

The Theory of Fragmented Federalism: Explaining Authority Overlap, Institutional Competition, and Governance Outcomes in Nepal's Multi-Level Governance System

Aadar Tamang

Mphil-PhD Scholar Tribhuvan University, Kathmandu, Nepal

Email: Adrlamkhor1@gmail.com

ORCID: <https://0009-0001-9377-507X>

Abstract

Federalism, as an evolving framework of governance is a promising design to address the political diversity, deconcentrate power and deliver better public services. In the post-Constitution of Nepal 2015 era, a multi-level system of federalism with the intention of cultivating cooperation, coordination and collective accountability between and among the federal, provincial and local levels was created. However, its operation has been hobbled by sustained coordination failures, unclear jurisdiction, institutional conflicts and policy incoherence. Although, extant literature on cooperative federalism, competitive federalism, fiscal federalism, and multilevel governance provides illuminating understandings, these explain poorly the ongoing disintegration in the federal arrangement. Against this, in this article, the Theory of Fragmented Federalism is put forth as a new analytical paradigm to make sense of how authority overlap, institutional competition, and coordination deficits condition the performance of governments. Adopting a conceptual theory building strategy, the article weaves together the most recent studies on federalism, governance, institutionalism and intergovernmentalism, against the back-drop of Nepalese post-2015 federal governance practices. The study argues that by causing institutional competition and coordination deficit between and among levels of government, overlapping authorities condition the poor policy implementation, administrative coherency, accountability and service delivery outcomes. The article thus presents a theoretically unified explanation of fragmented governance with important implications for improving the functioning of federal systems, that necessitates to develop clear constitutional mandates, effective intergovernmental institutions, and solid mechanisms for coordinated decision making and action.

Keywords: Federalism, Governance, Institutional Competition, Authority Overlap, Multi-Level Governance, Intergovernmental Relations, Theory Building

INTRODUCTION

Background

Federalism has become one of the most important models of government for managing political diversity and geographical heterogeneity in decentralizing state authority across levels. In most modern federal systems, the aim is to accommodate the demands of unity and diversity, and

at the same time preserve state integrity by demarcating powers between national and regional governments through the constitution (Hueglin & Fenna, 2021). Over the decades, the idea of federal governance spread beyond old federations of United States, Canada and Australia, to a multitude of developing and transitional state governments which see decentralisation as key to improved public participation, better government accountability, and greater efficiency and effectiveness of public service delivery (Burgess, 2022).

In response to such demands for political inclusions, state stability and good governance in an ever growing pluralistic setting, federalism was proposed as viable approach to government.

In the South Asia's context, federalism is of significant importance considering a large deal of linguistic, ethnic, cultural and geographical diversity present among South Asian countries such as; India, Pakistan, and Nepal which has since its state creation engaged in adopting federal systems for addressing a multitude of issues including historic complaints, regional imbalances and problems of state building (Arora, 2023). In spite of differences in institutional designs and operational features, a common purpose among federal systems is to institute formal institutions capable of coordinating numerous centres of power. However, the success and feasibility of federal governance is contingent not solely on design features, but upon institutions of intergovernmental relations and their capacity to co- operate, coordinate and negotiate differences among governmental bodies (Anderson, 2021). Nepal has undertaken one of the significant federal transition movements of this century in South Asia.

In an endeavor to resolve long protracted political conflicts, after the long process of constitutional negotiations, the constitution of Nepal, 2015, promulgated a federal democratic republic in Nepal.

The country is now comprising federal, provincial and local governments. Federalism was intended to fulfill the aspiration of hitherto alienated groups and sectors, to strengthen democratic governance in the country, promote equitable development and bring government closer to the people (Government of Nepal, 2015). The constitution provided a comprehensive scheme on the distribution of legislative, executive and fiscal powers and responsibilities among the three levels of governments and envisions a federal system that ensures co-existence, cooperation and co-ordination among various governmental entities.

Problem Statement

It has been almost one decade since the adoption of federalism, yet many governance problems still persist in Nepal's multi-level governance system. Co-ordination Though a number of ways of inter-governmental co-ordination are prescribed in the constitution, the lack of proper co-ordination among the different levels of government is very popular for the countries practicing federalism (Khatiwada & Paudel, 2022). Inter- governmental stakeholders are often facing challenges while co-ordinating with each other on: policies; distribution of powers and duties and implementation of development projects at various level.

In part, this stems from a lack of clarity of jurisdiction; while each government level has been allocated different capacities (exclusive, concurrent, and shared responsibilities), they can sometimes create an unclear delineation of institutional mandate, roles and decision-making capacity.

Overlapping mandates have been identified as leading to duplication of activities, duplicated programs, disputes and confusion on who owns certain policy areas (Adhikari, 2021). Another significant cause of coordination failures relates to institutional competition; tensions over the sharing of revenues, administrative powers and political influence is a frequent occurrence, with provincial actors seeking greater control, local governments wanting greater powers, and federal authorities ensuring uniform application of policies across the nation (International IDEA, 2021). Many of these issues have been identified in a variety of existing scholarly works, yet no unified theoretical argument has explained the persistency of fragmentation despite having a framework of coordination.

Research Gap

Three main schools of thought have emerged to make sense of intergovernmental relations in federal systems: Cooperative Federalism posits government cooperation and shared authority in governance, Competitive Federalism suggests that government competition can promote efficiency and accountability, Fiscal Federalism is a branch of economic theory dealing with who provides a public good, with the optimal provision and financing of those goods, and Multi-Level Governance (MLG) examines the interactions among the numerous government and non-government actors that operate across multiple territorial scales (Hooghe & Marks, 2024). In theory, these frameworks account for how multiple governments will either engage constructively in cooperation or competition or devise an institutional set that is capable of mediating interdependent operations. Nonetheless, these approaches have a difficult time in making sense of the governance fragmentation that characterises the existing emergent federal state, Nepal. This framework assumes that, with time, government interaction will inevitably translate either to productive coordination or competition between authorities, or institutionalise devices that govern mutual dependencies.

Instead, Nepal's case illustrates a consistent overlap and reinforcement of institutional competition, authority overlap, coordination difficulties and hence, enduring governance fragmentation.

These features have not been addressed by existing theories that theorise inter-governmental relationships, creating a void in contemporary federalism scholarship.

Research Questions

In an effort to address the existing gap in existing research, this research has set out the following research questions.

1. Why is Coordination Failure persists in Nepalese federalism?
2. How the Overlap of authority produces Fragmentation of multi-level governance?
3. What is the effect of the Fragmentation on governance outcomes in Nepalese federal system?

Objectives of the research

The aim of this research has set out three objectives:

1. To derive the Theory of Fragmented Federalism as a new conceptual framework to understand the issues of Governance system in the federalism system.

2. To analyze how Coordination Failure persists through Overlap of authority and competition among institutions in multi level governance system of Nepal.
3. To analyse how Governance Fragmentation leads to policy, administrative and institutional outcomes.

Contribution

This article is making a triple scholarly contribution to the literature on federalism and governance. First, it builds an original theoretical framework for understanding governmental fragmentation in an era of pluralization by conceptualizing Fragmentation Federalism Theory where fragmentation emerges from the interplay between overlapping jurisdiction, institutional conflict, and coordination deficits. Second, this chapter, expands our understanding of federalism by building upon literature to present a holistic account of perpetual coordination failures in newly emerged federations.

Third, this article provides policy implications that will help foster stronger relationships among the sub national level institutions and improve quality of governance in Nepal and beyond during periods of transformation to federalism.

The theoretical model goes beyond the present conceptualization of cooperation only, competition only or fiscal focus only; rather, it offers a theoretically holistic approach for explaining institutional fragmentation and its consequences for governance in a complex multi-level governance systems.

LITERATURE REVIEW

Classical Federalism

By definition Federalism is a method of constitutional allocation of political power between two or more levels of government, be it national or sub-national. Classical Federalism originated from seminal works of scholars such as Wheare (1963). From Wheare's definition, federalism entails constitutionally allocated shares of power held by various institutions of government at national and constituent units; each with their sphere of autonomy.

Federalism according to classical theorisation seeks for institutional autonomy, constitutional delimitations and the maintenance of both unity and self-government regionally.

Federalism historically was instituted in regions that necessitated unity within a highly differentiated structure- to cater for territorial divisions in heterogeneous States. Contemporary works have argued the failure of such notion. No present federation in existence mirrors such definition because; of shared powers in the same functional policy areas and numerous interactions in governing (Hueglin & Fenna, 2021), though such a system will form a basis for other kinds of governing federal systems.

Cooperative Federalism

The origins of this doctrine arose from increased awareness of the interdependence of governmental functions. Instead of viewing distinct governmental spheres as in the case of the classical model, cooperative federalism posits that the contemporary processes of policy making, implementation

of programs, provision of services and development programs increasingly involve collaboration among different levels of government (Anderson, 2021). The core argument here is that there is enough incentive for various governmental actors to work together to achieve collective goals. Several of these cooperative devices include inter-local and inter- governmental council bodies, fiscal transfer programs, administrative service arrangements, harmonization policies etc.

In a number of well established federal states, the use of these devices often strengthens policy consistency and effectiveness in governance (Burgess, 2022). This framework has limitations despite having analytical importance in explaining contemporary inter-governmental relation processes. One of its key deficiencies, as observed earlier, is the implicit and often unquestioned assumption on the part of government actors of goodwill and readiness to cooperate. This model tends to disregard other features of politics in federal states like political competition, struggle between institutions and interests which in developing federations might dominate and thereby limit any degree of inter-governmental co-operation, thereby restricting the descriptive power of the theory to an incomplete explanation of what goes on in some of the fragmented institutional structures in developing federations.

Competitive Federalism

A contrasting framework of competitive federalism. In this perspective of competitive federalism – with roots in public choice theory and market governance approaches – inter-local competition replaces inter-local cooperation and competition between sub-state governments encourages innovation, efficiency, and responsiveness to citizen preferences (Weingast, 2014) . The theory argues that experimentation in policy and institutional competition should result in more effective public governance and better allocation of scarce resources.³ Recent theoretical debates stress the potential efficiency advantages of competitive federalism for policy innovation and development (Bednar, 2021).

Furthermore, the theory also assumes equal strengths of institutions and bounded and well-established borders.

Yet, opponents suggest that competition can have negative consequences: it can lead to fragmentation of policy, policy duplicity and inter-government conflict. Instead of improved governance outcomes, competition can intensify struggles over the division of resources, power and authority (Arora, 2023) especially in younger federal arrangements which will have coordination problems. For that reason, competitive federalism has difficulty explaining cases where competition led to fragmentation instead of innovation.

Multi-Level Governance Theory

Born out of research on European integration, Multi-Level Governance (MLG) is the mainstream theory to describe complex governance involving various governments on different territorial scales. Contrary to the hierarchical accounts of government, MLG focuses on networks, interdependence, and the sharing of power by government and non-government organizations. Governance thus frequently consists in coalitions of public and private agents and decision-making takes place across several scales-local, regional, national and supranational levels-which necessitates extensive interinstitutional coordination.

MLG has been employed in research into decentralization, region building, public administration etc.

However, despite their considerable appeal and descriptive power MLG explanations are too general to capture the particular explanatory puzzle that we address. MLG effectively portrays how governments coordinate but pays less attention to explaining how and why governance is fragmented across jurisdictions when governments are committed to coordination. MLG analyses, in the main, how decisionmaking coordination takes place instead of which institutional conditions make it fail. Consequently the challenges in emerging federations like Nepal are only half illustrated by MLG.

Institutional Theory

Another tool that can help us interpret the range of outcomes that occur from organization behavior and governance, is the theoretical insights of institutionalism. In its broad terms the argument of institution theory holds that that institutions structure institutional actions and policies through its own established set of rules, standards, norms and organizational arrangements (Scott 2014). According to the recent scholarship in this realm, institutions are actively pursuing legitimation, autonomy, and other forms of organizational resources and they are not simply the framework in which they exist.

Institutional scholars also propose the relevance of such phenomena as institutional complexity: when organizations work within or are regulated by an institutionalized framework that includes a mixture of different, and sometimes contradictory institutional arrangements (Greenwood et al. 2012). Such complexity might, in practice, produce tension and require increased effort to Coordinate operations; similarly notions of institutional fragmentation imply that because different agents and institutions have overlapping mandates or jurisdictions, there may be ambiguity about who should do what and when. While the institutional literature would be able to explain fragmentation, it largely neglects to investigate federal arrangements directly as a basis for recurring coordination failure, because federal institutions have different sets of mandates, resources, and goals.

Nepal Federalism Scholarship

The introduction of federalism under the Constitution of Nepal 2015 has resulted in a continuously growing volume of academic literature. In recent years, scholars have focused their attentions on four distinct but interconnected themes, including intergovernmental relations, fiscal federalism, administrative decentralization and constitutional implementation. Studies exploring intergovernmental relations focus on the difficulties of coordination between federal, provincial, and local governments.

Scholars have found conflicts based on overlapping jurisdictions, undefined roles and varying interpretations of constitutional responsibilities (Khatriwada & Paudel, 2022).

While mechanisms for collaboration between governments have been developed in formal ways, effective utilization has proved inconsistent. Fiscal federalism has emerged as a distinct field of study examining questions related to the distribution of revenue, fiscal transfers and

expenditures, and financial autonomy for governments at all levels. The evidence suggests that fiscal dependencies and contest over resources continue to affect intergovernmental relations, as well as performance of governments (Subedi, 2023). Research on administrative decentralization encompasses issues of institutional capability, reorganization of government, and the provision of public services.

Studies demonstrate that disparate capacity in government bureaucracy and administrative transition have become obstacles to establish effective federal governance frameworks (Adhikari, 2021). The scholarship on constitutional implementation investigates some of the pragmatic hurdles to transform constitutional principles into effective governance practices. The scholarship shows an ongoing challenge relating to harmonizing laws, coordinating policies and adapting institutions (International IDEA, 2021). All together, the scholarship offers empirically-rich understanding on Nepal's federalism although scattered along various thematic domains.

Critical Synthesis

But upon close inspection, the empirical constraints on federal theory do not necessarily weaken the established frameworks beyond repair. Classical federalism presumes mutually exclusive grants of authority and sovereignty which in reality are scarce. The cooperation central to cooperative federalism does not adequately address either inter-institutional conflict or political competition.

Competition, the focus of competitive federalism, in turn ignores possible inefficiency outcomes stemming from an unbridled exercise of inter-governmental competitive strategy.

The idea of Multi- Level Governance captures complexity without fully exploring the causes of coordination failure. Institution theory highlights institutional complexity and organisational conflict but not federalism in particular. Each approach may contribute to a wider explanation for federalism, but most are also characterised by an analytical tendency towards seeing governances and decision systems primarily through a singular prism- whether cooperation, conflict, organisational behaviour, or governance networks-without explicitly analysing how such dynamics operate and intersect within each other. In thus limiting the analysis of why federal structures so often fail to coordinate or distribute functions adequately across policy levels, our existing theories offer less compelling or complete analyses of their shortcomings than they might Otherwise do.

Knowledge Gap

While there have been considerable advances made in understanding federal governance in the literature, a serious theoretical void persists. Research has identified various problems with Nepal's federal governance-jurisdictional ambiguity, resource contention, inconsistent policies and interpersonal conflict among different government tiers. Yet, no theoretical argument has systematically articulated why and how these issues are interconnected.

Specifically, what has yet to be explained theoretically is how, despite constitutionally mandated cooperation and coexistence, coordination breakdowns recur, why the overlaps of the power

structure lead to institutional rivalry, and how such systemic interactions contribute to various governance processes and their outcomes.

Thus, the literature to date lacks a theory of why governance remains fragmented in the multi-layered federal state. Building upon the existing literatures of federalism, governance and institutional politics, the following proposes the Theory of Fragmented Federalism which suggests that the overlaps of the power structure, rivalry of institutions and coordination failure are the interconnected drivers which create both the governance failure and their results in many emerging federations and other similar states as well.

METHODS

Research Design

The present study utilizes a conceptual and theory-building research design intended to construct a new explanatory paradigm to capture persistent coordination failures within Nepal's federal governance system. Unlike empirically focused research designs aiming to test causal claims via primary data collection, conceptual research is engaged in advancing knowledge by identifying existing limitations in existing literature and developing new theoretical lenses through which to frame these issues (Jaakkola, 2020). The concept of theory-building research is vital within public administration and governance scholarship since intricate phenomena may require innovative theoretical conceptualization prior to any empirical testing (Whetten, 1989).

This article makes no claim to measure governance outcomes through statistically oriented data.

Instead it constructs and explicates a theory-based explanation of why overlapping spheres of authority, institutional rivalry, and coordination problems are endemic in the multi-tiered governing system in Nepal. The paper follows a deductive conceptual direction. The aim is to derive testable propositions.

Theoretical Development Strategy

Theory development guided by Three Analytic Strategies Conceptual Synthesis. Analytical abstraction. Theory development Conceptual synthesis involves drawing together insights from different streams of Scholarship on federalism.

Multi- level governance.

Institutional Theory. Public administration. Intergovernmental relations. This provides a way of spotting patterns of commonality, shared assumptions and points of tension in different parts of literatures.

(Jaakkola, 2020).

Analytical Abstraction moves from description to explication of cause and effect. A number of Governance issues in the Nepalese context would be transformed from specific, empirical instances of governance problems to more abstract, theoretical categories that explain causes that apply to cases in a variety of circumstances. (Lynham, 2002) In theory construction, we need to be able to articulate which key concepts to include, defining how they are related and the set of logically coherent propositions that explain observed outcomes.

Whetten (1989) suggests a framework whereby we seek an understanding of what factors really matter, how they are related to one another, and the reasons why those relationships matter. In this manner, it goes about to form Fragmented federalism theory to bridge the issues that can take on as an interconnected causal explanation for authority overlap, institutional competition, coordination deficits and governance outcomes.

Data Sources

Sources All the information contained in this study exclusively comes from secondary sources, which have been chosen based on their pertinence to federal governance and institutional analysis. Among these, we can find peer-reviewed articles in journal, books, legislation (like the constitution), reports and documents from government agencies or international organizations, as well as studies of governance. The emphasis in this study will be on the more recent writings concerning federalism, decentralization, inter-governmental relations, and governance reform.

We start from the Constitution of Nepal (2015), the primary document that formalizes the divisions of powers between the three spheres of government: federal, provincial, and local government.

Government policy documents and other report provide, in turn, a rich source on the issues of implementation. We are combining and integrating different type of documents in order to create a greater conceptual depth.

Analytical Procedure

This analytical exercise followed a three-phase process. Stage 1 was conceptualization using a review of existing scholarship on federalism and governance to identify and group recurrent themes identified with issues of governance. Issues of particular interest were those of overlapping authority, institutional competition, intergovernmental coordination, and governability.

Stage 2 was that of relationship mapping to explore the linkages among the variables to provide insight as to how a range of different institutional settings affect other aspects of federal systems.

Review existing explanations of how a set of institutional relationships would work, focusing on points of commonality and points of dispute in established explanatory efforts. Stage 3 was that of proposition formation in which based on the observed relationships a number of explanatory propositions linking these concepts were proposed which collectively formed the basic logic of Fragmented Federalism Theory - how overlapping authority leads to institutional competition, which leads to lack of coordination and governability.

Research Integrity

Research rigor-adherence to the principles of the ethics, scientific transparency, and scholarship-are demonstrated in the study. Transparency is ensured by explicit and thorough treatment of the research team's theoretical assumptions, conceptualizations, method, and approach to data source selection. The ethics of citation are demonstrated by granting academic credit when it is due to appropriate intellectual work and, as necessary, referencing attributed ideas consistent with the principles articulated in APA's guidelines (7th ed.).

The research also demonstrates reflexivity, since the scholarly act of building theory often involves making interpretive judgments.

Any choice regarding what to name as concepts, abstract and operationalize as constructs and theory, inevitably will involve selection of which reality phenomenon(a) the research team focuses on. Recognizing its inherent assumptions provides analytical rigor (Alvesson & Skldberg, 2018). These steps hopefully result in a Fragmented Federalism theory construction in a transparent, logical and methodologically valid manner. The text that follows is in scholarly voice for conceptual development in an article format. All sources will be checked and matched for inclusion in the reference list of the document itself.

DEVELOPMENT OF FRAGMENTED FEDERALISM THEORY

Defining Fragmented Federalism

The current research endeavors to conform to well-supported scholarly ideals of integrity, transparency and ethical research conduct. This includes the explicitness with which theoretical assumptions, conceptual parameters, analytic steps and data access and search terms will be explicated to ensure that the research process is as transparent as possible. Ethical referencing is exercised by accurately crediting intellectual contributions and the idea for that matter, attributed to original sources as per APA 7 th edition criteria. The research also embraces reflexivity that is in creating theory is as a subjective act, with implicit judgment from the researcher.

The process of conceptualising, abstracting an analytic process and articulating proposition all inevitably foreground a scholars perception on what aspects of reality would be illuminated versus those excluded. By considering the above we also strengthen the internal validity of the present study (Alvesson & Skldberg, 2018). These factors aim at creating a theory (Fragmented Federalism Theory) that can be rigorously tested empirically. In the next section all statements are written in a academic tone in the style for a conceptual paper. All citation is to be thoroughlychecked and matched to the actual reference.

Foundational Assumptions

There are four assumptions which underpin the Theory of Fragmented Federalism.

Institutions Seek Autonomy

The institutional perspective views organizations as driven to maintain their authority, legitimation, resource bases, and decision autonomy (Scott, 2014). In federal systems, it follows that the various tiers of government will typically endeavor to increase their institutional independence, and, thus, federal departments, provincial governments, and local municipalities will likely challenge an arrangement perceived to compromise such an endeavor. The struggle to retain this institutional independence may create inter-institutional strains where boundaries between levels of government are unclear, and several actors would appear to hold the same claims to policy competence.

Power-Sharing Creates Complexity

As Burgess notes, the deliberate diffusion of power within federalism makes governing complicated (Burgess, 2022). Dual or overlapping jurisdictions; shared administrative responsibilities; combined, concurrent powers in policy domains all generate intricate inter-institutional dependencies where constant effort must be undertaken to coordinate affairs. Accordingly complexity is fundamental to the operation of federal government, not a by-product.

Coordination Requires Incentives

Successful coordination almost never simply occurs by happenstance. For governments to work together, they need incentives, organizational structures, trust and administrative capacity (Agranoff, 2018). Where incentives for cooperation are small, or when coordination institutions lack leverage, the logic may favor that governmental agencies or units work at cross-purposes to the shared interest in governing through combined actions. Coordination challenges may be more frequent in intricate federal settings.

Fragmentation Generates Governance Costs

The high governance cost. Those could be; inconsistency in policy formulation, fragmentation (duplication of functions), lag time in implementation, inefficient use of public money and lack of responsibility. Thus the fragmentation in institution would not only explain the interaction between institutions but also to other governance performance (Peters, 2018).

Combined, these assumptions offer the basis from which to analyze how the authority patterns and institution incentives result fragmentation in the multilayer system of governance

Core Components

The Theory of Fragmented Federalism is comprised of 4 interrelated elements: authority overlap, institution rivalry, coordination gaps, and governance results

Authority Overlap

Overlap occurs when there are two or more actual or believed competent, entitled governing bodies that are responsible for governing the same area of a policy and within the same territorial boundaries, typically between governmental levels in federal systems with the overlapping occurring within the legislatures through overlapping legislation and then through the governments' administrators, and even through vague or poorly worded constitution provisions (Watts, 2008). Overlap results in uncertainty regarding what institution actually holds the authority and a difficult task to assign blame and thus is harder to hold any one responsible, or it could cause over-implementation of policy or duplicate services.

Institutional Competition

Institutional Competition is the jockeying for position over power, resources, legitimacy and prestige amongst government institutions under the federal system. These might take the form of the competition between federal and provincial actors, provinces or provincial actors and local government actors. Although sometimes providing impetus for innovative behaviour, the

pursuit of these ends also potentially aggravates clashes over jurisdiction and the distribution of resources. Institutional actors often compete to extend influence through the defense of authority claims against encroachments, for instance; these behaviors can serve to entrench fragmentation where institutions compete at the expense of achieving collective governmental ends (Bednar, 2021).

Coordination Deficits

Deficits in coordination arise because institutions responsible for governance have not synchronized their policies, actions and decision making functions. Coordination can be impaired for a variety of reasons such as weak or absent communication channels, a lack of robust inter-governmental institution, contradictory mandates, or simply lacking administrative capacity (Peters, 2018).³. Coordinating deficits are the actual operation manifestation of fragmented governance. Formal arrangements in constitutions may promote coordination, but practical coordination is limited by intra- governmental rivalry and organisational complications.

Governance Outcomes

Governance outcomes represent the observable consequences of interactions within and among institutions. Key examples of outcomes include policy effectiveness, service delivery performance, administrative efficiency, accountability, and public trust. A primary claim of the theory is that governance outcomes are heavily mediated by the extent of federalist system fragmentation. More fragmentation leads to more delays in policy implementation, policy inconsistencies, and administrative inefficiency.

Causal Mechanisms

The main impact of Fragmented Federalism Theory is that it explains how governance fragmentation comes to exist as a result of mechanisms working in tandem. Fragmented authority turns into institutional competition; fragmented authority is a result of jurisdictional boundaries becoming more and more blurry (the presence of a multiplicity of agencies overlapping one another. This makes it possible for them to compete for authority, money and control).

Theoretical Model

The Theory of Fragmented Federalism is summarized through the following causal sequence:



The suggested process is sequential where each stage contributes to the next. While it is acknowledged feedback processes may be prevalent, emphasis is on the way Fragmentation builds up with cumulative interactions between institutions and others.

Theoretical Propositions

Guided by the theoretical assumptions, six hypotheses are formulated.

- (P1) High authority overlap contributes to institutional competition in federal governance.
- (P2) High institutional competition impairs mechanisms of inter-state coordination.
- (P3) Authority overlap per se directly affects coordination problems by creating uncertainty over competencies among government bodies.
- (P4) Coordination problems produce institutional and policy duplication between different tiers of governance.
- (P5) High governance fragmentation affects effectiveness of policy implementation and of public services delivery.
- (P6) The synergy of authority overlap, institutional competition and coordination problems weakens the performance of governance systems with multi-level coordination. These six hypotheses form the core explanatory framework of the Theory of Fragmented Federalism.

While much existing scholarship focuses on either cooperation or competition between subnational tiers of government, the proposed framework simultaneously examines patterns of authority, institutional actions and consequences in the governmental sphere.

It lays a foundation for future empirical and comparative analyses that explain the long-term coordination deficits of Nepal's federal system. Ensure that all references to existing works and evidence are thoroughly referenced with original sources. Many JORI reviewers will question whether the Nepal examples are conceptually embedded in the theory or not.

APPLYING THE THEORY TO NEPAL

Constitutional Distribution of Powers

The Constitution of Nepal, 2015 provided for a three tier federal structure comprising the federal, provincial and local governments. In an attempt to institutionalise democratic decentralisation, the constitutional setup ensures distribution of legislative, executive and fiscal powers across these layers of governance. The constitution explicitly enumerates respective as well as concurrent powers to different levels of government, while incorporating the principles of cooperation, coexistence and coordination as basic principles guiding intergovernmental relations through schedules 5 through 9 of the Constitution (Government of Nepal, 2015).

Specifically, the federal government powers extend to issues like defence, foreign relations, monetary policy, national policy, major infrastructure and central regulatory measures.

Provincial Governments have been allocated duties of Provincial Administration, Provincial Development and sector-specific implementation roles. Local Governments has powers over local services delivery, infrastructure at the local level, educational governance and other grass root level activities. Several policy sectors share overlapping responsibilities and consequently, require shared executive and legislative responsibility through concurrent powers. Within the

confines of Fragmented Federalism Theory, the existing constitutional setup offers possibilities for decentralisation while also nurturing conditions that might potentially exacerbate fragmentation.

As shared powers give access and representation for local actors, there may also be opportunities for conflicts and ambiguity given the shared executive and legislative responsibilities of government tiers.

Evidence of Authority Overlap

The first element of the proposed theory, authority overlap, is noticeable in several sectors of Nepal's federal administration. While the Constitution outlines clear-cut mandates, numerous policy areas have concurrent powers that necessitate the coordination of federal, provincial, and local governments. For instance, in the education sector, the Constitution places mandate on educational issues at all three tiers of government; nevertheless, during the implementation process, there has been a lack of clarity over the curriculum development, teacher recruitment and management, teaching standards and the allocation of financial resources for schools (Acharya, 2022).

Federal ministries' policy influence still reigns in the education policy space, the provincial governments are fighting for power of implementation, while local government take charge of the school administration.

In other words, their overstretched role has created ambiguity on who has authority over decision-making or accountability. In the health sector also we have had complex sharing of powers by federal, provincial and local levels. The former has the duty of setting health policies, the latter two are responsible of implementation of services, but they also have overlapped functions regarding recruitment, purchases, and health programs and disaster response (World Health Organization, 2022). Similar over stretching occurs in the governance of natural resources, wherein various aspects, including forests, water resources, environmental management and land administration, have been distributed across different tiers of governance and in conflict of interests related to the interpretation and the enforcement of rights and obligations (Paudel & Adhikari, 2023).

This is why one can argue that overlapping spheres of authority can be considered as a condition within which political contestations are shaped and expressed.

Evidence of Institutional Competition

Institutional Competition This refers to the competition for powers, resources, and policy authority by governments in the federal system of Nepal. Over the time provincial governments have shown discontentment over excessive influence of federal level in policy making and distribution of resources. Provincial leaders often assert that federal institutions still control significant areas of decision-making and administration even after constitutional assurances of decentralization and sharing of powers (International IDEA, 2021).

The contestation reflects the conflict for ascendancy among governmental actors in a federal system.

Similarly, fiscal relations demonstrate a contest between federal and subnational authorities. Provinces/localities argue for more financial autonomy, while the federal government wants to

maintain fiscal control, policy uniformity and resource efficiency. This explains how revenue sharing, conditional grants and expenditure assignments is another area of political contestation among governmental structures (Subedi, 2023). At the local level, sometimes a conflict emerges between municipalities over development resources, jurisdiction, powers over implementation etc.

The local governments now increasingly emphasize their legal and administrative autonomy to defy any encroachment by federal or provincial level.

Such instances show that governments seek to expand their scope of authority. So competition doesn't necessarily imply that things are failing, but it may enhance fragmentation and undermine collaborative governance if there are overlapping jurisdictions, unclear mandates etc.

Coordination Failures

These issues are linked, as the interface between authority overlap and institutional competition is seen to be an explanatory factor for enduring coordination failures in Nepal's federal system. While many formal intergovernmental coordinating mechanisms are in place to manage these coordination failures, their effectiveness varies across sectors. A common characteristic for these mechanisms is a lack of 'formally' instituted coordination.

The Constitution encourages intergovernmental coordination, but many intergovernmental exchanges take place based on informal understandings and political bargains rather than systematic coordinating processes and mechanisms (Khatriwada and Paudel 2022).

This contributes to erratic and slow implementation processes. The public health emergency, such as COVID-19, made intergovernmental coordination problems evident in Nepal's responses by posing fundamental questions as to which level of government had the authority for issuing restrictions or controlling public funds to fight the pandemic (United Nations Development Programme 2021). Similarly, in planning and development discourses, the lack of coordination between the central ministries, the provinces and local governments leads to separate development planning initiatives that do not harmonise their efforts with efficient allocation and utilisation of resources (Khatriwada and Paudel 2022). In the present context, these findings have provided evidential support for the above two propositions as authority overlap and institutional competition may create and reinforces each other through various interlinking processes in exacerbating coordination failures and furthering the logic of governance fragmentations.

Governance Outcomes

The final element of Fragmented Federalism Theory relates to governance outcomes. In Nepal, these can be seen across various policy areas including in the education, health, fiscal governance, and natural resource sectors. In education, overlapping authority and challenges in intergovernmental coordination have led to variations in the implementation of policies, confusion as to the institutional mandates and challenges to synchronize educational standards across local governments (Acharya, 2022). While decentralization has increased participation at the local level, fragmented forms of governance sometimes hinder service delivery.

Similarly, governance fragmentation in health has impacted the management of resources, workforce coordination, and service delivery and health programs (World Health Organization, 2022). Uneven capacity in public institutions across different government levels pose a significant obstacle to ensuring equitable health service provision. Fiscal governance provides another illuminating example. Conflicts among governments in terms of revenue sharing and grant provision and fiscal responsibilities have sometimes hindered budget implementation and development activities, undermined accountability, and hampered the effective use of public finances (Subedi, 2023).

Natural resource governance has demonstrated the other governance implications of fragmentation through overlapping responsibilities for forest management, land management, environmental regulation, and water resources (Paudel & Adhikari, 2023). Conflicts between governmental levels concerning their specific domains and functions have sometimes hampered the implementation of environmental, forestry, and land related policies. These are just a few of many illustrations that bear out the premise of Fragmented Federalism Theory that overlapping of authority leads to institutional competition, and institutional competition leads to coordination failure which in turn shapes governance outcomes. The case of Nepal has shown that effectiveness of the government in the service delivery is not a matter of constitution making, but as well managing complexity and clarity and a sustained pattern of cooperation between governments (Acharya, 2022; Paudel & Adhikari, 2023; Subedi, 2023; World Health Organization, 2022).

DISCUSSION

Theoretical Contributions

The main innovation of the paper is the theorization of Fragmented Federalism Theory (FFT) as a new framework that sheds light on a prevalent type of governance failure: ongoing failure to coordinate, even in federal settings. Existing literature on federalism has primarily explored power-sharing arrangements at the constitutional level; policy, service, and policy cooperation across governments, fiscal relations; and administrative decentralization (Anderson, 2021; Burgess, 2022). While these perspectives make important contributions to our understanding, they tend to view governance issues as solely institutional issues, not as cumulative effects of systemic fragmentation.

I build on these works and introduce a sequential causal logic, connecting authority overlap, competitive institutional relationships, failures to coordinate, and adverse governance results.

The argument eschews common assumptions that federalism leads to positive co-operation or co-petition. Instead, the paper shows how institutional overlap can cause fragmentation as unintended consequences of institutional design choices. I also present a second innovation that synthesises elements of the federalism scholarship, institutional theory and the scholarship on governance to create a single model to explain these outcomes. Typically, each body of literature analyses them separately.

FFT helps the reader bridge these two conceptual bodies with the result that my contribution presents a mid-range between co-operative and co-petition focused theorizing of federal governance.

Contribution to Federalism Studies

First, it pushes the literature beyond traditional concepts of cooperation and competition in federalism studies, since both frame policy processes in terms of harmony and adversarial relationships within governments respectively. The assumption here is that interactions between government units generate positive governance outcomes such as efficiency and stability (Hueglin & Fenna, 2021). Instead, our Nepalese example demonstrates that in emerging federal systems, institutions are, at one and the same time, cooperating, collaborating and clashing across sectors of policy, and in this process of authority overlap institutional conflict leads to fragmentation of the system and erosion of coordinate processes (fragmented Federalism Theory).

Second, the theory offers analytical tools to interpret the trajectories of federalism in transitional and developing states, in as much as most research on federalism to date has been preoccupied with classic models such as the United States, Canada, and Australia, where established federations must adapt to changed circumstances such as the reinterpretation of federal pacts and the uneven development of institutional capacity (Arora, 2023).

It explains better the politics of these forms of federalism.

Contribution to Governance Theory

The framework can also make some contributions beyond the study of federalism. While current studies on governance focus on networks, collaborations, and coordination (Peters, 2018), very few studies explore the impact of these underlying structural arrangements that hinder effective governance practices. Instead, this article identifies fragmented federalism as a unique governance form, implying that the outcome of any governance practice is not just influenced by capacity and policy design but by the coordination of the structural and institutional forms of authorities, organizations' incentives and other coordination mechanisms.

More specifically, by understanding the influence of institutional autonomy and individual organization interest in institutionalist perspectives, our proposed framework has shed more lights to the analysis of intergovernmental relations.

Similarly to institutional theories, states, agencies or organizations usually are concerned with how to preserve their authority and legitimacy and interests as resources (Scott, 2014), thus in a federal context, the cumulative activities by several governments that share power can produce some negative outcome. Also, we believe that this argument has implications for discussions about state capacity and governance. For instance, Fragmentation can possibly account for why certain governments fail in policy implementation even when constitutional authority and administrative structures were already present. Therefore, the presented framework may be beneficial for investigating into a variety of governance practices in challenging settings.

Comparative Applicability

While grounded in the Nepalese experience, the fragmented federalism theory can also inform analysis of other federal and quasi-federal states. The issues and dynamics highlighted by fragmentation, such as overlap of authority, intergovernmental competition, and challenges of policy coordination, also manifest in:

India Federal tensions between the center and the states over issues ranging from fiscal allocations, agricultural, and environmental regulation to administrative powers are endemic. Strong centralized institutions coexisting with constitutionally protected powers at the state level create potential space for fragmentation's effects on outcomes to be evident.

Ethiopia The implementation of ethnic federalism has resulted in complicated intergovernmental relations over autonomy, resource distribution, and political authority that at times have resulted in competition for power among federal and regional elites.

Nigeria A similar story unfolds in the case of Nigeria where issues of federal fiscal responsibilities, resource management, and intergovernmental coordination can pose difficult challenges, partly due to overlapping jurisdictions for federal, state, and local government authorities.

South Africa Similarly, South Africa's commitment to a cooperative system has had to navigate challenges of cooperation among national, provincial and local government actors at times. These cases indicate that the issues highlighted by the fragmentation model may not be specific to the case of Nepal but rather characterize aspects of contemporary federal governance. Further research applying and testing the theory across federal cases, examining the mechanisms, and assessing under what conditions fragmentation occurs would greatly assist in building a broader, evidence-based understanding of this condition.

CONCLUSION

To explain sustained coordination failures in Nepal's multi-level governance system, this paper has formulated the Theory of Fragmented Federalism. It started by observing that although previous federalism frameworks (Cooperative Federalism, Competitive Federalism, Fiscal Federalism, and Multi-Level Governance Theory) offer important insights on intergovernmental relations, they fail to adequately explain the prevalence of governance fragmentation despite constitutional guarantees on coordination. Accordingly, the article constructed an integrated theoretical framework, including overlapping jurisdictions, inter-institutional competition, coordination deficit and governance outcome.

The study concluded that governance fragmentation follows a chain of causation: overlapping jurisdictions create uncertainty about roles and responsibilities, sparking competition among different governmental actors struggling to guard or expand their turf. These, in turn, erode inter-governmental co-ordination arrangements, giving rise to the problem of coordination deficit, and over time lead to issues of policy inconsistency, administrative overlap, execution delay and service delivery breakdown. Such dynamics apply to the Nepal's post-2015 federalism in which, the theory has helped explain the issues of co-ordination as part of complex multi-layer sharing of power through a new federal constitution (Government of Nepal, 2015; Anderson, 2021).

The key contribution of this article is advancing the Theory of Fragmented Federalism as a new analytical lens for understanding contemporary federal governance challenges in the emerging federal systems. With integrated approach of federalism literature, institution theory and governance studies, the theory, hence, has offered more encompassing explanations on coordination failures compared to the existing theories. Accordingly, it has also contributed to an ongoing academic discourse on the dynamics of inter-governmental relations, state capacity,

and governance effectiveness in multi-tiered polity (Hueglin & Fenna, 2021; Burgess, 2022). The implications of the findings for governance are as important. The analysis reveals that the mere constitutional decentralization is insufficient for achieving an effective governance. Clarification of constitutional roles and responsibilities, solidifying of coordination and cooperative mechanisms, sound fiscal arrangements, conflict resolution bodies and enhancing administrative capacity all are critical factors in alleviating fragmentation and enhancing performance of governance. Policy initiatives, therefore should focus not only on the allocation of roles but also on the relationships that connect institutions at different level of government in producing public outcomes.

Future research could test the proposed hypotheses through qualitative, quantitative, or comparative studies. Comparative research of federal systems like India, Ethiopia, Nigeria, and South Africa would be beneficial in examining the wider applicability of Fragmented Federalism Theory. Further research might analyze the factors determining the intensifications of Fragmentation and its trends over time as well as impact of reform processes in achieving better Governance in a federal system.

Conflict of Interest

The authors declared no conflict of interest.

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