

Political Decay and Institutional Crisis in Nepal: An Analysis of Democratic Governance Challenges

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Abstract

This paper analyses the political decay and institutional crisis in Nepal in the context of democratic rule after 2015 Constitution and adoption of federal system. While there have been ambitious constitutional reforms for the country's decentralisation, inclusion, and state capability enhancement; Nepal is still faced with persistent challenges such as political instability, institutional coordination crisis, bureau politicisation and eroding trust. An integrated conceptual model drawing from Fukuyama's theory of political decay, historical institutionalism and governance theory is used to account for the structural and functional roots of institutional weakness. A qualitative conceptual research design approach is used for the study, with secondary sources including scholarly articles, policy reports, governance indices and constitutional provisions. It has been concluded through the study of different aspect that Nepalese institutional crisis is formed by interaction between fragmented party system, executive instability, weak institutional independence and problems in the implementation of federalism, resulting in deterioration of institution functioning and democratic legitimacy. Hence, political decay in Nepal is not simply a short transitional problem but rather a structural reality dependent on institutional path-dependent and governance failure; as for sustained consolidation, state institution should regain institutional independence, party system should be institutionalised, accountability measures should be introduced and trust has to be regained.

Keywords: Political Decay, Institutional Crisis, Democratic Governance, Federalism, Nepal, Political Institutions, Governance Reform

INTRODUCTION

Background and Context

Following the adoption of the Constitution of Nepal 2015, the country has taken up the audacious endeavor of strengthening democracy through the federal republican structure aimed at decentralization, accountability and participation of the masses. This constitutional change in Nepal can be said as a paradigm shift from the system of monarchy, centralized rule, and prolonged political instability. Federalization or state restructuring appears as the most feasible way to address structural failures in governance, ensure inclusive political representation, and

establish enduring democratic development (Constitution of Nepal, 2015). Yet, Nepal has had great difficulties in overcoming governance failures which appear to include continuous political instability, frequent government changes, factionalism within parties, government apathy, and decreasing trust in public bodies. The increasing institutionalization or the "institutional democratic progress" brings concerns over the legitimacy and capacity of institutions to perform their constitutional functions and thus, the sustainability of democratic institutions in an uncertain environment (International IDEA, 2023).

Political decay, in the understanding of Fukuyama (2014), can be conceptualized as "the inability of political institutions to adapt to changing conditions of social, economic and political order," leading to diminishing institutional capacity and public trust. It is not the collapse of the system, but a progressive deterioration of institutional performance and accountability, that can manifest regardless of whether it is a democratic, authoritarian or state-centric governance structure. The new dominant understanding in the theory of democracy is that the development of institutions is a long, complex and an evolutionary process. Formal institutions can evolve very quickly compared to actual political behavior and culture of governance (Fukuyama, 2014; Levitsky & Ziblatt, 2018). The critical political dispute in Nepal is concerning to the discrepancy between institutional rules and practice. Chronic political conflict between parties, volatile coalition governments, constitutional disputes and the apparent and actual corruption have led to distrust in existing democratic institutions and their contribution to development.

In this context, political decay represents an analytical lens to comprehend such persistent governance deficit and the potential erosion of democratic values and institutions. (Transparency International, 2024; World

Problem Statement

Despite substantial gains in institutionalization of democratic governance in Nepal following the end of monarchy in 2008 and the adoption of federalism in 2015, the efficacy of political institutions in meeting the mandates given to them by the constitution continues to be a concern. Recurrent government change, internal factionalism, political appointments to public institutions, absence of strong accountability mechanisms, and dwindling public trust in the political process are symptoms of a system where formal institutions do not live up to public expectation and their own mandates.

There are a number of studies on democratization, federalism, constitution-building, political transitions, and nation building processes in Nepal. Less is known and analyzed, however, on the implications of political decay and institutional crisis in Nepal on the democratic system of governance. Much has been written and researched about the process of political transition and constitution making in Nepal. The nexus between institutional failure and failure of governance, political incentive structures seems to be relatively under-theorized.

Research Objectives

The main objective of this study is to analytically examine the process of political decay and institutional crisis in the democratic governance system of Nepal.

Specific aims of the research are:

1. To discuss the theoretical views on political decay and institutional crisis in democratic countries.
2. To distinguish and scrutinize major institutional problems that have come to affect Nepal's political system after the establishment of federal democratic set-up.
3. To evaluate the nature of the link between political decay, legitimacy and the performance of institutions in Nepal.
4. To probe into possible institutional reforms and the policy changes necessary to bolster democratic institutions and ensure effective governance in the country.

Research Questions

1. The process of political decay within Nepalese democratic politics is examined.
2. Main reasons for the institutional crisis in the political system of Nepal.
3. The relation of political decay with governance effectiveness and institutional legitimacy in Nepal.
4. What are the policy shifts and reforms in the institution that may be necessary to combat political decay in the political system of Nepal?

Significance of the Study

This research contributes to the field of democratic governance, political development, and institution building through its application of political decay perspective to the analysis of the Nepalese political system. While there are numerous studies about democratic transition and federalism in Nepal, the framework of political decay has the potential to offer an important deeper understanding on why governance failures continue to be persistent despite the existence of formal democratic institutions and reforms.

At a conceptual level, this analysis provides a refinement in our knowledge about the mechanisms of democratic consolidation by using concepts and framings of theories of democratic rule, development and historical institutionalism to assess the functioning of political institutions in the context of emerging democracy. It also explicates the interface between governance failures, political incentives and institutional inertia contributing to scholarship on transitions to democracy and institutional development in a similar context like South Asia.

From a policy perspective, this study generates useful insights for policymakers, public officials, political parties, civil society organizations and the development partners in Nepal and beyond who seek to enhance governance, democratic institutional reforms, and accountability. Understanding the key features and mechanisms that drive the crisis in institutions can guide efforts to build effective and robust institutions, regenerate public trust in them and help achieve quality of governance in a federal political system.

Understanding Political Decay and Institutional Crisis

Political Decay: Theoretical Concepts

Political decay is considered to be a major conceptual element in the analysis of government performance and the analysis of institutional inefficiencies within a political system. The theory of political development has hitherto predominantly concerned itself with such issues as state-building, modernization and democratization. It assumed that institution building would systematically advance governance capacity and political stability. Currently, research has increasingly focused on the fact that the development of political systems is not necessarily unidirectional and that there is no turning back from decay once a political system moves into that direction. In fact, institutions that, at one point, facilitated political order and democratic governance can gradually lose their efficacy, adaptivity and legitimacy and this can result in a situation of political decay (Fukuyama, 2014).

Fukuyama (2014) defines political decay as a process whereby political institutions fail to adequately adjust to societal changes (social, economic and political). Such lack of adaptation causes rigid institutions, clientelism, elite capture, bureaucratic inefficiency and decreased state capacity. This does not signify that democratic institutions necessarily fail and collapse, but instead the decreasing efficacy and responsiveness of such institutions can result in political decay. In this sense, political decay is the flip side of political development; in the former, political institutions fail to adequately respond to emerging needs and problems of a society.

Likewise, historical institutionalists also argue that institution-building is driven by path dependent dynamics which may either favor or impede adaptation of a political system (Pierson, 2004). As a political system progresses, its institutions might become obsolete through being fixed in old habits and incentive structures, thereby creating negative governance outcomes. In essence, institutional persistence may cause malfunction rather than stable functioning of a political system. What is examined here is thus not merely the existence of a set of institutions but also the extent to which such an institution performs its function, thus affecting political outcomes.

In essence, political decay is a multidimensional process involving declining institutional capacity, reduced accountability, eroding public trust and decreasing ability of the state to govern, and its characteristics are very pertinent for developing countries transitioning to democratic rule, in which fast-changing political dynamics may overshadow institutional consolidation.

Institutional Crisis in Contemporary Democracies

The concept of institutional crisis has come to be increasingly used in political science in recent years, as democratic countries throughout the world have experienced increased difficulties with governance capacity, the level of polarization within political systems and waning levels of public confidence. An institutional crisis refers to a state wherein political institutions are faced with constant challenges to their functionality, legitimacy and responsiveness towards the citizenry (Mounk, 2018).

Political systems across democracies have been struggling to adapt to the challenges of globalization, technological evolution, inequality in societies and polarization of politics, all of which contribute to increased demands on governments which political institutions are unable to satisfy due to limitations in their adaptive capacity. This often leads to perceptions of democratic

institutions being unappealing, out-of-touch, or incapable of meeting people's needs, hence weakening the overall political institution's legitimacy and the country's democratic resilience (Norris, 2011).

Institutional crises tend to appear even though the country has existing democratic institutions, with elections happening regularly, with existing constitutional provisions being upheld and with a functioning government, yet having declining institutional performance. This is significant since democratic erosion often manifests slowly and is not necessarily characterized by an immediate system collapse (Levitsky & Ziblatt, 2018).

Political institutions' existence in an institutional crisis is often challenged by the gap between constitutional procedures and actual political behavior. This might happen because the work of political institutions is influenced more by unofficial networks, patronage and partisanship than by rules and norms, leading to institutional autonomy weakening and reduced government efficiency. Thus, results from a government might not be predictable and accountable to the public and the problem further increases the country's instability.

Governance Capacity and Democratic Legitimacy

Governance capacity and democratic legitimacy can be considered two related sides of the same coin of the performance of institutions. Governance capacity is the ability of a state and its political institutions to provide services to the public efficiently, to implement laws, to maintain order and respond to public needs while democratic legitimacy indicates the level to which political institutions are considered legitimate by their constituents and worthy of allegiance (Rothstein, 2011).

The ability to effectively govern is thus the foundation of democratic legitimacy. Citizens judge their political institutions not only based on procedural factors, like having fair elections and elections that make it possible for representatives to influence government, but also on the tangible results which the institutions produce and are expected to produce. If institutions consistently underperform, the legitimacy crisis may increase even in cases of strong formal democracy (Bovens et al., 2014).

Governance capacity and democratic legitimacy reinforce each other. Solid institutions enhance public trust because they appear effective, reliable and responsive, while weak governance capacity can lead to public discontent, low trust and apathy towards the government. If public legitimacy is sufficiently weakened, the public may cease to obey institutions and even actively work against them, causing institutional performance to further decline.

Contemporary governance research places strong emphasis on the relevance of both procedural and performance based legitimacy for democratic politics. Procedural legitimacy, or rule-based legitimacy, comes from democratic principles such as representation, transparency and participation whereas performance based legitimacy is based on the efficient delivery of goods and services. In political decay, these two aspects are increasingly weakened and undermined.

Political Decay in Developing Democracies

In developing democracies where institutional structures have not necessarily been well-developed and consolidated yet, political decay offers peculiar and significant challenges. In emerging countries with developing political systems, citizens are typically eager and expectant regarding democratic principles of governance, political representation, economic development and social inclusion. However, governance shortcomings will gradually increase and get aggravated over time if the institutions lack the necessary capacity to meet those high expectations (Carothers & Press, 2022).

Structural impediments such as a lack of administrative capacity, weak legal institutions, prevalence of political patronage, corruption, and fragmentation of the party system among other factors can contribute to poor institutional performance and recurrent crises of governance in developing democracies. Liberalization of political processes without strong institutional mechanisms may also leave systems open to shocks, creating weaknesses in the institution (Acemoglu & Robinson, 2019).

Political parties themselves are particularly instrumental in these processes. Well-organized parties can help to provide democratic representation, strengthen coalition-making and provide the capacity necessary for institution-building. Fragmented and personalized parties, in contrast, may be more inclined to prioritize private interests over institutional gains thereby giving rise to instability at executive level, inefficient legislature and inconsistent policies which are characteristics of a decaying political system.

The problem of political decay in young democracies. should also be viewed, not merely as a lack of institutional development, but also as an absence of complementarity between institution building and the dynamics of political change. Formal institutions may co-exist with non-formal institutions that negatively affect governance capacity and accountability, and these forms of co-existence should be addressed in the debate of contemporary governance in emerging democracies.

South Asian political systems

Concepts of political decay and institutional crisis are highly relevant in South Asian political systems. With varied patterns of political development in terms of consolidating democratic governance and state capacity, and varying levels of political polarization, countries in the region are confronted by the challenge of adapting political institutions to existing societal needs and emerging problems. Democratic institutions have been successfully institutionalized across South Asia; however, challenges still exist as a gap often persists between the promise of constitutional governance and reality on the ground (Adeney, 2020).

Social structures are usually diverse, with ethnic differences, income disparity, existence of informal patronage networks and dynamics of state-society relations in South Asian political systems. As a result, political institutions often face significant challenges which are met through continuous adaptation processes. Where institutional adaptiveness is limited, political decay has emerged in form of institutional inefficiency and decreased public trust in democratic politics. Nepal's political landscape, being among South Asian nations, bears the marks of the aforementioned political decay, in conjunction with specific traits of this South Asian country as

regards federalism, coalition politics, constitutional enforcement and consolidation of democracy. Thus, considering Nepal's governance through the analytical framework of political decay helps us understand political crises as outcomes of the institutional problem, which fits in nicely with contemporary debates on the democratic performance in South Asian countries.

LITERATURE REVIEW

Democratic governance and institutional performance

In literature of democratic governance it has been argued that the quality of democracy is measured not only through the presence of democratic procedures, but also on institutions performance to achieve good governance outcomes. Traditional democratic theory focused on the quality of democratic procedures (elections are free and fair, political participation is wide, civil liberties exist), while the new literature based on the "duty of state" approach is interested on institutional performance as quality of democracy (Diamond and Morlino 2005).

Institutional performance refers to the capacity of a political system to transform democratic mandates into adequate public policy and effective public services. A lack of institutional performance could potentially contribute to democratic legitimacy decline even in well-established democracies. Accordingly, "performance legitimacy" has gained increasing attention and is based on the performance of government rather than on procedures (Rothstein 2011). The level of citizen expectations is particularly high in developing democracies, thus institutional performance is a key factor for regimes' sustainability.

The most recent work suggests that institutional performance depends on the quality of bureaucratic professionalism, rule of law, transparency and accountability mechanisms. Weaknesses in any of these spheres are critical in explaining the erosion of good governance (Mungiu-Pippidi 2015). These findings have particular relevance to the study of transitional democracies, the performance of political institutions is an issue being constantly addressed.

State Capacity and Institutional Effectiveness

State capacity is recognized as a primary determinant of institutional performance and good governance. It "concerns the capacity of the state to design and implement policies, enforce laws, collect revenue, maintain order and administrative coherence within territorial boundaries" (Cingolani 2013:3). The level of state capacity is a prerequisite for effective government response to citizens' needs, whereas low capacity creates policy implementation gaps and governance failures.

State capacity is "defined by its three main dimensions": administrative capacity, bureaucratic autonomy and organizational coherence (Fukuyama 2014). Administrative capacity refers to effective implementation by bureaucracy, bureaucratic autonomy relates to the insulation of bureaucracy from partisan politics, whereas organizational coherence relates to inter-agency cooperation. Failure to perform in any of these spheres leads to institutional dysfunction and "political decay."

Evidence confirms that there is a strong relationship between state capacity, economic development, social stability and democratic consolidation. In countries with high administrative

capacity there is more effective policy and higher levels of citizen trust (Rothstein and Teorell 2012). This implies that weak state capacity is related to corruption and clientelism and ineffective governance. Given Nepal's state of development, its administrative capacity is a serious limitation to the implementation of constitutional and policy reforms.

Political Parties and Democratic Consolidation

Political parties are fundamental for democratic consolidation and stability of institutions, as they function as intermediaries between citizens and the state, structuring political competition and facilitating policy coordination within governments. Robust and programmatic political parties contribute to democratic consolidation by facilitating aggregation of interests and by producing continuity in policy (Mainwaring and Scully 1995).

Weak and undisciplined parties, however, have been seen as undermining essential democratic functions. Their personalized, fragmented and ideology-less character often renders parties weak actors. They can lead to democratic decay as they are unable to maintain institutional integrity, always opting for short-term political gains over democratic institutions (Levitsky and Ziblatt 2018).

In the context of Nepal, there is a frequent criticism of how internal fragmentation of parties, lack of stable coalition partners and policy inconsistency in governing manifest themselves, leading to executive instability and policy vagaries that weaken institutional performance. Power struggles have been among party elites based on personal relationships rather than programmatic issues and this keeps the politics characterized by clientelism, thereby eroding democratic accountability.

Federalism and Institutional adaptation

Federalism is recognized as a system of governance capable of improving democratic participation, and service delivery while ensuring representation. Its emphasis on bringing policy-making closer to citizens is achieved by distributing authority across different layers of government, hence institutional effectiveness. However, federalism functions well with well defined intergovernmental relations, fiscally autonomous states and intergovernmental institutional cooperation.

As regards federalism, the need of constant institutional adaptation to make the system work has gained recent attention. Without proper coordination among the center and states/regions and proper implementation capacity, this can result in redundant responsibilities and inefficiency. Decentralization without corresponding capacity would just contribute to further governability crisis rather than enhanced effectiveness (Rodden 2006). The application of federalism is made complicated in South Asian context where highly centralized political culture constrains a functioning federal practice. Nepal's federalization is characterized by the gap between formal decentralization of authority and informal centralisation of administrative control.

Public trust and institutional legitimacy

Political legitimacy is dependent upon trust in the institutions of the political system. High levels of public trust make for democratic stability, effective governance and compliance with laws and institutions, low trust implies the reverse (Norris 2011). Trust is tied up to performance in the context of how honest and competent public officials are, or how well institutions serve their

clientele. The lack of public trust may consequently undermine the authority of state institutions and political leaders even when the democratic procedure is intact (Rothstein 2011). For developing democracies, governance deficits become evident and directly impact everyday life, hence public trust may deteriorate quickly.

Several governance reports and public opinion surveys on Nepalese politics have validated the erosion of public confidence in Nepalese political institutions. Prevalence of corruption, administrative inefficiency and inconsistency in policy formulation, etc, have still bred mistrust among Nepalese citizens to believe in the delivery capacity of the Nepalese political institutions on its democratic agenda.

Research Gap

Although a vast body of work exists on democratic governance, state capacity, political parties, and federalism, there are significant gaps that need to be addressed to understand the ongoing institutional crisis in Nepal. Firstly, the existing research treats the current problems as transient issues that were brought about by democratization and federalization, but does not explicitly engage with political decay as a theoretical framework.

Secondly, the micro-level explanations, like the studies of behavior of actors, and political parties and their interaction with the bureaucracy at different levels, have not been adequately integrated with macro-level analyses of institutional decline and hence have led to fragmental analysis of the issues involved.

Thirdly, comparative study that places Nepal's institutional crisis in the broader context of its South Asian neighbors is under-researched. While there is discussion of general patterns of regional experiences there are relatively few cross-regional comparative theoretical analysis built around a broad concept such as political decay.

Finally there is a distinct absence of conceptually-oriented study systematically bringing institutional performance, state capacity and democratic legitimacy under an analytical frame. This research fill this void through examination of political decay as a conceptual frame to the democratic political system in Nepal.

THEORETICAL FRAMEWORK

The Political Decay framework of Francis Fukuyama

The primary theoretical framework to be applied in this research is Francis Fukuyama's concept of political decay, a systematic explanation of stagnation of political institutions and decline of the efficacy of government institutions in political systems. According to Fukuyama (2014) political development is not necessarily an irreversible process, institutions can regress if they are unable to adapt to the social, economic, political contexts. Political decay occurs when political institutions fail to adapt because of a lack of responsiveness or rigidity and captures by narrow interests, weakening the institution's performance and legitimacy.

A significant component of Fukuyama's model is the interplay between state building, rule of law and accountable government. Political order in this theory depends on a balance between these three categories. If one dimension overemphasized while others are lagging behind, then

institutional breakdown happens. For instance, over-institutionalization and elite capture can erode accountability mechanisms, whereas low state capability weakens state effectiveness (Fukuyama, 2014). This framework is especially relevant to this research in analyzing the disparity between institutional aspiration and institutional performance under federal democracy in Nepal.

In Fukuyama's understanding, decay does not refer to outright institutional collapse; it indicates that political institutions may exist on paper, but institutional adaptability has declined. This perspective is therefore helpful in understanding how democracies function nominally but without efficacy.

Historical Institutionalism

Complementary to Fukuyama's political decay theory, historical institutionalism explains political outcomes in terms of temporal processes and importance of institutions in political persistence. Pierson (2004) argues that politics are shaped by the sequence of past decisions, creating a system of self-reinforcing mechanisms over time. Political institutions may become inefficient or obsolete and are nonetheless maintained, because "Once made, institutions have a life of their own".

The core of path dependency is that past decisions and choices constrains subsequent reforms in certain directions that may be suboptimal. These constraints may arise because of the increasing returns: an institution that emerged at some time will gain self-reinforcing feedback processes, as they tend to be reproduced due to the vested interests, routines, or normative conceptions (Thelen, 1999). Because of this, institutional reform becomes difficult, even in where it is needed. Historical institutionalism in Nepal has helped to explain that governance problems may remain regardless of significant restructuring as "Legacy institutions" alongside old informal political culture influence new formal institutions creating institutional layering in a system with both old institutional practices and new democratic institutions, which leads to institutional inefficiency.

Governance Theory

Governance theory is a more general explanatory framework to analyze the operations of institutions in political systems with complexity. It centers the relationships among institutions, networks, and actors in shaping the outcomes of government activities, including public policy, and service delivery. Contrasted to a traditional states centric theory of political institutions, governance theory highlights the coordination between state institutions, political actors, and civil society in effective governance (Rhodes, 1996).

A core hypothesis in governance theory is that a successful governance depends on coordination and cooperation as much as on formally established institutional arrangements and that poor governance often stems from fractured institutions and lack of coordination and accountability (Pierre & Peters, 2000). This assumption is particularly applicable for multi-level governance systems. In Nepal, the lack of coherence among state institutions in the different layers of the federal system may contribute to fragmentation and inability to address governance problems.

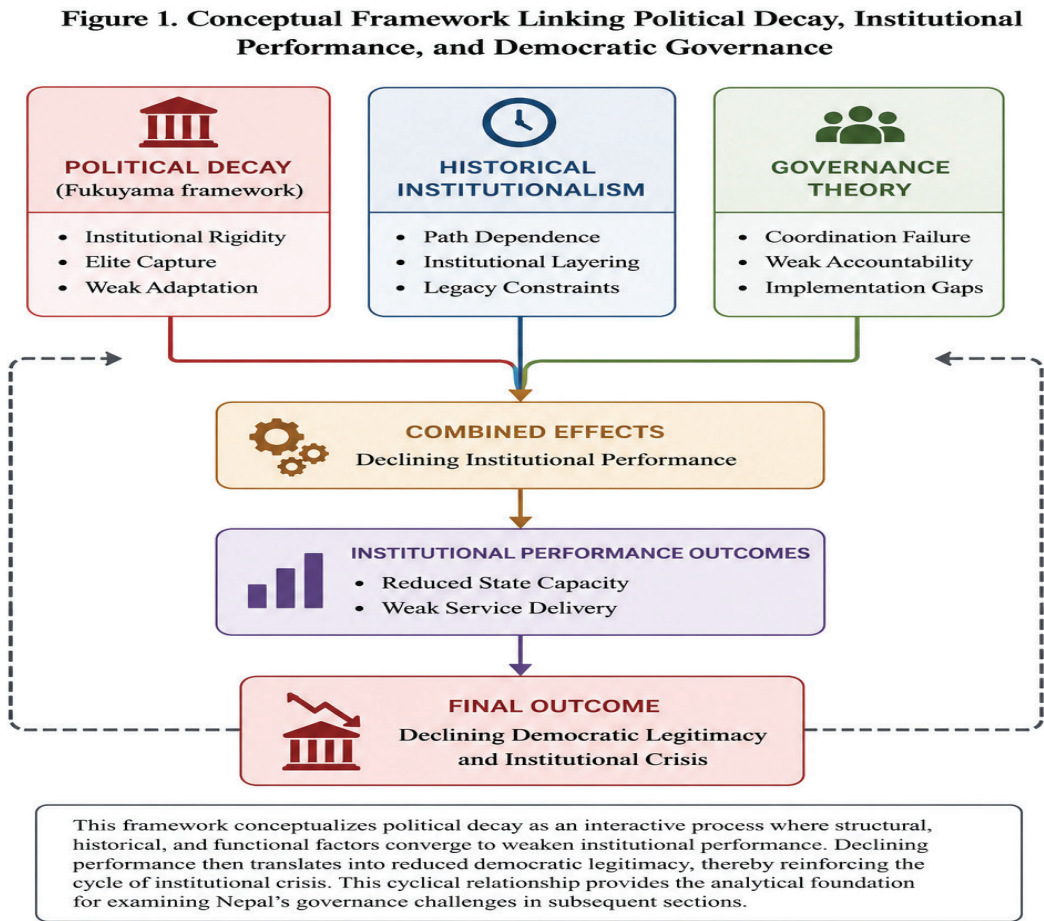
Integrated Theoretical Framework

This study integrates Fukuyama's theory of political decay, historical institutionalism, and governance theory to conduct an analysis of the crisis of institutional practices in Nepal. Combining

these theories contributes a multi-faceted approach, capturing structural, historical and functional elements in a study of political decay. From a structural perspective, political decay is about institutional rigidity and low adaptability, while from historical perspective it is about past choices and path dependency, whereas in functionalist perspective it refers to institutional coordination and effectiveness. In combining these frameworks, it can be said that political decay in Nepal is attributed to the interaction among rigid institutions, institutional histories, and governance dysfunctions.

Figure 1. Conceptual Framework Linking Political Decay, Institutional Performance, and Democratic Governance

The conceptual framework guiding this study is illustrated as follows:



Source:

- Fukuyama, F. (2014). *Political order and political decay: From the industrial revolution to the globalization of democracy*. Farrar, Straus and Giroux.
- Pierson, P. (2000). Increasing returns, path dependence, and the study of politics. *American Political Science Review*, 94(2), 251–267. <https://doi.org/10.1017/S0003055400002755>
- Kooiman, J. (2003). *Governing as governance*. Sage Publications.

Note. This figure is the author's own conceptualization based on Fukuyama (2014), Pierson (2000), and Kooiman (2003).

This framework explains political decay as an interactive phenomenon wherein the convergence of structural, historical, and functional determinants leads to declining institutional performance which in turn leads to erosion of democratic legitimacy and thus reinforces the process of institutional crisis. The interactive phenomenon forms the basis for an explanation of the governance crisis of Nepal.

METHODS

Research Design

This research is conceptual and qualitative, with the objective of investigating political decay and institutional crisis within Nepal's political system under democratic governance. The research is interpretive, aiming at theoretical synthesis and analysis of governance structures, rather than hypothesis testing based on empirical observations. This research design is suitable for analyzing complex political phenomena in which the performance of institutions, the outcome of governance, and political dynamics must be interpreted within their appropriate contexts. (Creswell & Poth, 2018)

This article is a single case, theory-driven approach to the study of Nepal's politics within broader, generally applicable arguments regarding democratic politics and institution building. Case selection as a means to study a single country (Nepal) offers an opportunity to thoroughly investigate how processes of political decay work within the particular context of a federal, democratic polity, without sacrificing theoretical generalizability.

Qualitative Conceptual Analysis

Qualitative conceptual analysis is the chosen approach to analyze and synthesize existing theoretical work, policy documents, governance reports and literature. This framework can serve to clarify the meanings of the core concepts of political decay, institutional crisis, state capacity and democratic legitimacy. By employing conceptual analysis the author can transform abstract theories and tailor them to the Nepali political situation. As stated by Jabareen (2009), conceptual analysis is especially relevant for interdisciplinary studies and, it allows "the convergence of various theories to form a coherent understanding of a phenomenon" (135). Conceptual analysis, in this study, will enable the creation of a unified analytic framework, incorporating information from political theory, governance studies and institutional analyses.

Data Sources

The study is exclusively based on secondary data. Relying on this method enables the study to be carried out using clear methodology, and consequently make it verifiable, transparent and rigorous. Sources of data are: scholarly books, articles published in peer-reviewed academic journals, policy reports, state decrees, governance reports, and studies conducted by international agencies. Institutional data such as World Bank, Transparency International, reports by International IDEA and other governance monitoring agencies are also examined. Political science scholarship and the literature from public administration and comparative politics also form crucial sources of data for developing strong theoretical framework. (World Bank, 2023; Transparency International, 2024)

All sources of secondary data selected are appropriate, reliable, and scientifically accepted. Recent publication date (2022-2026) was a criterion of choice of documents to ensure the timeliness and accuracy of data for analysis.

Document Analysis Strategy

Document analysis is "a process whereby the researcher inspects the context, meanings, themes, and patterns of meaning within and across text". (Bowen, 2009, p. 36) This is the main analytical approach that enables the researcher to understand and interpret the relevant documentary material from which significant theoretical points on political decay and the nature of institutional performance can be drawn.

Bowen (2009) also stressed the importance of critically analyzing the authenticity, credibility, representativeness and meaning of the document under analysis. In this study, documents will be categorized under three headings: constitutional and legal documents, governance and policy documents, and theoretical literature. Each category will be systematically analyzed to capture all the relevant information for this research study and comparison will be made across the analyzed documents to identify inconsistencies and common points.

Analytical Procedures

This research employs thematic synthesis of the data. Initially, the selected data will be coded with respect to the core concepts developed based on the political decay framework of Fukuyama, theory of historical institutionalism and governance studies. Subsequently, frequent patterns that address institutional performance, political instability and governance inefficiency will be identified.

These patterns will then be organized into broad themes including institutional rigidification, party fragmentation, bureaucratic inefficiency, and eroding public trust, which will then be critically analyzed with respect to the theoretical framework constructed above in Section 4. The process will be iterative with continuous refinement of themes and themes. Also, the analysis provides confirmation that results are appropriately anchored both to empirical data and theory, and that analysis has been carried out with no researcher bias.

Ethical Considerations

Ethical standards and all academic rules will be followed. Since the study does not involve the participation of humans and is solely based on secondary data sources, there are no risks regarding informed consent, privacy and harm to the respondents.

Nonetheless, ethical considerations regarding accurately interpreting the source, proper citation and avoidance of plagiarism will be observed in accordance with APA 7 th edition requirements. Care will be taken to interpret the intended arguments in the source material, and there will be no intentional misrepresentation. The principle of academic integrity will be upheld in maintaining a distinction between analytical and empirical information to enhance the reliability of the analysis. (Creswell & Poth, 2018).

POLITICAL DECAY AND INSTITUTIONAL CRISIS IN NEPAL

Democratic Transition and Institutional Development

A Brief overview on the role of democratic transition and institution building in the global scene and for Turkey. Nepal's democratic transition represents one of South Asia's most complex institutional transformations. It is marked by the transformation of the state from a monarchy to a republican system, with the adoption of a federal constitutional order in 2015. Nepal's democratic transition was expected to lead to the stabilization of democratic governance, a strengthening of institutional accountability, and an increased response capacity of the state. However, the period following this transition has witnessed tensions between constitutional design and institutional realities.

While there has been a significant expansion of formal democratic institutions, their effective functioning remains varied. An array of elected bodies, constitutional commissions, and decentralised governance structures has not automatically enhanced governance capacity or performance. Instead, the increase in the number of institutions has at times outpaced institutional administrative capacity, leading to the emergence of implementation and coordination deficits (International IDEA, 2023). This trend can be viewed as an early symptom of political decay whereby an increase in the number of institutions doesn't correspondingly lead to the improvements of state governance capacity.

Constitutional Federalism and Governance Expectations

The 2015 Constitution establishes a federal framework which has aimed at decentralisation of power and inclusive governance. The intended consequence of introducing federalism was a strengthening of state capacity and performance through distribution of powers between the federal state and regional entities, as well as local government bodies. However, there have been considerable issues with the implementation of federalism in Nepal, particularly with regard to fiscal dependencies, administrative overlaps and jurisdictional uncertainties.

Studies on fiscal federalism have noted the need for institutional coordination and fiscal autonomy for decentralized systems to be effective (Oates, 1999; Rodden, 2006). However, subnational authorities often are overly dependent on federal transfers, thus having very limited autonomy. The fiscal dependency and lack of autonomy have in many ways challenged the core purposes of introducing federalism in Nepal and added an element of institutional inefficiency to governance structures. Ambiguity in power distribution between different levels of government has furthermore led to policy duplication and bureaucratic conflict which has exacerbated fragmentation in governance.

Party System Fragmentation

The parties have traditionally been important for dictating the political agenda. However, the Nepalese party system has always been prone to factionalism and instability; splits, mergers and realignment of parties, influenced institutional development within parties and policy volatility. In Nepal, political parties compete based on elite bargaining and short term interests rather than well-formed programmatic platforms.

Weak party institutionalization seriously compromises democratic sustainability as it undermines accountability and promotes personalized politics, the two factors of "vulnerable democracies", as cited by Levitsky and Ziblatt (2018). The volatile party realignments within and between parties significantly undermine institutional stability and coherence and affect effectiveness of the congress and durability of executive coalition in Nepal.

Executive Instability and Coalition Politics

Instability in executive leadership has become a characteristic feature of Nepalese post-2008 politics. Executive coalitions are formed and dissolved on a regular basis due to political bargaining among elite power players rather than ideology and policy issues. This instability results in weak institutionalization and fragmented policy making. The frequent change in executive leadership in governments compromises the institutional order and predictability and weakens bureaucratic coordinated action and governmental effectiveness (Fukuyama, 2014). Coalition politics in Nepal gives impetus to short-term decision-making and political actors can forgo institutions and focus solely on their survival and power.

Bureaucratic Politicization

Nepal has been afflicted by a continues politisation of bureaucracy. Postings, transfers and promotions in the higher ranks still continues to be determined by political whims. By politicising the operation of institutions of administration, the effectiveness of administrative institutions is weakened, and the state is deprived of a performing service delivering mechanism. Weber's discussion points to the institutional neutrality of bureaucracy and merit-based appointments in order to assure the well administration of the state (Weber, 1978). However, the bureaucracy in Nepal operates on the logic of patronage, making political interests stronger than the norms and standards of public service delivery. This also weakens public trust in bureaucracy and encourages corruption which again reinforces decay. A state's capacity is reliant on institutional autonomy. It is an aspect of bureaucratic autonomy which can never be disregarded as stated by Cingolani (2013).

Judicial Challenges and Constitutional Interpretation

Judiciary has become an integral feature in proper functioning of a constitutional democracy. In Nepal, however, judiciary is subject to extensive pressures and criticism due to large scale case backlogs, controversial verdicts and in many instance concerns regarding judicial independence have always been raised. In an institutionalist approach the judiciary should remain separated from executive and legislative in order to ensure system of checks and balance, and enforce rule of law (North, 1990). In the event of erosion of independence, judicial interpretation of the constitution has political bias, escalating uncertainty of government. Political outcomes related to the selection of judges and the interpretation of controversial cases have led to claims of compromised impartiality of the judiciary, undermining its role as an independent arbiter of power.

Corruption, Accountability and Public Trust

Perhaps the greatest threat to legitimacy and good governance is corruption. As has been demonstrated, anti-corruption agencies and laws exist in Nepal; but, the implementation and

success rate of these is questioned and perception on corruption continues to be high. Rothstein suggests that perception of corruption is directly related to a citizen's likelihood to respect the law, and citizen engagement in politics (2011). As a result of several scandals concerning corruption on a grand scale in Nepal the people no longer trust political representatives, especially elected politicians. The problem is intensified by lack of proper mechanisms of accountability. Institutional checks and balances can be overridden by political interference. Institutional limitations and the fact that such checks are weak allow corruption to become a normal part of the governance process.

Governance Implications

The different issues discussed- fragmentation of political parties, executive instability, politicization of bureaucracy, faulty judiciary, and corruption - each causes problems in Nepal's performance of governance. They reduce overall performance of governance, decrease policy consistency, and erode institutional integrity. From a perspective of political decay, this situation is a result of institutional inflexibility and the institution's incapacity to respond to governance challenges, leading to its eventual decline in effectiveness and legitimacy, as Fukuyama has articulated (2014). Deficits in public trust and administrative consistency are the consequence of this situation; and without institutional reform toward increased accountability, cooperation, and professionalism of bureaucracy, the situation will continue.

DISCUSSION

The Nature of Nepal's Institutional Crisis

It becomes clear through the analysis that Nepal's institutional crisis is not a one off phenomenon or an isolated incident. It has emerged as a systemic and structural problem arising from historical as well as functional deficiencies in Nepal's governance structure and in the relationship between the vast constitutional expansion and institutional capacity. The inherent gap between institutional design and actual performance has become a key symptom of decay, as described by Fukuyama (2014).

The adoption of a federal democratic framework in post-2015 Nepal has not been followed with equivalent institutional reforms. This has led to a breakdown of inter-governmental coordination, limited fiscal autonomy and persistent political interference which has fractured Nepal's governance landscape among the sub national units and the central government, overlapping responsibilities and ambiguous accountability (Rodden, 2006). Governance performance in different sectors and regions varies significantly. Political games in terms of elite bargaining, strategic short-term coalitions and lack of continuity in policies is characteristic of Nepal's political behavior which has weakened political credibility and capacity for effective long-term governance. This pattern reflects the constraint imposed by path dependence on governance reforms (Pierson, 2004).

Political Decay as a Governance challenge

Political decay has been considered a valuable lens to analyze Nepal's crisis not as regime specific but as a performance specific challenge, which counters the notion of transitional democracy that tends to emphasize smooth consolidation and linear progress. The possibility of stagnation or even regression, despite democratic structures, has been demonstrated through the idea of political

decay (Fukuyama, 2014). Nepal exhibits traits of political decay in the loss of bureaucracy's professional autonomy, increasingly politicized state institutions, declining public trust. This should not be viewed as democratic collapse, but as a gradual decline of institutions, as argued by Levitsky and Ziblatt (2018), that "The danger of democratic erosion, after all, is that it is typically slow and subtle, and that the most insidious form of decay is gradual in nature, yet is ultimately the most damaging, to institutional credibility." Thus, the task of governance is not to maintain democratic procedural legitimacy, but to address the underlying systemic issues and improve institutional effectiveness.

The Implications for Democratic Consolidation

Democratic consolidation relies not just on the successful passage of a new constitution and regular electoral outcomes, but on sustained good governance performance, the rule of law and legitimacy. The erosion of state performance within a democracy has weakened public faith in their political leadership and in their state, risking the depletion of citizen's faith in democratic values and institutions (Norris, 2011). The increased risk of populist movements or informal mechanisms of governance dominating politics will exacerbate Nepal's consolidation process by reducing institutional authority and fostering elite-led bargaining, further weakening democratic progress.

Comparative analysis from South Asia

It is evident that Nepal is not alone in facing such an institutional crisis and that governance stress is a reality in South Asia. Political and institutional practice often diverge from their formal constitutional frameworks with many countries in the region experiencing similar patterns due to varying degrees of political bargaining, bureaucratic incapacity, weak state performance, and a lack of political will and capacity (Adeney, 2020).

While other countries like India, Pakistan, Bangladesh and Sri Lanka face varying degrees of political crises of governance, the lack of robust formal institutions have led to varying degrees of state failure and success despite different political trajectories. India, for instance, while a resilient democracy, faces structural problems of governance. The same can be observed in many other South Asian nations with formal democracies. The transition of Nepal into a federal democracy without commensurate administrative capacity poses a unique dilemma where the formal institutional design outpaces the capacity to implement effectively.

POLICY IMPLICATIONS AND REFORM AGENDA

Strengthening institutional autonomy

Increased institutional autonomy will be the basis to turn the tide of political decay. It is necessary to shield the bureaucratic institutions from political interference; this will strengthen meritocratic choices and ensure efficiency. As Cingolani (2013) points out, state capacity is heavily reliant on bureaucratic professionalism and institutional autonomy. In Nepal, reforms should be geared towards the establishment of clear recruitment processes, based on merit and the reduction of political meddling in transfers within the public service. By constitutionalizing and reinforcing regulatory agencies and bodies this may facilitate institutional checks and balances, leading to greater policy consistency and reducing volatile governance.

Reforming political parties

Political parties are the essence of promoting better governance and institutional stability. Programmatically-oriented parties (strong) are better at generating consistent and predictable policies and increasing accountability of decision-makers than personalized, weakly institutionalized or factionalized parties (Mainwaring & Scully, 1995). Reforms should ensure internal party democracy, a strong process of selecting party leaders and candidates and a clear ideology. Some aspects of the legal framework may be modified to create deterrents for opportunism and splitting parties for political gain. Enhancing the institutionalization of parties is crucial for political stability and consistency.

Professionalizing the civil service

The efficiency of the state is significantly impacted by the professionalization of the civil service. The key elements of this are: rule-based governance and meritocratic appointment. Weber's bureaucratic theory highlights that well-developed institutions based on such principles are fundamental to effective governance (Weber, 1978). Nepal's civil service needs a thorough reform which places a premium on technical capacity, efficiency and performance evaluations, while institutions remain neutral. Technology can be utilized by improving e-governance services, improving capacity through training and performance-based incentives, reducing politically motivated appointments and transfers and ensuring accountability for poor performance, thereby contributing to public satisfaction with service delivery.

Strengthening accountability mechanisms

Good governance cannot be achieved in the absence of robust accountability systems. Without accountability the integrity and legitimacy of institutions declines. The ways in which mechanisms of accountability can be strengthened are through institutionalization and empowerment of oversight bodies, and the improvement of independent anti-corruption agencies and transparent systems of governance (Mungiu-Pippidi, 2015). In Nepal, attempts at implementation of anti-corruption frameworks must be supplemented with strengthening of their enforcement mechanisms. Parliamentary oversight, the independence of the judiciary and civil society are also integral components of institutional accountability.

Reinforcing public trust

Public trust in institutions plays a very important role to maintaining the legitimacy of a democracy. It has much to do with how the states' institutions are viewed as being fair, capable, and open by its citizens (Rothstein, 2011). If state institutions lack those characteristics, then public trust in states' institutions will diminish and this in turn negatively affects a state's democratic stability. Strengthening institutions by promoting transparency, better public service delivery and better citizen participation through various channels will help restoring this trust. Establishing e-governance structures would be important to increase the accessibility, lower the corruption levels and through reforms in local governance, it would help in enhancing service delivery to the citizens.

CONCLUSION

This paper investigated the patterns of political decay and institutional crisis in Nepal's democratic state using the insights of Fukuyama's political decay framework, historical institutionalism and the governance theory. We found that Nepal's crisis in governance is not the symptom of short-term or transient issues, but the result of structural and institutional obstacles that constrains the state capacity, weakening the institutional performance and democratic legitimacy.

The findings revealed that the post-2015 federal democratic structure in Nepal though constitutionally advanced, did not produce correspondingly institutional strength to support it. Continuing problems like fragmentation of parties, volatility of the executive, politicization of bureaucracy and lack of accountability have weakened the governance in the country. These are symptoms of Fukuyama's (2014) notion that political decay occurs as institutions become unable to respond to changing political and social demands.

Historical institutionalism helps understand why the structural constraints are difficult to overcome and can reproduce institutional inefficiencies over time through path dependency (Pierson, 2004). Similarly, the concept of governance theory shows the problems of coordination between multi-level state structures. In Nepal, the federal state structure faces difficulties due to overlapping competencies and fiscal dependence between various tiers (Rodden, 2006).

It was observed that lack of trust of the citizens toward their political institutions is both a symptom and a cause of institutional crisis, which will lead to undermining the legitimacy of democracy (Rothstein, 2011).

The comparison with South Asian region also showed that the pattern is very similar to other democratic countries in the region, where liberal democratic constitutions are functioning within weakly institutionalized states (Adeney, 2020). However, in the case of Nepal, the transition towards federalism from constitutional changes has exacerbated the problem by generating expectations beyond the administrative capacities of institutions.

The analysis has demonstrated that while Nepal's institutional crisis demands institutional and structural changes than constitutional reform; it is imperative to strengthen institutional independence, political party institutionality, accountability and citizens' trust. Without such reforms the difference between democratic desires and real governance achievements will not be narrowed down and the trend of political decay will continue.

Further research can focus on empirical measurement of institutional performance indicators of state institutions of Nepal; comparative cross-national analysis within South Asia region and mixed methods that incorporate both behavioral and institutional analysis.

Conflict of Interest

The authors declared no conflict of interest.

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