Abstract

The intricate and significant relationship between local development and public policy is fundamental to understanding their interplay. Local development involves enhancing economic, social, and environmental conditions within specific geographic areas like cities, towns, or regions. In contrast, public policy encompasses the decisions, actions, and guidelines formulated by governments to address societal issues and achieve specific goals. Public policies essentially provide the framework and boundaries within which local development occurs. When well-crafted and effectively executed, public policies have the potential to catalyze positive outcomes in local development, fostering economic growth, improving quality of life, and enhancing overall community well-being. However, in Nepal, the execution of unsystematic policies for national development, along with local governments struggling to define their priorities and neglecting sustainable development based on local resources and job creation, presents a stark contrast to the ideal of local development as the foundation of democracy, reflecting the challenges and obstacles from the central to local government levels. Nepal should focus on sustainable development through the development policies for a self-reliant economy. This article tries to analyze the problems of public policies and local development.

Keywords: public policy, local development, economic growth, governance, sustainable development
Public policy pertains to a set of principles, guidelines, and actions established and pursued by governments or authoritative entities. Its purpose is to address societal issues, promote general welfare, and attain specific objectives. Public policies encompass a broad spectrum of decisions and actions influencing various facets of society, including economics, social services, education, healthcare, infrastructure, and the environment. These policies typically result from a process involving the identification of problems, research on potential solutions, stakeholder engagement, and decisions leading to the allocation of resources, regulations, laws, and programs. They aim to achieve desired outcomes, such as enhancing public safety, reducing poverty, improving public health, fostering economic growth, and safeguarding individual rights.

According to Thomas Dye, "policy represents the choices made by governments, whether to act or refrain from it. Public policy is not arbitrary; it is purposeful and goal-oriented" (Dye, 1987 as cited in Smith & Larimer, 2017, p. 3). It is shaped by public authorities and comprises patterns of actions developed over time. Public policy arises as a response to perceived problems and can take the form of deliberate, proactive actions or deliberate decisions to abstain from action (Smith & Larimer, 2017, p. 3). Public policies can be enacted at various levels of government, including local, regional, national, and international. They play a pivotal role in shaping a society's overall direction and functioning. Effective public policy necessitates meticulous consideration of diverse factors, including economic viability, social impact, ethical considerations, and the practical implementation of proposed measures.

In Nepal, the government has actively pursued decentralization efforts since the early 1980s, with a specific focus on participatory institutions emerging in the 1990s. Although the 1990 constitution did not specify the structure of local government, subsequent acts like the Local Self-Governance Act (LSGA) of 1999 established a two-tier local government system at the village/municipality and district levels. ‘This new local government framework largely mirrored the previous Panchayat model in both structure and principles’ (Hachhethu, 2008). ‘Despite not fully embracing local self-governance, local governments gained increased authority and responsibility, including the power to collect taxes and enhance administrative capabilities’ (Cheema, 2005). Nepal transitioned to a federal system in 2065 B.S. and fully implemented the local government system through the Local Government Operation Act 2074. The country now comprises seven provinces, each formed by grouping existing districts. Nepal's local governance structure includes six metropolises, 11 sub-metropolises,
276 municipal councils, and 460 village councils. This new system replaced the previous division into 14 Administrative Zones, which were further grouped into five Development Regions.

The foundation of every state rest on its potential for socio-economic development. The Local Government Operation Act (LGOA) of Nepal was enacted in 2017 to provide guidelines for local development. It is imperative to note that the absence of sound public policy hampers a country's development. Public policy should align with the principles of socio-economic development, equality, liberty, and self-reliance (Sapru, 2017, p.7).

In the Nepalese context, local governments possess legal authority and autonomy for policymaking and development. However, questions arise about the disconnect between local policies and sustainable development. The interplay between good governance, public policy, and sustainable development is evident, emphasizing the role of democracy, civil society, government institutions, and conviction in fostering these crucial aspects of society. According to Ghimire (2023) in Nepal, the negative impact of inadequate design during policy formulation, insufficient coordination between complementary policies, and imprudent allocation of resources has been evident. The overlapping responsibilities of political leaders and civil servants play a significant role, with ministers involved in micromanagement and bureaucrats focusing on policy management. Additionally, the engagement of development partners remains crucial, as long as their preferred policies receive generous support. Attitudinal issues like rent-seeking and corruption have also compromised certain guidelines. The lack of strong commitment from leaders has undermined various implementation strategies. An autonomous economy, alternatively termed economic self-sufficiency or autarky, denotes a scenario in which a nation endeavors to fulfill its requirements with minimal dependence on external channels. The objective is to diminish reliance on imports and international aid, thereby cultivating economic autonomy and robustness. The implementation of this concept can take diverse forms, and economists and policymakers often engage in discussions about its practicability and appeal.

**Methods**

This paper employs an interpretive and qualitative approach, drawing from a variety of secondary data sources including government reports, academic publications, research papers, and international organization reports. The data analysis provides insights into the current issues surrounding public policy and local development.
in Nepal, highlighting areas such as policy gaps, institutional capacity, corruption, socio-economic disparities, limited participation, and coordination challenges.

**Objectives**

The major objective of this article is to clarify the role of the institutions that contribute to raising the living standard in Nepal. In the same way, it is necessary to evaluate the problems of development policy that Nepal is currently experiencing to shed light on those issues. The specific objectives are as follows:

1. to elucidate the pivotal role of well-crafted public policies in shaping local development within geographic regions like cities, towns, or regions, emphasizing their potential to foster economic growth, enhance the quality of life, and improve overall community well-being.
2. to critically examine the challenges and obstacles faced in Nepal, where the execution of unsystematic national development policies and local governments' struggles to define priorities starkly contrast with the ideal of local development as a cornerstone of democracy, thereby highlighting the need to align public policies with the principles of socio-economic development, equality, liberty, and self-reliance within Nepal's unique governance structure.

**Review of Literature**

The literature exploring the realm of Building Democratic Institutions, as presented by G. Shabbir Cheema (2005), delves into the essence of democracy and governance systems from a fundamentally prospective standpoint. Within the pages of this book, the author unfolds a multifaceted tapestry that encompasses various dimensions of development. Radhakrishna Sapru's work in 2017 offers a comprehensive exploration of public policy, spanning from the intricate formulation processes to the dynamics and far-reaching consequences of evaluation. Michael Lamaze, in 1989, meticulously describes the intricate interplay between political institutions and public policy, with a specific focus on the United States. Kevin Smith and Christopher W. Larimer's 2017 publication provides an illuminating exposition of the major events inherent to the public policy-making process. Their work is distinguished by its in-depth exploration, offering a profound understanding of public policy, replete with theoretical insights and systematic methodologies.

Within the domain of Nepalese Public Administration and Management, Goraksha B. N. Pradhan's opus from 2064 BS (2007/08 AD) offers a comprehensive examination of the myriad issues and challenges that have emerged in the context of
administrative development in Nepal, as well as the broader themes of good governance and management. Furthermore, Raymond Tatalovich and Byron W. Daynes, in their edited volume from 1988, elucidates the intricacies of social regulatory policy, particularly within the context of American politics.

A pivotal catalyst for the evolving landscape of local governance in Nepal has been the 2015 Constitution, which ushered in a transformative federal system of government and substantially augmented the powers and responsibilities vested in local governments. The literature pertaining to local governance in Nepal can be categorized into two primary strands: (1) scholarly inquiries delving into the historical evolution of local governance in Nepal, and (2) examinations evaluating the performance of local governments in the country. Investigations into the historical development of local governance in Nepal reveal a rich and intricate tapestry dating back to the 19th century, marked by numerous transformations over the years. The most recent epochal shifts were instigated by the 2015 Constitution, which instated a novel federal system of governance, thereby conferring upon local governments a significantly amplified role and responsibilities.

These scholarly endeavors offer an in-depth analysis of the myriad challenges and opportunities confronting local governments in Nepal. They provide nuanced insights into the interplay of gender dynamics within local governance structures and the potential for local governments to serve as engines of development, ultimately enhancing the quality of life for citizens. In this vein, the World Bank's report titled "Gender and Local Governance in Nepal" (2019) furnishes a comprehensive overview of the current state of gender equality within the realm of local governance. This report conducts a thorough examination of the legal and policy framework underpinning gender equality, the representation of women in local government, and the active participation of women in the decision-making processes.

Furthermore, the United Nations Development Program's (UNDP) comprehensive report titled "Local Governance in Nepal: Challenges and Opportunities" (2016) offers a holistic appraisal of the state of local governance in Nepal. This exhaustive study delves into the legal and policy framework governing local governance, the capacity and effectiveness of local governments, and the degree of citizen participation in local decision-making processes. In a similar vein, the World Bank's report, "Gender and Local Governance in Nepal" (2019), further enriches our understanding by conducting a meticulous analysis of gender equality within the sphere of local governance. This in-depth exploration scrutinizes the legal and policy framework governing gender equality, the representation of women in local government, and the extent of women's involvement in pivotal decision-making processes.
These multifaceted works collectively illuminate the intricate tapestry of
democratic institutions, public policy dynamics, and local governance paradigms,
enriching our understanding of the complex social, political, and developmental
landscape.

Public Policy and Governance in Nepal

Nepal's pursuit of effective public policy and good governance represents a
multifaceted and ongoing odyssey, replete with challenges that span both structural
and systemic dimensions. The commitment of political leaders, the engagement of
civil society, and the active participation of citizens stand as pivotal factors in shaping
Nepal's trajectory in the realms of public policy and governance. To remain abreast of
developments, it is highly advisable to peruse recent reports, studies, and government
sources pertaining to Nepal's dynamic governance and policy landscape.

At the heart of this governance landscape lies the Local Government Operation Act
(LGOA) of 2017, that serves as a primary guiding document for local government,
meticulously delineating the rights and duties of associated institutions and authorities.
Constitutionally, Nepal has established a power-sharing arrangement among its three
tiers of government. Local governments have been endowed with substantial powers,
a development that has posed significant challenges for the cause of good governance
in Nepal, especially following the advent of federalism.

The concept of good governance gained prominence in Nepal in the late
eighties, catalyzed by a World Bank-sponsored study that identified poor governance
as the principal culprit behind economic underperformance in Sub-Saharan Africa.
The subsequent global recognition of the importance of good governance led to its
widespread adoption. (Shrestha, 2000, p.35).

Good governance and democracy share an intricate and interconnected
relationship, with numerous facets of good governance intimately linked to democratic
principles (Pokhrel, 2011, p:760). Good governance, in its essence, signifies an
unwavering commitment to establishing an equitable and peaceful system that
safeguards human rights and civil liberties. According to the United Nations, good
governance is evaluated based on eight fundamental factors: participation, the rule
of law, transparency, responsiveness, consensus orientation, equity and inclusiveness,
effectiveness and efficiency, and accountability (Baral, Hachhethu & Sharma, 2001).
In the context of Nepal, the country's new constitution places a significant emphasis on
the accountability of local bodies, endowing them with substantial rights and powers.
These powers encompass a range of objectives, including enhancing government
accountability and responsiveness, elevating the quality of public services, empowering
local institutions and citizens, nurturing leadership development, ensuring balanced regional development, mobilizing resources efficiently, and fostering national integration. It's noteworthy that local government operations not only prove to be more efficient but also economical when compared to central government functions.

For the efficacy and sustainability of good governance, it must be firmly rooted in a robust democratic framework that upholds the rule of law, champions a free press, fosters active civil society organizations, and maintains the independence of vital public bodies, such as the Commission for Human Rights and Good Governance, Prevention of Corruption Bureau, and the Fair-Trade Commission. These entities play a pivotal role in safeguarding human rights, promoting transparency, and holding the government accountable. Local representatives, occupying a central position in local development, bear the responsibility of adhering to the constitution and relevant laws (Khanal, 2005, p.103).

In the contemporary landscape of modern states, characterized by their expanded scope of functions, addressing local issues often surpasses the capacity of central governments. Local governance structures prove to be more agile and suitable for efficiently managing public affairs, resulting in tangible economic benefits. Democracy, a fundamental pillar of good governance, manifests itself through transparent policy-making and administration. A pluralistic political system that accommodates diverse political and ideological viewpoints serves as the bedrock of good governance. Regular, fair elections conducted in accordance with the principles of universal franchise constitute a hallmark of democracy.

Good governance also orbits around nature and limitations of state power. The doctrine of the separation of powers underscores the significance of maintaining distinct legislative, executive, and judicial functions within a democratic state. Promoting inclusive governance and democracy assumes paramount importance in addressing the root causes of conflict and reducing disparities grounded in gender, caste, ethnicity, and geographical location (Lawoti, 2007).

In Nepal's evolving landscape, characterized by the transition to a federal republic, the new constitution firmly embraces the concept of local self-government as a cornerstone of local development and empowerment. While local government had been acknowledged in previous constitutions, their effectiveness was limited. The current constitution, enacted in 2015, wholeheartedly endorses the principles of local self-government. To uphold the tenets of good governance, various statutory measures, including the Local Government Operation Act of 2017, have been enacted in Nepal. Local representatives must be well-versed in their rights and limitations, adhere scrupulously to established rules, and uphold social and ethical norms to realize
the constitutional objectives. It is imperative that local governments demonstrate the positive impact they have on development indicators in comparison to the central government. This substantiates their pivotal role in steering Nepal toward a more prosperous and equitable future.

Analysis and Findings Public Policy and Local Development in Nepal

Public policy plays a pivotal role in shaping the trajectory of local development, encompassing an array of decisions, actions, and regulations meticulously crafted by governmental bodies and public institutions. Its overarching objective is to confront societal issues head-on and uplift the well-being of the citizenry. Within the realm of local development, public policy wields direct influence over economic prosperity, social advancement, and environmental sustainability within specific geographic spheres, such as cities, towns, or regions. The local government operates at the grassroots level, intricately interwoven with the daily lives of its constituents. To effectively address social challenges and associated concerns, local governance must possess an in-depth understanding of the community it serves and the obstacles it confronts. Collaborative group endeavors emerge as a vital ingredient in achieving the desired outcomes. The management of public services and the representation of citizens stand as pivotal components of effective local governance, serving as barometers of its efficacy.

Modernization, defined as the process of self-sustaining development that spans all facets of social and economic life, began to gain momentum in Nepal following the political upheavals of 1950 (Poudyal, 2013). Consequently, democratic governance principles laid the cornerstone for the state, with a focused emphasis on efficient service delivery while faithfully representing the will of the people. The local government assumes a dual role: it serves as a legal entity responsible for providing public services within its jurisdiction, and it operates as a democratic institution governed by a council of elected representatives who are answerable to their constituents (Tindal, 1977). The purview of local government extends to the administration of various localities, villages, towns, and cities, effectively representing the interests and concerns of their inhabitants. The core features of local governance encompass a locality-specific focus, statutory and autonomous status, active participation and accountability, financial autonomy, the provision of civic services, and the fulfillment of general-purpose functions (Sharma & Sadana, 2006). Citizen Participation in shaping foundational public policy frameworks, such as the constitution, holds paramount importance in the pursuit of both individual and collective development (Rijal & Upreti, 2022). The diversity of local issues necessitates tailored solutions rooted in the unique needs and priorities of distinct communities.
The Local Government Operation Act (LGOA) of Nepal, enacted in 2017, assumes substantial significance. It regulates the operations and functions of local governments in Nepal, aligning with the government's decentralization efforts and the promotion of local governance.

The Nepalese constitution, particularly Article 56(1), delineates the three-tiered governance structure, comprising federal, provincial, and local levels. This new constitution empowers local governments in unprecedented ways compared to previous iterations. To effectively discharge these newfound roles and responsibilities, the enactment of the LGOA in 2017 was imperative, providing clear legislative guidance (Rijal, 2018, p. 95).

In Nepal, local government now plays a significantly enhanced role in the lives of its citizens, representing a historic transformation in the country's political landscape. Nonetheless, this transformation necessitates robust acts and regulations to steer local government in fulfilling its duties. The LGOA of 2017, which took effect on October 15, 2017, serves as an indispensable legal framework for local governance, demystifying the roles and responsibilities of local governments and ensuring their accountability to the people they serve. In summation, public policy exerts a profound impact on local development across a multitude of domains:

- **Infrastructure Development**: Public policies allocate resources to infrastructure projects, thereby augmenting connectivity and enhancing the quality of life for residents.
- **Economic Growth**: Taxation, incentives, regulations, and business support policies play a pivotal role in shaping the local economy.
- **Land Use and Zoning**: Regulations guide land development, significantly influencing the character of a particular area.
- **Education and Workforce Development**: Policies in education and workforce training are instrumental in improving the local workforce.
- **Social Services**: Policies governing healthcare, social services, and housing significantly impact the well-being of residents.
- **Environmental Sustainability**: Policies promote sustainable practices, encompassing areas like renewable energy and waste management.
- **Cultural and Heritage Preservation**: Policies actively support cultural preservation, bolstering local economies in the process.
- **Community Engagement**: Public policy actively engages local communities in decision-making processes.
Urban Planning: Thoughtfully crafted urban planning strategies are instrumental in fostering vibrant and cohesive communities.

Transportation and Mobility: Policies have a profound effect on how people move within and around a locality.

Public Safety: Policies are integral in maintaining public safety, a factor that attracts both residents and businesses.

The effectiveness of public policy in local development hinges on numerous factors, including the local context, governance structures, stakeholder engagement, available resources, and alignment with broader strategies. Successful local development necessitates a comprehensive and coordinated approach that considers the various domains of public policy.

The intricate world of public policy involves a continuous cycle of formulation, implementation, and evaluation, with various actors and forces collaborating or conflicting to either advance or hinder policy objectives. It is imperative for policy formulators to grasp that decisions cannot be simply assumed to be automatically executed as originally envisioned (Sapru, 2017).

In the context of Nepal, however, there exists a plethora of shortcomings and unsystematic practices within this otherwise systematic process. To begin with, there is a conspicuous absence of thorough needs assessment and a marked weakness in the prioritization of issues. Risk and opportunity assessments are frequently neglected, and policy definitions often lack the clarity needed for effective implementation. Inadequate consultation with key stakeholders results in a lack of ownership, and the process frequently adopts a top-down approach, with minimal formal efforts to adhere to legal or procedural requirements. Additionally, the constant pressure to swiftly deliver policies further compounds the problem. It is essential to underscore that a robust policy formulation process significantly enhances the prospects of effective implementation, whereas one of the primary causes of policy failure lies in the failure to adhere to the correct process (Upreti, 2023). Upreti goes on to assert that many policies lack clear delineation of responsibilities for the institutions entrusted with their execution, leading to confusion and a distinct lack of ownership during implementation. In the absence of rigorous needs identification, analysis, prioritization, and risk assessment, inconsistencies and flaws, or ambiguities, often creep into the fabric of policy content. Moreover, many policy provisions necessitate legal underpinning for successful implementation, yet they are frequently developed without a thorough examination of the legal landscape. The limited inter-ministerial and inter-agency coordination further compounds the challenges, considering the comprehensive scope of most policies.
Furthermore, a significant number of policies are formulated without a projection of the tentative financial and human resources required. The failure to estimate the resources needed for policy implementation significantly heightens the risk of failure. Often, public policies in Nepal are crafted hastily within an extremely tight timeframe, and essential public consultation processes are omitted due to pressures from ministers or other influential actors. This ultimately culminates in a glaring lack of public ownership and, unsurprisingly, policy failure.

Turning to the realm of monitoring and evaluation, while most policies pay lip service to these aspects, they frequently lack specific indicators, defined timeframes, and assigned responsibilities. Consequently, monitoring and evaluation often remain hollow, aspirational concepts devoid of practical implementation.

Sadly, these vexatious policies can permeate all levels of government, from the federal level down to the provincial and local levels. Notable examples include election area development programs, users' committees involved in development schemes, and agricultural subsidies. These mechanisms serve as conduits through which public funds flow out to political cadres and associates, effectively draining the national coffers (Ghimire, 2023). In Nepal, a disconcerting awareness prevails regarding certain policies that are not just ineffective but entirely nonsensical. Regrettably, they remain immutable. Some stakeholders continue to champion these failed policies, while others are compelled to tolerate them.

**Conclusion**

Public policy and local development share a symbiotic relationship, tightly woven together for mutual growth. Public policy encompasses the decisions and actions undertaken by the government to address societal issues and achieve specific objectives. On the other hand, local development is centered around the enhancement of economic, social, and environmental well-being in specific geographic areas, such as cities, towns, or regions. Effective public policies play a pivotal role in guiding and supporting local development initiatives. Well-structured policies, firmly rooted in the local context and executed collaboratively with stakeholders, serve as the cornerstone for building more resilient, prosperous, and equitable communities. These policies establish the overarching framework within which local development endeavors unfold. They encompass diverse domains, including economic growth, education, healthcare, infrastructure, and environmental sustainability. Moreover, they dictate the allocation of resources, including finances, infrastructure investments, and human capital, directly influencing the trajectory of local development efforts. Governments
can facilitate policies that empower local capacity through training, knowledge sharing, and technical support. This strengthens local institutions and human resources, ultimately driving sustainable development. Addressing these challenges requires a comprehensive approach that fosters collaboration among government bodies, civil society organizations, private sector entities, and international partners. It also entails the development and implementation of evidence-based policies that are finely tuned to Nepal's unique context and challenges.

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