramin/Chhetri viewed that federalism is the appropriate system for promoting social harmony and the rest 20 percent of the respondents viewed that decentralization is the appropriate system which reducing ethnic and cultural conflict. Whereas 99 percent of the respondents as Janajati viewed that the federalism is the appropriate system and the rest 1 percent of respondents viewed that decentralization is the appropriate system for promoting social harmony. Likewise, 90 percent of respondents as Dalit viewed that the federalism is the appropriate system and the rest 10 percent of the respondents viewed that decentralization is the appropriate system for reducing ethnic and cultural conflict. Similarly, the respondents’ views to the appropriate system of reducing ethnic and cultural conflict and promoting social harmony by group of stakeholders are presented in table 10.

Table 10. Reducing Ethnic and Cultural Conflict and Promoting Social Harmony by Stakeholders

| Group of Stakeholders                  | Appropriate System | Total Response |
|----------------------------------------|--------------------|----------------|
|                                        | Federalism         | Decentralization |
| Local people/leaders (Rural)           | 96 (96%)           | 4 (4%)          | 100 |
| Local people/leaders (Urban)           | 84 (84%)           | 16 (16%)        | 100 |
| Government officials/academics         | 49 (82%)           | 11 (18%)        | 60  |
| NGO/CBO officials                      | 40 (100%)          | 0 (0%)          | 40  |
| Employees of municipality/VDC secretaries | 45 (90%)         | 5 (10%)         | 50  |
| **Total**                              | **314 (89.7%)**    | **36 (10.3%)**  | **350** |

(Adhikari, 2016).

The above table highlights the opinion of respondents on the appropriate system of reducing ethnic and cultural conflict and promoting social harmony by group of stakeholders. On an average, 96 percent of the respondents as local people/leaders (Rural) viewed that federalism is the appropriate system of reducing ethnic and cultural conflicts and the rest 4 percent of the respondents viewed that decentralization is the appropriate system for promoting social harmony. Whereas 84 percent of the respondents as local people/leaders (Urban) viewed that the federalism is the appropriate system for promoting social harmony and the rest 16 percent of the respondents viewed that decentralization is the appropriate system for promoting social harmony. Likewise, 82 percent of respondents as Government officials/academics viewed that the federalism is the appropriate system for reducing ethnic and cultural conflict and the rest 18 percent viewed that decentralization is the appropriate system for that purpose. Similarly, 100 percent of respondents as NGO/CBO officials viewed that the federalism is the appropriate system for reducing ethnic and cultural conflict and promoting social harmony. And 90 percent of respondents as employees of Municipalities and VDC secretaries viewed that the federalism is the appropriate system for reducing ethnic and cultural conflict and promoting social harmony and the rest 10 percent of the respondents viewed that decentralization is the appropriate system for reducing ethnic and cultural conflict and promoting social harmony.

**Conclusion**

Nepalese Constitution gives priority to democratic governance and local governance based on autonomy, independence and decentralization, the federal constitution mainly focuses on autonomy and decentralization. At present full sector devolution has not been implemented yet, there is a lack of
human and financial resources at the local level, weak expenditure management and need for improved accountability and transparency arrangements etc. reflect the shortcomings regarding the execution of decentralization in Nepal an average of 81 percent of the respondents preferred federalism to be an appropriate system that deals with providing local autonomy to meet the needs of local people, improving good governance (effectiveness, responsiveness, and accountability), avoiding domination of the elite group and promoting inclusive democracy, reducing ethnic and cultural conflict and promoting social harmony. Federalism is a new movement for Nepal. The current constitution 2015 has provided for federalism where the country is divided into seven states and three level governments i.e. central, state and local governments. Despite the federalism, Article 50 (1) provides that the governance system will be on the basis of local autonomy and decentralization.

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