

Comparative Study of Federation Proposals for Nepal

Vijaya R. Sharma

University of Colorado at Denver

At the time Nepal is planning for an unprecedented task of forming constitution through a constituent assembly of people's representatives, restructuring of Nepal into a federation of autonomous or semi-autonomous states has been prominently proposed by some scholars, the Federation of Indigenous Nationalities, and some major political parties, like the Communist Party of Nepal (Maoists), the Communist Party of Nepal (UML), Jana Morcha, and Nepal Sadbhawana Party. To my knowledge there are at least 14 proposals already made, which can be classified into two groups. Proposals in one group consider the meeting of political aspirations and demands of ethnic and indigenous nationalities the main objective of federal restructure. Accordingly, those proposals demarcate states by subdividing Nepal based on ethnic/nationality concentration. The proposals in the next group demarcate states on geographical and/or topographical basis, on broad arguments of improving governance through local control of governments and/or on some economic arguments like demarcating states by major river basins to economically harness hydropower potential of the country. Which type of federation proposal is better? The onus of proving this lies not on the marginalized indigenous nationalities and Madhesis (INM), but on Khas Bahun and Chhetri (KBC) who have generally been privileged with the state accepting their language, religion, and culture as the national language and the main religion and culture. Nepal has already suffered 10 years of violent insurgency. Even signing a peace agreement with the Maoists without addressing the ethnic demands would not ensure peace. Any proposal for restructuring of Nepal shall have to be credible enough to satisfy the political aspirations of different ethnic groups to ensure a durable peace, and it shall have to build a structure to enhance economic efficiency in delivery of governmental services. In my view, cultural federalism is the best option available at this time. The biggest resistance against cultural federalism is the fear of communal disharmony and secession. Studies have shown that ethnic strives are likely to be higher in democracy than in authoritarianism, but no studies have conclusively linked federalism with higher levels of ethnic strife. On the contrary, cultural federalism can be the pacifier of ethnic strife in Nepal.

In this paper I compare different federation proposals that have been made and also present my proposal of a 15-province cultural federation, with 10 provinces in hills and 5 in tarai. See the attached table and the map. I suggest that non-ethnic and non-religious but symbolic names be given to provinces to convey a message that each province would be inclusive to all socio-cultural groups that reside in the province. I have demarcated provinces in which Limbu, Rai, KBC, Maithili, Bhojpuri, and Tharu individually become the largest population group in the respective provinces intended for them. Provinces could not be similarly demarcated for Gurungs, Magars, and Newars (neither has any other proponent of cultural federalism been able to do this). Therefore, I have suggested a province where the combined population of Gurungs and Magars is at least as large as the next competing group of KBC. Similarly, Newars make up 35% of population in the Kathmandu Valley province, which is barely less than 36% population share of KBC.

I have purposely suggested many smaller provinces than few large ones. A large province in a federation may use its physical and economic prowess to skew national resources in its favor, which may create destabilizing regional imbalance. Having smaller provinces also reduces chances of secession, because smaller provinces would be less viable as independent countries. The largest share of any province in the national population is 13%, the largest GDP share is 16%, and the largest revenue share is 9%.*

Unlike other federation proposals, I do not include Chitawan in a tarai province. Not even one percent of Chitawan population speaks any combination of tarai languages as a mother tongue – Awadhi, Bhojpuri, and/or Maithili. On the contrary, 40% of Chitawan's population is made up of KBC. Therefore, I combine Chitawan with Gorkha and Dhading to create a province for KBC.

Many provinces do not necessarily imply a higher cost of governance. Since provinces are small, there would be no need of district level governments; thus, there would be one national government and 15 provincial governments. For the sake of comparison consider a five-zonal-type territorial federation. In such a federation, there would be one national, five provincial and 75 district level governments. Besides, instead of the cost of governance, the *cost effectiveness of governance*

* Except that Hills-8 province has 45.6% revenue share primarily due to custom revenue at Kathmandu airport and Tarai-3 province has 25% revenue share due to revenue from Birgunj custom.

would be a more appropriate criterion to compare federation proposals. On that criterion, cultural federalism offers a greater promise of delivering a higher level of overall happiness to the people per rupee spent on governance, as it grants political and cultural autonomy to various cultural groups, including KBC, to determine the way they like to lead their life.

A few other suggestions also are made in the paper: a unicameral system and a system of mixed proportional representation in provincial legislative assembly, an independent cultural board – made up of representatives of all major cultural, religious, and linguistic groups – in each province, emergency powers to the central government to intervene in any province that faces threat of secession and/or grave communal disharmony, the constitutional guarantee of freedom of movement of people and goods across all provinces, a national water resources board constitutionally competent to facilitate harnessing of water resources and to facilitate negotiations and resolution of disputes related to sharing of river waters among provinces, direct election of provincial governors and the provision of forming cabinet from outside or within the assembly for ensuring stability of provincial governments, and a separate detailed study on fiscal federalism to precede actual formation of provinces.

Table: Proposed Provinces and Districts in the Provinces

Province	% population share	% GDP share	% revenue share	Largest population groups (%)	Districts
Hills-1	3	3	0.2	Limbu (30) KBC (26)	Taplejung, Panchthar, Ilam, Terhathum
Hills-2	4	3	0.2	Rai (31) KBC (27)	Sankhuwasabha, Solukhumbu, Khotang, Bhojpur, Dhankuta
Hills-3	4	4	0.3	KBC (39) Tamang (12)	Dolakha, Ramechhap, Okhaldhunga, Udayapur
Hills-4	7	8	3.2	Tamang (37) KBC (30)	Sindhupalchok, Rasuwa, Nuwakot, Kavrepalanchok, Sindhuli, Makawanpur
Hills-5	7	16	45.6	Khas (36) Newar (35)	Kathmandu, Lalitpur, Bhaktapur
Hills-6	4	5	2.7	KBC (37) Gurung (13)	Dhading, Gorkha, Chitwan
Hills-7	7	7	1.3	KBC (36) Magar (23) Gurung (13)	Manang, Mustang, Myagdi, Kaski, Lamjung, Tanahu, Syangja, Palpa
Hills-8	8	5	0.3	Khas (44) Magar (23)	Rukum, Baglung, Parbat, Salyan, Rolpa, Pyuthan,

					Gulmi, Arghakhanchi
Hills-9	3	2	0.1	KBC (54) Thakuri (7)	Dolpa, Mugu, Jumla, Kalikot, Bajura, Bajhang, Humla, Darchula
Hills-10	6	4	0.2	KBC (55) Thakuri (9)	Surkhet, Dailekh, Jajarkot, Achham, Doti, Baitadi, Dadeldhura
Tarai-1	9	10	8.8	KBC (26) Maithili (19)	Jhapa, Morang, Sunsari
Tarai-2	13	9	2.2	Maithili (77) Bhojpuri (4)	Saptari, Siraha, Dhanusha, Mahottari, Sarlahi
Tarai-3	7	8	25	Bhojpuri (79) Tharu (8)	Rautahat, Bara, Parsa
Tarai-4	8	7	6.7	Bhojpuri (31) Awadhi (20)	Nawalparasi, Rupandehi, Kapilbastu
Tarai-5	10	9	2.9	Tharu (34) KBC (28)	Dang, Banke, Bardiya, Kailali, Kanchanpur

Annex: Proposed Federal Structure of Nepal

