

# Regional Planning in Nepal

- Pitamber Sharma★

## 1. Introduction

The search for an adequate and comprehensive definition of regional planning can become a frustrating exercise, not because <sup>no</sup> definitions exist but because each definition almost invariably precipitates problems regarding the aims, objectives, and policy orientations of a regional planning exercise. Regional planning may have been today what socialism was yesterday-it is like a hat that has lost its shape because almost everybody wears it ! The flexibility of the hat, to extend the anecdote further, is enhanced by the very ambiguity inherent in the concept of region.

The purpose of this paper is to trace the different interpretations of regional planning, and critically review the evolution of the regional approach to planning in Nepal.

Friedman in 1964 defined regional planning as "a process of formulating and clarifying social objectives in the ordering of human activities in supra-urban space".<sup>1</sup> The organization of Economic Co-operation and Development viewed regional planning as an "exercise in co-ordination aimed at improving the economic foundations of a region and meeting its physical and social needs within the framework of national needs, resources, and potentialities".<sup>2</sup> For the UN, Regional Planning was "a frame of reference for a balanced integration of development

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1 J. Friedman; W. Aenlso, ed; Regional Development and Planning, (Cambridge. Mass.: MIT), 1964, p. 64.

2 OECD, The Regional Factor in Economic Development, (Paris: OECD), 1970, p. 100

projects of national significance and those based on local initiative".<sup>3</sup> Regional Planning has been seen as a bridge between national planning and local planning, as a meeting ground of economic, social and physical planning, and also as a geographic interpretation of national economic plans. Catchwords like co-ordination, balance, and integration have been profusely used in trying to define regional planning, and these catchwords themselves appear to have meant different things to different people.

The one common note of agreement among scholars and practitioners alike regarding the content of regional planning is that it is fundamentally concerned with the "where" of economic development. Like all planning exercises regional planning is also concerned with rational distribution of employment, population, investment, land use on a regional basis consonant with the fullest exploitation of human, material, and financial resources, and with the production of a satisfactory environment. From a spatio-economic perspective (and with a dose of normative value judgement) one might concur with Friedman again: Regional Planning strives to achieve "a better integration of spatially organised economies on the basis of interdependence (and reciprocity) rather than dependence and exploitation".<sup>4</sup> To achieve economic growth, balance, and integration of spatially organised economies on the basis of co-ordinated territorial plans within the framework of national plan seems to be the *raison d'être* of regional planning. The assumption is that spatially organised economies can be categorised into manageable territorial units or regions, and the region is the unit in which a unified approach to the above aims can be meaningfully pursued and practiced. That economic growth and its concomitants appear, grow, and radiate in a space that is in certain ways organised makes the problem of economic development a technically regional problem within the national territory.

Definitions, however, can be misleading, or pretentious, or both. To date, in practice, six main approaches to the adaption of regional planning have been in vogue :

- i) Regional Planning as comprehensive physical/economic planning for all regions  
[Ex. Poland]
- ii) Regional Planning as national sectoral plans divided into sub-national, sub-sectoral plans [Ex. France]

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<sup>3</sup> U. N; Regional Planning, (Tokyo: UN), 1958

<sup>4</sup> J. Friedman; W. Alonso, ed., Regional Policy, (Cambridge Mass.: MIT), 1975, p. 803

- iii) Regional Planning as planning for metropolitan regions [Ex. U. S., Chile]
- iv) Regional Planning as a selective but comprehensive planning linked to some vital resource development [Ex. Tennessee Valley (USA), Damodar Valley (India)]
- v) Regional Planning as co-ordinated international planning in resource (basically water resource) management [Ex. The Mekong Valley]
- vi) Combination of one or many of the above.

Regional Planning appears as a multi-faceted exercise of a multi-functional nature. Economic structure, spatial organization, social welfare, resource development, and above all, reduction of inter-regional disparity in economic magnitudes in the development process seem to be inherent concerns of a regional planning exercise. The fact that conventional investment policies drawn in an abstract economic space did not lead to the fulfillment of territorial policy objectives (justice, growth, stability, and balance), but rather contributed only to the concentration of resources (and thus to the widening of inter-regional imbalance) in favoured regions is often cited as the main reason for launching regional development programmes in most developing countries. Regional Planning, thus, began to be seen as a comprehensive exercise in offsetting the maldistribution and use of resources in the process of economic development on the one hand, and in reducing the excessive centralization in the territorial organization of power, on the other. Clearly, there appear to be both economic/spatial and political overtones in pursuing a regional development strategy. So it is in the context of Nepal.

But before we go on to trace the evolution of regional approach in Nepal's Planning efforts it is apt to be aware of the fact that there is to-date no determined body of theory that comprehensively strives to explain, analyse, or even broadly indicate the contours of regional economic growth, its socio-political and spatial concomitants.<sup>5</sup>

## 2. Evolution of Regional Approach to Planning in Nepal :

The development experience of Nepal, at least upto the 3rd Five Year Plan has to be viewed in the context of economic plans without the foresight of spatial manifestation. Nepal's planning efforts upto the 3rd Five Plan, and even after, exemplify that economic planning without a programmed process of spatio-economic growth consistent with resource potentiality of specific regions do neither help in realising the social objectives laid down in the plans, nor lead to

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5 J. Glasson, An Introduction to Regional Planning, (London: HUP), 1974, p. 3.

greater/increases in national income, employment, and productivity. This realization appears as an afterthought in the 4th Five Year Plan of Nepal. It was realised that the increasing economic duality existing between the hill region and the Tarai, and between the Kathmandu valley and the periphery added a completely new dimension to the problem of Nepal's economic development. Such a process of increasing economic dualism, if allowed unabated, was felt to be detrimental to the national economy in at least four ways :

- a. It deprives the national economy as a whole of sufficient market which is crucial to the diversification of agriculture and attempts at industrial development.
- b. Potential resources in underdeveloped regions of the country remain unutilised.
- c. With time the depressed hill region will increasingly become a burden on the more productive Tarai, and in the process the spatio-economic organization of the hills will gradually be dislocated.
- d. The effect of population movement and that of economic polarization will consistently increase the inter-regional gap in economic and social magnitudes. The political as well as economic implication of such a process are ofcourse obvious.

The disparity among ecological regions of the country in terms of manland ratio, in terms of population distribution and density, and in terms of 'selected' indicators of development presents a lopsided picture of Nepal's development efforts.

The logic of economic growth initiates and matures in potential areas. It is in such areas that the inflow of capital takes place, that labour is attracted, that infrastructural development takes place, and finally a strengthened spatio-economic organization emerges. Resource potential areas by their very potentiality gain priority in public investments, and in the process governments themselves become unconscious allies in the process of economic polarization of the national economy. Economic growth in potential regions is inevitable, but when such growth takes place at the cost of under utilization of resources in peripheral regions the long-term implications for the economic prosperity of the potential region itself can be disastrous. This has been the experience of many countries.<sup>6</sup> In Nepal, the problem seems to be further accentuated by the fact that the three ecological regions that constitute Nepal are mutually dependent on each other because of the north-south orientation of the major drainage

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<sup>6</sup> J. G. Williamson, "Regional Inequality and the Process of National Development: A Description of the Patterns", *Regional Policy*, ed. Friedman & Alenso, p. 158-200

systems. There is what may be termed an "ecological connection" between the mountains, hills and Tarai. Ecological break-down in the hill eco-system can be catastrophic not only for the hills, but also for the Tarai.

Nepal's planning experience has been by the practitioners themselves as an exercise in "target oriented" planning rather than "benefit oriented" planning, i. e. the welfare aspect in the immediate short run has been only apparent.<sup>7</sup> Heavy emphasis provided to infrastructural development in the first planning decade had its own problems in the lack of 'generative effect' of such infrastructural growth. The development of road systems, if anything, eased internal mobility to a large extent, but at the same time the Nepali economy has been progressively more meshed with the Indian economy. Internal resource mobilization for socio-economic development particularly in the hill and mountain regions (which constitute the spine of the country in political as well as demographic terms) has been conspicuously absent mainly because no resource inventory and economic analysis of such resource systems exist. These difficulties together with the progressively increasing tendency in inter-regional disparities, have significantly impressed the objectives of Nepal's regional development approach. These objectives as stated in the Appendix to the 4th Five Year Plan and elsewhere have been:<sup>8</sup>

- a. reduction of inter-regional disparities;
- b. integration of the national economy;
- c. breaking the vicious circle;
- d. elimination of imbalances among projects; and
- e. analysis of regional economic structure.

These objectives<sup>9</sup> hardly need further explanation. The first objective concerns the persisting disparity in economic and other development magnitudes among ecological regions of the country. The second objective concerns the process of economic duality and the need to integrate the hundreds of "mini-economies" that constitute Nepal today. The third objective calls for a rational basis for the development of infrastructure, particularly roads. The fourth

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7 B. P. Shrestha—S. C. Jain, Regional Development in Nepal, An Exercise in Reality, (Delhi: Development Publishers), 1978, p. 73

8 H. Gurung, 'The Regional Approach in Nepalese Planning,' A New Dimension in Nepal's Development, ed. P. Pradhan.

9 The lack of consensus among plans regarding those objectives of Nepal's regional development efforts is made explicit by Shrestha and Jain, op. cit, P. 83

objective lays emphasis on location criteria in the selection of projects, and the need for vertical and horizontal complementarity and co-ordination among projects. The final objective emphasises the need to create a system of regional resource inventory and adequate analysis of regional economic structure which alone can provide a basis for subsequent programming on a regional basis.

Among the six objectives noted above the final objective appears as the most crucial because in the lack of knowledge about regional economic structure and its components the "regional" approach loses all its meaning. Also, in a very fundamental way the preceding five objectives seem to depend on the analysis of regional economic structure.

Despite the explicit six objectives noted above the implicit objectives, on hindsight, appear to be mainly three :

- a. regionalization of public investment;
- b. deconcentration in the territorial organization of power;
- d. "benefit oriented" planning and project selection on the basis of location and welfare criteria in underdeveloped areas.

### 3. The Strategy :

The regional development strategy outlined in the 4th Plan calls for the establishment of four development regions. Each of the regions incorporate the north-south ecologically diverse dimension of the country, on the one hand, and loosely follow the east-west dimension of the country as reflected in the catchment area of the major drainage systems, on the other. The objective of "integration" of the national economy is made explicit in incorporating segments of all the three major ecological regions in each of the planning or development regions. Since economic growth cannot be initiated everywhere at one and the same time the strategy envisages a series of growth axes linking the north-south dimension of each development region. These are:-

Region	Axes	Linkage Points
Eastern Development Region	Kosi Growth Axes	Biratnagar to Hedangna
Central Development Region	Kathmandu Growth Axes	Birganj to Dhunche/Barabise
Western Development Region	Gandaki Growth Axes	Bhairahawa to Jomsom
Far Western Development Region	Karnali Growth Axes	Nepalgunj to Jumla

The growth axes in each region were envisaged to be the spatial channels for the diffusion of development in respective regions. The locational focus of such a process would be the growth centres. Four such growth centres have been identified for each region: Dhankuta in the east, Kathmandu in the center, Pokhara in the west and Surkhet in the far west. It is in these centers that development process—whatever that be—would be “seeded” and gradually the “multiplier” would flow to secondary growth points, i.e., those locational points that act as successive links in the growth axes chain. Twenty-one such growth points were initially identified in the four development regions. Each growth axes links a major settlement in the south with present or former trading centers in the hills and the mountains. The growth axes therefore closely follow the traditional routes of north-south transport and communication.

The strategy fails to outline the exact process or content of development, or elucidate in any greater detail the form and means of the diffusion of the aspired development process. The growth to be induced was envisaged to be in the form of “agricultural transformation, location of industries, trade activities and social services”. The growth centers were deemed to be “demonstration areas to exemplify development patterns for the region as a whole”, though basically these centers would only function as administrative and service centers. The strategy and its success, in theory, bases on the notion of “spread effects”. The growth axes is the path both for the radiation of the “spread effect” as well as the integration of the Tarai economy with the hill economy.

Fundamentally, the growth axes idea involves the creation of a locational matrix through which a restructuring of the space economy of Nepal can be affected. The north-south orientation of the growth axes constitute, it appears, just the initial phase of the strategy. As

these spinal arteries, become functional and economic growth somehow gets initiated in the growth centers and growth points a series of east-west oriented "axes" can be envisaged which would link the four growth corridors and thereby perform the vital "integrative" role within and among ecological regions of the country.

#### 4. Theoretical Antecedents: The Conceptual Basis of Nepal's Strategy

The "Growth Axes" strategy of regional development in Nepal outlined above appears as an *ad hoc* adaptation of what has come to be known as the "Growth Pole Thesis" in economic and regional science literature. The French economist F. Perroux first put forward the notion of a "growth pole" in an abstract economic space. Growth, Perroux argued, does not occur everywhere at the same time but shows itself in certain points or *poles de croissance*, spreads along diverse channels with varying effects for the whole economy.<sup>10</sup> Economic growth was seen as a series of impulses generated by leading industries. These leading propulsive industries are the products of "Schumpeterian innovation" and also the source of the "Spread effect" à-la-Hirschman.<sup>11</sup> Propulsive industrial dominance is the chief characteristic of a "growth pole" in Perroux's formulation.

The effects generated by such industries were supposed to be both internal (generating more growth within industries) and external (polarization effects and Keynesian multiplier).

Boudeville provided a spatial interpretation of Perroux's pole.<sup>12</sup> Economic growth, he argued, does not only show itself in certain leading industrial branches in an abstract economic space, but that as with industries, economic growth also tends to be concentrated in certain spatial locations. Growth poles in geographic space have been increasingly associated with higher order central places because these tend to be the major generators of agglomeration economies, have diversified production structure, and constitute preferential location for market oriented industries. The industrial dominance furthers the process of polarization and eventually centrifugal forces begin to emanate resulting in the so-called "spread" and "multiplier" effect of growth poles. The arguments for the unbalanced economic growth thesis (that growth is activa-

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<sup>10</sup> F. Perroux "Note sur la notion de pole de croissance" *Economic Applique* 1955.

<sup>11</sup> J. R. Hain "On Growth poles" in "Growth Centres in Regional Economic Development" ed. N. N. Hain, N. Y. 1972, pp 20-49.

<sup>12</sup> J. R. Boudville "Regional Economic Planning" Edinburg University. 1996.



ted through a process of calculated sectoral imbalances in space) appears as the point of departure for the present notion of growth poles.

The "growth role" idea had been toyed both by geographers and economists.<sup>13</sup> Geographers have been concerned with the central place characteristics of growth poles and the differences between, "natural" and "planned" poles. Economists and planners have concentrated on the economic implications of the "growth poles" as a probable basis for the development of underdeveloped regions. In recent years research has been directed to the aspects of spatial diffusions of growth generating innovations.<sup>14</sup> Regional Development Strategies for peripheral regions based on the idea of construction of transport and communication arteries between one or more centers have also been proposed as initial steps.<sup>15</sup> Others have focused on the "feed back" effects of growth center development.<sup>16</sup>

The "Growth Pole Thesis" poses as many question as it seeks to answer. The chief criticism of "growth poles" concept seem to be the lack of any explanation regarding the characteristics of leading industries and the industrial complex generated by these industries. Further, the inter-relations between leading industry and the industrial complex, and between the growth of polarized industrial clusters and that of the nation remains theoretically fuzzy. It ignores a satisfactory general explanation of the agglomerative process both in economic and geographical space. The "growth pole" as a strategy of regional development in under-developed regions may have relevance where conditions of growth such as cheap power, proximity to major transport routes and potential market, abundance of labour with acceptable skills, and close proximity to significant raw-materials are found in growth pole locations. In the lack of these attributes the growth pole strategy fails as a strategy of industrialization and consequent regional development

13 See D. F. Darmount "Growth pole and Growth Centres in Regional Planning: A review", Regional Policy ed. Friedman and Aleso, p 539-565

H. W. Richardson; Regional Economics," "London; Wridufield & Nichalsen 1969.

14. J. G. M. Hillhourst "Development Axes and the Diffusion of Innovation" The Hague Institute of Social Studies, 1972.

15 J. G. M. Hillhourst opt. cit.

16 J. Friedman, "A General Theory of Polarized Development, in Growth Centres in Regional Economic Development" ed. N. M. Hansen pp, 82-107

The theoretical questions that appear more relevant in Nepal's context may be mainly four :

- a) what are the characteristics and attributes of a 'planned pole' ?
- b) what are the processes through which growth can be induced and diffused in and from such poles ?
- c) what are the institutional and organizational imperatives for the success of a planned poles strategy ?
- and d) can a planned poles strategy be successful without a industrial base and consequent urbanization ?

These questions have not been satisfactorily pursued by Nepali planners.

Nepal's regional development strategy may appear as an adaptation of the "growth pole thesis" in the specifics of Nepal's situation, but growth centers in Nepal's strategy have not been conceived, as centers of key industry; have not been identified on the basis of population distribution, resource availability, existing infrastructure, existing production structure and the existing framework of spatial organization. What remains of the "growth pole" idea in Nepal's strategy is a bare skeleton of the growth pole (as an economic) concept. Nepal's strategy appears little more than a framework for infrastructural (basically roads) development than anything else.

## 5. Regional Approach to Planning in Nepal--A Critique

Draft papers on regional development planning in Nepal published in the early 70's give the prententious impresssion that what was being attempted in Nepal was really an exercise in "integrated areas or regional approach to socio-economic development".<sup>17</sup> The Fourth Plan, aside from an Appendix devoted to regional development planning, does not appear to have paid any attention for preparing a basis for the formulaion and clarification of comprehensive regional programmes for the four development regions that were identified. The fifth Five Year Plan opens and closes with chapters on regional development but no where an explicit and specific regional policy regarding the distribution of populaion and settlements, urbanizatian, agricultural and industrial development, the co-ordinated development of infrastructure and services

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17 F. E. Okada " Preliminary report on Regional Development Areas in Nepal", Kathmandu, NPC. 1970, p1.

on a regional basis is ever mentioned. The regional approach to planning in Nepal, for the first time, concerned itself with the "where" of economic growth but the locational criteria have neither spelled, nor it appears, studied with any seriousness. Analysis of the regional economy, which should have provided the basis for subsequent clarification and formulation of region-specific programmes is paid scant attention.<sup>18</sup> In the lack of a proper inventory of regional resources project formulation process appears essentially the same as before.

A study of the sectoral plans constituting the Fifth Five Year Plan suggests that the regional development objective of maintaining vertical and horizontal integration and complementarity among projects still remains an intellectual exercise ! Indeed, the "where" of economic growth raises further questions : "how" and "by what means" ? The answer to these questions have yet to emerge.

Regional approach to planning in Nepal should have been synonymous to rural planning. The regional approach should have provided the territorial frame for integrated programmes for rural development, and rural resource mobilization. The four development regions identified in the regional development programme are rather broad territorial units. For purposes of co-ordinated rural development sub-regions based on ecological criteria could be devised within each development region. The resource inventory and analysis of these sub-regions, could provide the basis for rural development on the one hand, and intra-regional development on the other. Such sub-regions need not be administrative entities to add to the bureaucratic chain, but only manageable territorial units to further the process of charting meaningful fully coordinated programmes for rural development. It is quite conceivable that a grouping of existing administrative districts could serve the purpose better.

The regional approach to planning in Nepal seems to have never attained the status of a "national commitment". The administrative as well as political and bureaucratic commitment, which is vital for such efforts, appears sadly lacking. To date, however, the adoption of regional approach in Nepal seems to have basically yielded three results :

a) The regional division of the country and the establishment of regional centers has aided the process of administrative deconcentration. The move of regional development offices and judiciary branches in regional centers may have had some salutary effects from the point of

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<sup>18</sup> Peripheral attempts to this end have ofcourse been under the auspices of CEDA. CEDA's regional studies for the Far Western and Koshi Sectors are examples.

view of administrative deconcentration. Deconcentration, however, does not imply the same thing as decentralization. Decentralization in the territorial organization of power has still to be achieved in Nepal.

b) The regional approach in the plans has added the concept of regionalizations of public investment. Development programmes, budget and its allocation appear to have been made on a regional basis. Or rather the national development programmes and allocation of resources in the plans are presented regionwise. To this extent the regional economic implications of the plans, at least, have been more visible.

c) The growth centers themselves have attracted an enormous administrative and political attention in recent years. The frequent visits of H. M. the King seems to have, on the surface, aided this process. This attention, together with physical planning efforts in these centers, has somewhat increased the service potential of these areas. This will be further enhanced as road links to Dhankuta and Surkhet become functional. But the kind of economic dynamism envisaged in the "growth center" strategy is very, very far from emerging.

These "achievements" of the regional approach to planning in Nepal indicate the fact that the basic focus of the whole approach was not in meaningfully pursuing the explicit objectives stated in the Fourth Five Year Plan, but only in pursuing the implicit (and perhaps "pragmatic" ) objectives that were inferred earlier.

#### **6. Regional Approach and the Sixth Plan:**

One of the main objectives of the Fifth Plan was to bring about "regional integration and balance" in the national economy. This objective has been replaced by the policy of "regional basis" in the selection of projects in public, private and panchayat sectors in the basic principles of the sixth plan. Investment, the sixth plan principles indicate, will be regionalised on the basis of regional distribution of population, generation of employment, and income potential. The basic principles of the sixth plan do not reflect the euphoria of the regional approach reminiscent of the past.

The sixth plan focuses basic attention on the creation of employment, eradication of absolute poverty and the fulfillment of basic needs. It envisages two types of programmes. The first are those based on public participation, and therefore based on local potential, local needs and yielding immediate "tangible" results. The second are those funded by the centre including

projects of regional or national importance. The plan, among other things, aims to make the two kinds of programmes complimentary to one another.

The "grand" strategy of growth axes, corridors, growth centers, and growth points is nowhere to be perceived in the basic principles of the sixth plan. The comprehensiveness expected of planning on a regional basis, and the explicit identification of region-specific policies and programmes find no trace in the basic principles.

What could have been the role of regional approach to planning in the sixth plan? This is an interesting question for two reasons:

(a) The sixth plan for the first time, specifically mentions the objective of the fulfillment of basic needs of the population at large, and eradication of absolute poverty.

(b) The sixth plan, again for the first time, envisages rural planning as the basis for Nepal's development. The "integrated rural development programme specified" in the sixth plan makes this idea quite explicit.

The fact that regional approach to planning in Nepal should not but be synonymous to rural development and planning has been indicated above. The regional approach can provide a basis for continuous and self-sustaining rural development process. Also, regional analysis could provide a firm base for the formulation of region-specific policies regarding population distribution and factors influencing ecological stability. The two basic problems that face Nepal today—that of population growth, migration and its implications, and that of the gradual dislocation of the hill eco-system—can be meaningfully addressed only on the basis of a spatial, regional approach to planning. The problem of Nepal's economic growth is in a very fundamental way linked to the problems noted above.

After years of benign neglect the objective of fulfillment of basic needs and eradication of absolute poverty has appeared in the forefront of Nepal's planning endeavour. Fulfillment of basic needs and eradication of absolute poverty have socio-economic, institutional, and spatial implications. The fulfillment of these worth while objective is again contingent not only on "benefit oriented" project planning, but also on the manner we approach the basic problems of population and ecological dislocation on a consistent, sustained and long-term basis. The regional approach could provide this basis.