

State of Governance, Development and Diplomacy in Republic Nepal

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Abstract

A new constitution was promulgated in 2015. There are several major problems in the execution of the constitution in achieving the aspired goals. It excludes the participation of large sections of society. All three branches of government, the executive, legislative and judiciary, lack coordination, autonomy, and effectiveness in carrying out their respective duties. They are marred by corruption, nepotism, and non-adherence to the rules, norms and values that govern them. The economy is in shambles with all the key economic indicators showing negative trends. The economy, development works and delivery of basic needs/services are in dire need of major improvement. Over the years, development strategy and priority have prevented the economy from being self-reliant and sustainable. Nepal's foreign policy execution in recent years has become more and more unbalanced and ineffective threatening its autonomy, independence, sovereignty and non-aligned policy. The need of the day is a system that promotes unity and inclusiveness of all sections of society.

Keywords: Governance, development, economy, foreign policy, corruption

Brief Review of Political Change and New Constitution

Nepal's new constitution after the political change was promulgated in 2015. The guiding principle clearly emphasizes an all-inclusive social democracy amendable for reforms from time to time. Based on the experience so far, there seem to be several major problems in the execution and achieving the aspired goals. Some of the major issues of contention include federalism (three tiers of government), the provision of proportionate representation, secularism and the abolition of constitutional monarchy. In addition, conflicting clauses, implementation with disregard to its meaning and spirit and unconstitutional decisions of the governments in power have raised serious questions about the appropriates of the system and its implementation (Shrestha, 2017).

The provincial governments have proven to be ineffective, unaffordable and useless to decentralized service delivery. They have become white elephant outfits and very expensive to Nepal's economy and social resources except for creating unproductive centers for employment of political cadres and relatives of leaders. It

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is better to strengthen the capacity of local governments to improve the delivery of basic services to people instead of retaining the provincial structure given the weak economy.

Likewise, the 60:40 provision for proportionate representation in the name of inclusion will not yield a majority of any single party and is being misused to fulfill the quota for selecting the ones close to leaders rather than qualified persons from disadvantaged/under-represented who cannot run expensive elections. The Upper House is intended for the representation of professionals and disadvantaged with inter-/national reputes. Hence the criteria for selection should be revised. The implementation of secularism has started creating religious and ethnic disturbances in a peaceful and harmonious co-existing society given the fact that Nepal has always been a country tolerant to all religions.

All three branches of government - the Executive, Legislative and Judiciary lack coordination, autonomy and effectiveness in carrying out their respective duties due to interference from the Executive branch resulting in excessive institutionalized corruption as well as misuse of power and authority. Hence checks and balances, accountability and transparency in a functioning democracy are grossly missing. Excessive levels of corruption (financial, resources, misuse of authority/power, lack of rule of law) all have posed serious threats to good governance, sustainable development and service delivery (Shrestha, 2021).

Governance

Bureaucracy is the permanent form of government to execute policies and programs benefitting people. However, over the years, it has gradually become less effective marred by institutionalized corruption (Nepal is among the most corrupt), inefficient/oversized, unaccountable and non-transparent (The Kathmandu Post, 2023). Instead of facilitating development and basic services efficiently to the people on time, it has become more controlling and bureaucratic.

Too many layers of government (federal, provincial and local) have raised serious issues of affordability, relevance, misuse of resources and corruption. There is no justification (political, economic, or administrative) for the provincial governments in the disguise of decentralization of power. Instead, local capacity needs to be built to deliver services to people more effectively and on time (NOUS, 2019).

Democratic Institutions

All three founding pillars of democracy, the executive, legislative and judiciary are not functioning as mandated and expected. They are marred by corruption, nepotism, and non-adherence to the rules, norms and values that govern them. Neither can they perform a check and balance mechanism nor can they coordinate to safeguard the constitution.

The same is true with political institutions (parties) due to vested individual/party

interest above national interest, incompetency, and lack of democratic values/norms/practice. Inter and intra-party conflict for power gains has raised serious questions about their relevance. Independent individual candidates (capable, trustworthy) winning the local elections in a few places despite odds against (money, muscle and power of the big parties) is a good example of people's dissatisfaction with the establishment. More capable and committed youths need to reach leadership positions via the coming national elections.

Political Leaders and Their Moral Values

Many leaders display low levels of moral standards, often incompetent/unqualified, corrupt, dishonest and unaccountable to people. They promise everything to woo the voters and deliver very little or nothing and make all kinds of excuses. People are beginning not to trust and rely on them (Mitchell, 2019). More and more are looking for better alternatives.

Corruption Control

Earlier efforts by the present government to curb high-level institutionalized corruption relating to Bhutanese refugees, illegal smuggling of gold into the country and the Lalita Niwas land scam were all very encouraging. Over the years, leaders and their allies and relatives have squandered billions in corruption. People at large supported and hoped corruption at all levels would be brought to book under the law and penalized accordingly (Cebollero, 2022). However, with the involvement of senior politicians, legal actions against them seem to have fizzled.

Economy

The economy is in shambles with all the key economic indicators showing negative trends leading to lowest economic growth, deficit financing, rising trade deficit, rising inflation (double digit), wrong policy and programs (distributive and consumptive), uncontrolled external dependency, unproductive investment, and oversized budget (only less than 40 percent development budget spent that also recklessly towards the end of the fiscal year) (Giles, 2023). Budget making has been tampered with by vested interest groups questioning the legality and validity of the budget resulting in the forced resignation of the then finance minister.

Over the years, development strategy and priority have prevented the economy from being self-reliant and sustainable. Past strategies of import substitution and export promotion based on Nepal's comparative and competitive advantages have been replaced by layers of middlemen exploiting both the producers and consumers. This needs to be reversed as soon as possible.

Although there have been some improvements in some indicators of the economy in terms of increased remittance in recent days, inflation, unemployment, deficit financing and alarming foreign debt have reduced the purchasing power of basic needs of the general public (Dhakal, 2023). Most affected are the small and medium

enterprises (SMEs) facing high interest, low demand and high cost of production and lack of coordination between fiscal and monetary policies. SMEs are the backbone of the Nepali economy. Nepal's economy cannot be considered improving especially when the constitutional guideline suggests Nepal to be a social democracy aiming for prosperity and happiness for all (Shrestha, 2020). These issues have been raised by various experts over the last few years but no governments have seriously addressed this and we are now witnessing the devastating effect on the socio-economic situation of the masses.

The spirit and guidelines of the constitution have not been followed, although it has some fundamental defects e.g. unjustified provincial governments and a proportional election system have made administrative costs unaffordable. In addition, the monopolistic/oligopolistic behavior of big business/ banking, their influence on political leadership and lack of effective monitoring are mainly responsible for the deteriorating state of the economy. This has contributed to Nepal being the most corrupt and declared the poorest in Asia (Neupane, 2023).

The prices of basic commodities have skyrocketed. Market monitoring and price/ quality checking regulations by the government are ineffective. Likewise, devastating damages to life and property due to the earthquake in Karnali Province and other natural disasters have made the situation worse. Although Prime Minister Pushpa Kamal Dahal's timely initiative and leadership were commendable in mobilizing resources from home and abroad, delays in rescue, relief and rehabilitation of the most affected have caused major concern. This shows Nepal's readiness for disaster preparedness and management is still very inadequate to minimize further damage.

Social sectors such as health and education services are suffering from quality, inadequateness, affordability and lack of employment opportunity resulting in massive outmigration of youths have caused a big loss to the country's economy (Das, 2023). If uncontrolled in time by creating domestic opportunity, the country may lose skilled/productive manpower affecting development and scarce resources.

The economy, development and delivery of basic needs/services are in dire need of major improvement. Most challenging is improved employment, domestic production, access to affordable credit (especially for SMEs), cost-pushed inflation, supply of basic needs and affordability. Likewise, institutionalized corruption, bad governance, social equality/ equity and increasing foreign interference in domestic issues have raised serious questions about the status of sovereign, independent, and self-reliant Nepal. Therefore, the country needs tangible, results-oriented, and doable programs to address these issues.

Foreign Policy and International Relations

Inconsistent foreign policy, incompetent and inefficient foreign policy execution

mechanisms (MoFA, advisors and missions abroad) and increasing foreign interference have turned Nepal into a playground. Lack of 'Nepal First' approach, diplomatic acumen to negotiate for Nepal's benefit and low levels of confidence among leaders and Nepali diplomats have eroded Nepal's international credibility threatening its geo-political and strategic importance in the changing global order (Shrestha, 2022).

Nepal's foreign policy execution in recent years has become more and more unbalanced, and ineffective threatening its autonomy, independence, sovereignty and non-aligned policy. It is advisable now to declare Nepal as a 'Zone of Peace' (which was supported by 116 countries during King Birendra's call) to avoid it being potentially a battleground for great powers (Nepal Page, 2020). Lessons need to be learned from the situation of Sikkim, Afghanistan and Ukraine.

In the wake of Nepal's failing standing in international relations, recent high-level visits by the prime minister to India, the United Nations and China have uplifted Nepal's image to some degree (Asia Society, 2023). His delivery at the UN and bilateral meetings with counterparts in India and China were noteworthy to uplift Nepal's image. Although the achievements are more intangible, the responses from counterparts are positive and respectful. In that sense, the visits were quite successful and timely. The UN Secretary General's four-day official visit to Nepal and his address to the joint session of the parliament with a focus on the Truth and Reconciliation Commission, climate change and socio-economic development of Nepal were assuring and is a testimonial to a successful multilateralism (Guterres, 2023).

The government needs to follow up with result-oriented concrete programs to benefit from such cooperation. Both the government and opposition should be unanimous and not backbiting each other regarding Nepal's development and international cooperation. If such uncertainty, under-development and corruption persist, there will be ample ground for external players to interfere and take advantage of Nepal's geopolitical vulnerabilities. Nepal needs to navigate its international relations with development partners in a more balanced and effective way to secure and preserve its national interests otherwise face the consequences of losing sovereignty and independence.

Conclusion

Nepal's political and socio-economic situation is facing serious problems. People's apathy, frustration and anger towards leaders and the system are turning into a revolt stage. The need of the day is a system that promotes national unity inclusive of all sections and beliefs of society. If leaders do not reform in time for a systemic change, public protest/revolt for regime change is inevitable. The political leadership needs to be aware and take necessary actions in time before it is too late as there is a limit to people's tolerance and complacency.

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