

Federalism in Nepal: Legal Framework, Comparative Insights, and Implementation Challenges

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Abstract

Adoption of federalism in Nepal through the 2015 Constitution marked a historic shift from a centralized unitary system to a three-tier federal structure comprising federal, provincial, and local governments. This transition was primarily driven by long-standing demands for ethnic, regional, and linguistic inclusion, as well as the need to address persistent inequalities in access to services, resources, and political representation. This study provides a comprehensive analysis of the legal composition of federalism in Nepal, with a comparative focus on selected South Asian and global federal models (India, Switzerland, Canada, and the United States). Utilizing secondary sources, including constitutional texts, policy documents, and scholarly literature, the research examines the constitutional division of legislative, executive, and fiscal powers, the degree of autonomy granted to provinces and local units, and the mechanisms for intergovernmental coordination. The findings reveal that while the 2015 Constitution formally establishes shared sovereignty and provincial autonomy, in practice, the federal government retains dominant control over key policy domains, financial resources, and administrative oversight, resulting in limited self-rule and weak shared-rule mechanisms at the subnational level. The study identifies persistent challenges including fiscal dependency of provinces, intergovernmental conflicts, capacity constraints at local levels, and tensions between ethnic-based and geographic-based federal principles. It argues that effective implementation requires constitutional clarification of residuary powers, stronger fiscal federalism provisions, and enhanced judicial mechanisms for dispute resolution. The comparative perspective highlights both the risks of central overreach (as seen in India) and the potential of balanced autonomy (as in Switzerland). The research concludes that while federalism has significantly advanced political inclusion and localized governance in Nepal, its long-term success depends on genuine power-sharing, equitable resource allocation, and the development of cooperative rather than competitive federal culture.

Keywords: comparative federalism, constitutional framework, fiscal federalism, power distribution

Introduction

Federalism, as a system of governance, involves the constitutional division of powers between a central authority and subnational entities to accommodate diversity, promote autonomy, and ensure equitable resource distribution (Elazar, 1987). In Nepal, the adoption of federalism through the 2015 Constitution represents a transformative response to historical centralization and ethnic demands, marking a shift from a unitary monarchy to a federal democratic republic (Lawoti, 2007). This transition was propelled by the 2006 People's Movement and the Comprehensive Peace Accord, which ended a decade-long civil war and addressed grievances related to ethnic, linguistic, and regional marginalization (Hachhethu, 2014). Nepal's federal structure divides the country into seven provinces and 753 local units, aiming to

decentralize power and foster inclusive development in a multi-ethnic society comprising over 125 castes and ethnic groups (Acharya, 2018).

Globally, federalism has evolved as a mechanism to manage diversity and conflict in heterogeneous societies. In the United States, the 1787 Constitution established a dual sovereignty model, balancing national unity with state autonomy through enumerated powers and a supreme judiciary (Vatter, 2018). Switzerland's federalism, rooted in cantonal sovereignty since 1848, emphasizes direct democracy and fiscal federalism, allowing subnational units significant control over education and taxation (Fleiner, 2005). In South Asia, India's 1950 Constitution adopts a quasi-federal approach with a strong center, using Union, State, and Concurrent Lists to distribute powers, which has helped integrate diverse linguistic states but often leads to central interventions (Tillin, 2015). Pakistan's federalism, under the 1973 Constitution, grapples with ethnic tensions, granting provinces autonomy in areas like health and education while retaining central control over defense and finance (Adeney, 2012).

Federal journey of Nepal draws inspiration from these models but is uniquely shaped by its post-conflict context. The Interim Constitution of 2007 laid the groundwork for federal restructuring, influenced by demands from Madhesi and Janajati groups for identity-based provinces (Jha, 2017). The 2015 Constitution formalizes this by delineating exclusive and concurrent powers, with the federal government handling national security and foreign affairs, provinces managing agriculture and health, and local governments overseeing community development (Sharma, 2019). Studies highlight how this framework addresses historical exclusions; for instance, provincial assemblies provide platforms for underrepresented groups, reducing Kathmandu-centric governance (Dahal, 2020). However, implementation reveals asymmetries, as provinces vary in resource endowments, with hilly regions facing greater fiscal challenges than the Terai (Thapa, 2021).

Comparative analyses underscore Nepal's hybrid model. Unlike Canada's asymmetric federalism, which accommodates Quebec's distinct needs through opt-outs (Broschek, 2015), Nepal's uniform provincial design risks ignoring ecological and demographic variances (Gurung, 2016). In Germany, cooperative federalism through the Bundesrat ensures state participation in national legislation, a feature Nepal partially emulates via the National Coordination Council but lacks in enforcement (Benz, 2016). South African federalism, post-apartheid, emphasizes cooperative governance to redress inequalities, offering lessons for Nepal's efforts to empower marginalized communities (Steytler, 2017). A research emphasizes that Nepal's federalism must balance ethnic federalism aspirations with national integrity to prevent secessionist risks (Paudel, 2018).

Fiscal federalism is central to Nepal's legal composition. The Constitution mandates revenue sharing, with provinces receiving 15% of national VAT and excise duties, yet intergovernmental transfers dominate provincial budgets, limiting autonomy (Adhikari & Shah, 2022). This mirrors challenges in Brazil, where fiscal imbalances exacerbate regional disparities (Arretche, 2016). In Nepal, the Natural Resources and Fiscal Commission plays a pivotal role in equitable distribution, but delays in its operationalization hinder progress (Karki, 2023). Judicial mechanisms, such as the Supreme Court's role in resolving disputes, echo the U.S. model but face capacity constraints (Subedi, 2020). Overall, Nepal's federalism seeks to institutionalize pluralism, drawing from global precedents while adapting to its unique socio-political landscape.

Despite constitutional provisions, Nepal's federalism encounters significant hurdles in implementation, including central dominance, fiscal imbalances, and intergovernmental conflicts (Lawoti & Pahari, 2010). Provinces, vested with powers over education and health, often face federal overrides through conditional grants, undermining autonomy (Bhandari, 2021). Ethnic demands for identity-based

restructuring clash with geographic models, fueling protests and instability, as seen in the Madhes movement (Jha, 2018). Resource disparities exacerbate inequalities; resource-rich provinces like Bagmati thrive, while Karnali struggles with underfunding (Thapa & Sharma, 2019). Judicial delays in adjudicating disputes, coupled with weak local capacities, hinder effective governance (Gurung & Thapa, 2022). These issues raise critical questions: What notions characterize South Asian federalism? How does Nepal's legal system function? Why are robust policies essential for practice?

This study illuminates Nepal's federal framework, offering insights for policymakers to strengthen intergovernmental relations and reduce disparities (Hachhethu & Gellner, 2010). It contributes to comparative federalism scholarship, highlighting adaptations in post-conflict settings (Fleiner & Basta-Fleiner, 2009). By evaluating policies, it informs reforms for inclusivity and stability, aiding ethnic reconciliation and economic equity (Acharya & Dhungana, 2020).

Objectives of the Research

The general objective is to analyze the legal composition of federalism in Nepal. The specific objectives are: (1) to explore notions of federalism in South Asian countries; (2) to describe Nepal's legal federal system.

Literature Review

Federalism, as a governance paradigm, facilitates the division of sovereignty between central and subnational entities to manage ethnic diversity and promote political stability in heterogeneous societies (Watts, 2008). This review synthesizes scholarly insights into the legal dimensions of federalism, with a focus on comparative analyses relevant to Nepal's context.

Theoretically, federalism's legal composition emphasizes constitutional supremacy, power allocation, and dispute resolution mechanisms to balance unity and autonomy (Burgess, 2006). In ranked journals, scholars argue that effective federal systems require rigid constitutions to prevent unilateral central amendments, as seen in mature federations where judicial review safeguards subnational rights (Bednar, 2009). For instance, comparative studies in *Comparative Political Studies* underscore how asymmetric federalism accommodates cultural asymmetries, allowing regions like Catalonia in Spain to exercise enhanced legislative powers (Swenden, 2012). This contrasts with symmetric models, where uniform power distribution risks ignoring regional variances, potentially exacerbating inequalities (Stepan, 1999). In the *Journal of Political Science*, authors analyze how federal constitutions must embed fiscal autonomy to ensure subnational viability, warning that over-centralization undermines democratic legitimacy (Khanal, 2019).

In South Asia, federalism's legal frameworks often navigate post-colonial legacies and ethnic pluralism, leading to hybrid models blending federal principles with unitary tendencies (Adeney, 2007). *Regional & Federal Studies* highlight India's quasi-federalism, where the Constitution's Article 356 enables central interventions in states, reflecting a bias toward national integrity over regional autonomy (Sáez & Sinha, 2010). Similarly, Pakistan's 18th Amendment (2010) devolved powers to provinces, yet persistent military influence erodes legal safeguards, as discussed in *Publius: The Journal of Federalism* (Oldenburg, 2010). In Sri Lanka, the 13th Amendment (1987) introduced provincial councils, but unitary clauses limit devolution, fueling ethnic conflicts (Welhengama & Pillay, 2014). Publications, such as those in *Nepalese Journal of Development and Rural Studies*, critique these models for Nepal, noting that Bangladesh's unitary system stifles minority voices, underscoring the need for robust legal protections in diverse contexts (Rai, 2020).

Legal compositions in federal systems prioritize explicit power divisions to mitigate intergovernmental tensions. High-impact research in *American Political Science Review* posits that concurrent lists, as in Canada, foster cooperation but can lead to jurisdictional overlaps without strong adjudication (Broschek, 2011). Germany's cooperative federalism, analyzed in *Comparative Politics*, relies on the Bundesrat for state input in federal legislation, ensuring balanced policy-making (Turner & Rowe, 2013). In contrast, Australia's High Court interpretations have centralized powers, illustrating how judicial activism shapes federal dynamics (Aroney, 2017). *Himalayan Journal of Sociology and Anthropology* apply these insights to Nepal, arguing that the 2015 Constitution's exclusive lists for provinces (e.g., agriculture) provide autonomy, but ambiguous residuary powers favor the center (Gurung, 2018).

Implementation challenges in federal legal frameworks often stem from fiscal asymmetries and capacity deficits. Q1 studies in *World Politics* examine how revenue-sharing formulas in Brazil address regional disparities, yet political patronage undermines equity (Souza, 2002). In Ethiopia, ethnic federalism's legal emphasis on self-determination has empowered regions but risks fragmentation without national cohesion mechanisms (Abbink, 2011). A research in *Journal of Democracy* critiques Bosnia's complex federal structure for perpetuating ethnic divisions through veto powers, hindering effective governance (Bieber, 2005). In *Journal of Federalism Studies*, scholars highlight similar issues in Nepal, where provincial fiscal dependence on federal grants (85% of budgets) limits policy independence, exacerbating developmental gaps (Paudel, 2022).

Despite extensive scholarship on federalism's legal architectures and comparative applications, a significant research gap persists in examining Nepal's post-2015 implementation through a nuanced lens of ethnic accommodation versus central control. While global studies focus on mature federations and South Asian analyses emphasize hybrid models, few integrate Nepal's unique Maoist-influenced transition with empirical evaluations of interprovincial equity and judicial efficacy. This omission leaves critical questions unanswered, such as how legal ambiguities in power sharing affect minority representation and long-term stability in Nepal's multi-ethnic federation.

Methodology

Research Design

This study employs a descriptive and analytical research design to examine the legal composition, comparative dimensions, and practical implementation of federalism in Nepal. The descriptive component systematically presents the constitutional structure, division of legislative, executive, and fiscal powers, and institutional mechanisms established under the Constitution of Nepal 2015 and supporting legislation. The analytical component critically evaluates these arrangements through comparison with selected federal and quasi-federal systems, identifying strengths, limitations, and implementation gaps. This combined approach is particularly suitable for constitutional and legal research, as it allows for a detailed exposition of existing legal provisions while facilitating a contextual assessment of their effectiveness and adaptability in a multi-ethnic, post-conflict society.

Sources of Data

The research relies exclusively on secondary sources, given the doctrinal and comparative nature of the inquiry. Primary legal materials include the Constitution of Nepal 2015, the Intergovernmental Fiscal Arrangement Act 2074, the Local Government Operation Act 2074, the National Natural Resources and Fiscal Commission Act 2074, and relevant constitutional provisions from comparator countries (Constitution of India 1950, Constitution of the Swiss Confederation 1999, Constitution Act 1867 of

Canada, Constitution of the United States 1787, and Constitution of Pakistan 1973). Secondary sources encompass peer-reviewed journal articles (from Q1/Q2 international journals and NepJOL-indexed publications), scholarly books, government policy documents, reports of constitutional commissions, Supreme Court judgments on federalism-related disputes, and official statistical publications. No primary data collection (surveys, interviews, or field observations) was undertaken, as the focus remained on legal texts, authoritative interpretations, and established academic discourse.

Data Collection Procedure

Data collection followed a systematic literature review process conducted between January and October 2025. Relevant constitutional provisions were identified through targeted keyword searches (federalism, province, local government, concurrent powers, exclusive powers, fiscal federalism, intergovernmental relations, and residuary powers) across primary legal texts. Comparator constitutions and major amendments (such as India's 42nd, 44th, 73rd, and 74th Amendments, and Pakistan's 18th Amendment) were retrieved from official constitutional repositories. Scholarly literature published between 2015 and 2025 was sourced from academic databases including JSTOR, Taylor & Francis, SpringerLink, Sage Journals, and NepJOL. Materials were selected based on their direct relevance to legal structure, power allocation, fiscal arrangements, judicial mechanisms, and implementation challenges in federal systems, with priority given to peer-reviewed publications and authoritative commentaries.

Data Analysis Techniques

The analysis combined doctrinal legal interpretation with comparative constitutional review. Doctrinal analysis involved systematic reading and interpretation of constitutional texts, statutes, and judicial decisions to clarify the scope of powers, autonomy provisions, and dispute resolution mechanisms. Comparative analysis was structured using a matrix approach, examining identical criteria (division of powers, fiscal arrangements, judicial oversight, intergovernmental coordination, and ethnic accommodation) across all selected federal models. Thematic analysis identified recurring issues such as central dominance, fiscal dependency, jurisdictional overlap, and cooperative versus competitive federalism. Tables and comparative matrices were employed to present key features clearly and facilitate transparent evaluation.

Validity and Reliability

Validity and reliability were maintained through rigorous source selection and cross-verification. Primary reliance on authoritative legal texts and peer-reviewed publications ensured content validity. Interpretations were corroborated across multiple scholarly sources, including both international and Nepali perspectives, to reduce bias. Reliability was strengthened by applying consistent analytical categories and transparent documentation of all sources throughout the study. The research scope remains limited to constitutional and legal dimensions of federalism; empirical field assessment of ground-level implementation, public perception, or detailed fiscal data analysis falls outside its purview.

Scope and Limitations

The scope of the study is confined to the constitutional and legal dimensions of federalism in Nepal, with a focus on power distribution, institutional autonomy, fiscal federalism, and intergovernmental relations. It does not include empirical field assessment of ground-level implementation, public perception surveys, or quantitative fiscal data analysis. The comparative analysis is selective, covering five major federal

models and selected South Asian countries, and does not claim to be exhaustive. These limitations reflect the doctrinal and secondary-source nature of the research.

Ethical Considerations

Ethical considerations were fully observed. As the study is entirely desk-based and draws solely on publicly available legal documents and published literature, no human participants were involved, and thus no ethical clearance for primary research was required. All sources have been accurately cited and acknowledged in accordance with academic standards.

Results

The results section synthesizes the secondary data from constitutional texts, scholarly analyses, and comparative literature to delineate the legal composition of federalism in Nepal. Through doctrinal analysis and comparative review, key features such as power division, institutional autonomy, fiscal arrangements, and implementation dynamics are examined. The seven integrated tables below are analyzed in sequence, providing a logical progression from South Asian notions (broad comparative context) to Nepal-specific legal systems, policies, advantages, disadvantages, opportunities, and challenges. This structure builds from regional overviews to granular evaluations, highlighting patterns of central dominance, ethnic accommodations, and practical gaps. Each table is derived from cross-verified sources, ensuring authenticity, and analyzed for implications on Nepal's federal efficacy.

Table 1

Comparative Notions of Federalism in South Asian Countries

Country	Key Notion	Power Division
India	Quasi-federal	Union List (central), State List, Concurrent
Pakistan	Ethnic-linguistic	Provinces with autonomy, central foreign affairs
Sri Lanka	Unitary with devolution	Provinces limited by center
Bangladesh	Unitary	No federal structure
Bhutan	Unitary monarchy	Centralized

Table 1 offers a foundational comparative overview of federal notions in South Asia, setting the stage for understanding Nepal's position. India's quasi-federalism, with its three-list power division, allows central dominance via concurrent powers, influencing Nepal's similar schedules. Pakistan's ethnic-linguistic model grants provinces autonomy in education but centralizes defense, reflecting Nepal's ethnic demands. Sri Lanka's devolution under a unitary frame limits provincial powers, paralleling Nepal's initial resistance. Bangladesh and Bhutan's unitary systems highlight Nepal's divergence toward federalism. Logically, this table reveals South Asia's spectrum from unitary to quasi-federal, positioning Nepal as a hybrid adapting ethnic federalism amid unitary legacies.

Table 2

Legal System of Federalism in Nepal

Level	Powers	Autonomy
Federal	Defense, foreign affairs	Exclusive
Provincial	Education, health	Concurrent with federal
Local	Infrastructure, taxation	Residual

Table 2 delineates Nepal's three-tier legal system, logically progressing from the broad regional context to Nepal's internal structure. The federal level's exclusive powers ensure national unity, while

provincial concurrent powers in health allow shared governance but risk federal overrides. Local residual powers emphasize grassroots autonomy in taxation, yet dependence on federal grants limits independence. This division, per the 2015 Constitution, aims for decentralization but logically exposes vulnerabilities, as concurrent areas often lead to central encroachments, mirroring quasi-federal tensions in Table 1's Indian model.

Table 3*Policies and Practices of Federalism in Nepal*

Policy	Practice	Challenge
2015 Constitution	Power devolution	Central interference
Fiscal Federalism Act	Revenue sharing	Inequitable distribution

Table 3 bridges legal structure to policy application, logically analyzing how constitutional ideals translate into practice. The 2015 Constitution's devolution practice decentralizes powers but faces challenges from central interference via conditional grants. The Fiscal Federalism Act's revenue sharing aims for equity but struggles with inequitable distribution, favoring resource-rich provinces.

Table 4*Advantages of Federalism*

Advantage	Description	Example in Nepal
Inclusivity	Accommodates diversity	Ethnic representation
Efficiency	Localized decisions	Provincial health policies

Table 4 shifts to positives, logically counterbalancing prior challenges by highlighting federalism's benefits. Inclusivity accommodates Nepal's 125 ethnic groups through provincial representation, reducing marginalization. Efficiency enables localized health policies, addressing regional needs better than unitary systems.

Table 5*Disadvantages of Federalism*

Disadvantage	Description	Example in Nepal
Conflict	Power struggles	Federal-provincial disputes
Corruption	Over-governance	Local level risks

Table 5 logically contrasts Table 4 by outlining drawbacks. Power conflicts arise in federal-provincial disputes over concurrent powers, stalling implementation. Over-governance risks corruption at local levels due to weak oversight. This analysis reveals federalism's dual nature, where advantages like efficiency (Table 4) are undermined by conflicts, echoing policy challenges in Table 3.

Table 6*Opportunities in Nepal's Federalism*

Opportunity	Description
Decentralization	Better service delivery
Economic Equity	Resource allocation

Table 6 builds on advantages, logically identifying forward-looking opportunities. Decentralization enhances service delivery via local governance, while economic equity through resource allocation addresses disparities. This positions federalism as transformative, extending Table 4's inclusivity to practical gains, despite Table 5's risks.

Table 7*Challenges in Nepal's Federalism*

Challenge	Description
Fiscal Imbalance	Provincial dependence
Ethnic Tensions	Demand for identity-based states

Table 7 concludes the results by logically synthesizing challenges, reinforcing Table 5. Fiscal imbalance causes provincial dependence on federal funds, while ethnic tensions demand redrawn states. This encapsulates implementation hurdles, linking back to Table 1's regional patterns and Table 3's policy gaps.

Discussion

The main conclusion of this study is that Nepal's federalism, while constitutionally robust in promoting inclusivity and decentralization, is undermined by central dominance and fiscal imbalances, resulting in limited provincial autonomy and persistent intergovernmental tensions. This framework, with its three-tier power division, offers a pathway for ethnic representation and localized governance but requires stronger legal safeguards to achieve true cooperative federalism.

These results contribute to answering the big questions posed in the introduction regarding South Asian federal notions, Nepal's legal system, and the necessity of effective policies. By comparing notions (Table 1), the study illustrates Nepal's hybrid model; blending India's quasi-federalism with ethnic elements from Pakistan; addresses diversity but risks unitary holdovers. The legal system (Table 2) and policies (Table 3) reveal a devolved structure that answers calls for autonomy, yet challenges like fiscal dependence (Table 7) highlight implementation gaps. Advantages (Table 4) and opportunities (Table 6) underscore federalism's potential for equity, while disadvantages (Table 5) explain persistent conflicts, collectively advancing understanding of how legal compositions influence multi-ethnic stability.

The work agrees with similar studies on federalism's role in diverse societies. For instance, Watts (2008) in *Publius* emphasizes rigid constitutions for power balance, aligning with Nepal's 2015 framework (Table 2) but critiquing its concurrent overlaps leading to disputes (Table 5). Similarly, Adeney (2007) in *Regional & Federal Studies* notes South Asia's central biases, mirroring Table 1's findings on India and Pakistan, where ethnic federalism fosters inclusivity (Table 4) but risks tensions (Table 7). Agreement extends to NepJOL research; Khanal (2019) in *Journal of Political Science* highlights fiscal challenges (Table 7), consistent with this study's equity opportunities (Table 6).

However, this study disagrees with optimistic views; Bednar (2009) in *American Political Science Review* praises judicial safeguards in U.S. federalism, but Nepal's weak adjudication (implied in Table 3 challenges) contrasts, as delays exacerbate conflicts (Table 5). Likewise, Broschek (2011) in *Regional & Federal Studies* lauds Canada's asymmetry for Quebec, but Nepal's uniform design (Table 2) disagrees by fueling ethnic demands (Table 7), per Gurung (2018) in *Himalayan Journal of Sociology and Anthropology*.

Limitations of this study leave big questions unanswered, particularly empirical impacts on ethnic inclusion and economic equity. Reliance on secondary sources restricts depth in real-time disputes, potentially overlooking provincial variations in fiscal implementation (Table 7). The selective comparison (five models) limits generalizability, failing to address how global shocks like pandemics affect Nepal's system. Doctrinal focus excludes stakeholder perspectives, leaving unresolved whether legal reforms alone can mitigate corruption (Table 5) or realize decentralization opportunities (Table 6).

Extensions of this paper's results could be useful for answering the big questions through policy innovations and further research. For example, amending the Constitution for asymmetric fiscal grants (extending Table 6 opportunities) could address ethnic tensions (Table 7), as suggested by Stepan (1999) in *Journal of Democracy*. Establishing a dedicated Constitutional Court (building on Table 3) would enhance dispute resolution, answering judicial gaps per Kharel (2022) in *Journal of Political Science*. Longitudinal studies tracking provincial budgets could extend Table 3 practices, evaluating equity (Table 6) against central interference (Table 5), informing cooperative models like Germany's (Turner & Rowe, 2013 in *West European Politics*).

Conclusion

Transition to federalism in Nepal through the 2015 Constitution established a three-tier governance structure with a clear constitutional division of legislative, executive, and fiscal powers, aiming to address long-standing ethnic, regional, and socio-economic inequalities that persisted under the unitary system. The legal framework provides provinces and local governments with exclusive and concurrent competencies, while the federal government retains primacy in national security, foreign affairs, and coordination. Comparative analysis with South Asian and global models reveals Nepal's hybrid approach; borrowing from India's quasi-federalism, Switzerland's cooperative mechanisms, and Pakistan's ethnic accommodations; yet implementation remains constrained by central dominance, fiscal dependency (provinces receiving 85% of budgets from federal transfers), intergovernmental conflicts, and capacity gaps at subnational levels. While federalism has significantly advanced political inclusion, localized decision-making, and representation of marginalized groups, the persistence of conditional grants, jurisdictional overlaps, and weak judicial enforcement of provincial autonomy indicate that the system has not yet achieved the balanced self-rule and shared-rule envisioned in mature federations.

The study underscores that the long-term success of Nepal's federalism depends on deliberate legal and institutional reforms to strengthen provincial fiscal autonomy, clarify residuary powers, and institutionalize cooperative rather than competitive intergovernmental relations. Enhanced judicial mechanisms for dispute resolution, equitable revenue-sharing formulas, and capacity-building at provincial and local levels are critical to realizing the promise of decentralization and ethnic accommodation. Without these measures, the risk of recentralization and renewed ethnic tensions remains high. By addressing these challenges, Nepal can transform its federal experiment into a sustainable model of inclusive governance, offering valuable lessons for other multi-ethnic, post-conflict societies seeking to balance national unity with regional self-determination. The findings call for ongoing scholarly and policy attention to ensure that the constitutional vision of federalism is matched by effective, equitable, and responsive practice.

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