

Emergence of Regional Development Agenda in Nepal An Essay in Honour of Dr. Harka Gurung

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Introduction

Regional development is still regarded as a core issue in national development. It is drawing the attention of the academicians and professionals in order to bring about new regional development agenda. Dr.Harka Gurung, who had emphasized the regional development agenda during 1960s, is considered a pioneer in this area. He has contributed to the development of Nepal in various ways through the publication of his thoughts and providing technical and analytical framework in the contemporary regional development of the country. Many exercises have been conducted in the past; based on Dr. Gurung's approach, in different plan periods in Nepal. The latest publication of Dr.Gurung is the "Decentralization and Regional Development: A Perspective", published by the Institute for Integrated Development Studies in 2006 (IIDS, 2006). It is an opportune moment that late Dr. Harka Gurung is being remembered for his contribution in the regional planning of Nepal and this article is also humbly and most respectfully dedicated to the memory of the great departed soul.

The main objective of this paper is to trace-out the regional inequality and development scenarios among the various regional units in Nepal. This paper is conceptually divided into four sections. In the first section, theoretical literatures are introduced as a preface to the regional development activities and various regional development models and theories are discussed. Regional divisions of Nepal, development scenario and regional issues, regional development planning and policies are discussed in the second, third and fourth parts of this paper respectively.

Theoretical Reflections

'Region' is a well defined unit of land and denotes an area of the earth surface marked by specific criteria. The region should be defined, chosen and planned with respect to the objectives. It is an area usefully considered as an entity for the purpose of analysis, administration, planning and policy. The essence of regions become questions of the origin, emergence and transformation. Hence, regions come and go along with the development of society according to a relatively independent logic, which is based on the traditional and history of the region and on its role as manifestation of the division of labour in society.

Perspectives of Regional Development Theories

The regional dimension is a very important aspect of development which takes into consideration the essence of spatial elements. But the analysis of the spatial dimension of the development is not an easy task since it requires high level of spatial knowledge by which the regional problems can be solved. According to Friedmann the economic growth is spatially differentiated due to the following (Friedmann, 1964);

- Space economy normally evolves from a number of small and relatively closed regional economies into a fully integrated national economy in which the significance of locational differences is sharply reduced, and
- Modern economic development occurs typically in only a few areas at space and that development proceeds from there to incorporate successively larger portions of the national periphery.

The spatial structure of economic development depends upon the physical and cultural features and their arrangement in space in terms of human settlement, productive facilities, transport routes, land use, etc and activity patterns consist of flows of capital, labour, commodities and means of communication, while, the second is related to the emerging development patterns and process. Therefore, the structure of economy is determined by the interaction between physical and human activity patterns. In the case of the causes for differential spatial patterns and sequences of spatial transformation, Friedmann has discussed the two basic approaches; first, explanation of the historical background of the regions and second a focus on the nation whose territory is regarded as a differentiated continuum.

Many theories are developed in the field of the regional development and planning in the west. Modernization paradigm, dependency theory, New International Division of Labour, World City hypothesis, Globalization, Alternative Development, Centre-Periphery model, Locational theories, Growth Pole and Growth Axes are the principal regional development theories.

“Central Place Theory” proposed by Christaller (1933) is a pioneer theory in the field of spatial distribution of human settlement, services and central place, which show the relationship between central places, their location and hinterlands. There will be one superior center where all goods are produced and sold. There are specialization, division of labour, and trade between centers. The lower-order centers produce and sell lower order goods; the higher order centers have more activities, produce a wider range of goods, and handle more business (Wanmali, 1983).

“Myrdal Model of Cumulative Causation” has been put forwarded to argue that regional differences are the natural outcome of economic development and the inevitable result of market forces. Economic growth takes place initially where there are such natural advantages

as a source of fuel or a supply of raw materials. This region of economic development sets in motion the process of cumulative causation and centripetal forces begin to operate whereby capital and labour are attracted into the expanding areas which further stimulates its prosperity at the expense of the surrounding regions (Hammond, 1985). Myrdal called the movement of wealth from the poorer regions to the central rich region the ‘backwash effect’ due to the better facilities and opportunities offered by the growing regions. And eventually the increased and developed area would spread towards the backward and less developed areas what Myrdal called ‘spread effect’. Therefore, three stages of regional development has been identified, first, pre-industrial stage where there are few regional inequalities, second, cumulative causation where a single region is advancing faster and the imbalance of the wealth will be greatest, and third, spread effect begins to reduce spatial differences. Many developers have criticized this model under the plea that it is simple and qualitative in nature and also that it has unrealistic assumption of the market force.

“Central-Periphery Model” has been formulated by John Friedmann, who has attempted to explain the nature of rich and poor areas. He has identified four dynamics, along with rapidly growing central regions and stagnating peripheral regions (Hammond, 1985);

- Core region with a high level of technological development ,large amount of capital and labour, complex economic infrastructure and high growth rates
- Upward-transition region between peripheral and core regions and characterized by intense use of resources, immigration and constant economic growth
- Resource-frontier regions, existing outside the upward- transition regions, characterized by new settlement and development of virgin territory, and
- Downward-transition region, characterized by stagnant or declining rural economies with low agricultural productivity.

According to this model of development most of the developing countries of today fall in the third or fourth stage of development while the advanced countries fall in the first or second stages of their development.

Some other geographers have given the spatial diffusion model for the regional development and focused that the development tends to spread outwards from the core areas to periphery. The advanced economic activities would eventually spread throughout the country.

The concept of “Growth Poles and Growth Axes” was developed by Francoise Perroux. This was a popular tool of development during the 1960s – 1980s. Development can take place in the particular points and gradually spread outwards. J.R.Laseun has tried to translate the economic growth pole of Perroux into the spatial growth pole, and become more

important in the field of regional development. There are growth poles from which centrifugal forces emanate and to which centripetal forces are attracted (Wanmali, 1983). This is more criticized in the developed countries in recent years. However, some of the underdeveloped countries have followed this model in their strategy of development.

“Modernization Paradigm” has emphasized the role of the state in the development. State-led macroeconomic policies are important to accelerate economic growth. International level of the financial arrangement promotes economic development. Rostow (1955) has identified five stages of economic development e.g. Traditional Society, Preconditions for take off, Take off, Drive to maturity and Age of high mass consumption. So development was seen in an evolutionary perspective.

“Dependency Theory” described the exploitation of natural resources of the underdeveloped countries by the developed countries. Underdeveloped countries exported the cheap raw material to the developed countries and imported the value added product, what Andre Gunder Frank called the “development of underdevelopment”, The dependency theory emphasized that the underdevelopment was the result of a specific process that led to underdevelopment in one part of the world and development in the other part.

“New International Division of Labour (NIDL)” came in the 1960s and 1970s and reflected differences in trade between firms producing goods in different nations. It also reflects a number of transformations of the world economy through the global corporations, transnational companies and international financial market. Therefore, NIDL represents a system for production on a world scale, in which greater numbers of people are integrated for production. Different types of labour with very different work experiences have varying types of socio-economic background, varying nationalities and varying histories of labour organizations integrated for the production.

“World City Hypothesis” related city’s integration to the world economy. There are certain cities or places, which are on commanding position in the global network in flow of money, trade, intellectual etc for example, New York, London and Tokyo. The formation of the world class cities is mainly due to the globalization process of the economy. There are two classical theories regarding the globalization or the global shift:

1. International trade theory, emphasized the principle of the comparative advantage and focusing the varying the factors of production, and
2. Industrial location theory emphasized the transportation cost, labour and market which are three key factors for the industrial location.

Both trade and location theories have tended to assume very simple economic-geographical relationships and very simple decision making process. Globalization is a very complex and highly interconnected process, and the process of globalization is the outcome of four sets of interrelated processes;

- the strategies of firms , notably transnational corporations
- the strategies of states
- the complex and dynamic interaction between firms and states
- technological change

But the global market will never involve everyone. Local economic development can provide opportunities for the people who have been excluded from the global market. Local economic development can maintain local economic networks and social coherence. Moreover, globalization creates social and environmental distancing.

Regional Development theories related to the economic (for example micro economics, basic and non-basic sectors of economics of the region), globalization and NIDL (role of Multi National Corporation and free movement of goods and services) are concerned with the national level policies that are not prime in the regional development. Many regional development theories and models are categorized into one umbrella called ‘polarized development theories’, for example, diffusion theory, core-periphery, dependency theory, world city hypothesis, central place theory and location theories, which are concerned more in the spatial movement of goods and services. Polarized theories have more or less similar characteristics in terms of the regional development process. In other words, developments started at a local or regional level are supposed to trigger off an impact all over its periphery. In fact, all regional development models are academic exercises that are varying in the varying conditions of the particular environment.

Regional planning is a tool that would provide the regional development framework for the balanced and integrated national development. Many countries of the world are preparing regional development frameworks that can be used to minimize the regional inequalities based on the existing resources, local knowledge, infrastructure and service available in the particular areas. Regional policy, a part of the regional planning, should be considered as a tool for comprehensive national development in which all parts of the country contribute in their own ways to the attainment of national objectives. Spatial dimension of planning approach came from the less well integrated economies where regional differences of production and welfare have been found.

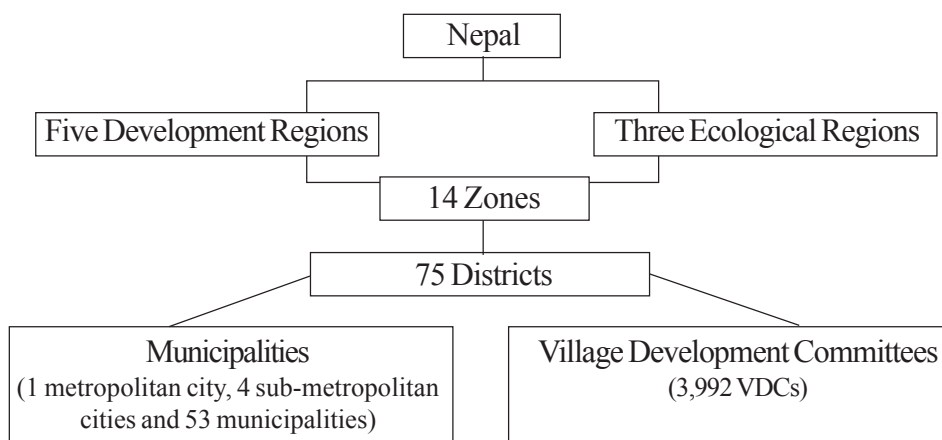
Regional Development in Nepal

Regional Division of Nepal

Regional division in Nepal is primarily based on the ecological characteristics and the level of development. Ecologically, Nepal has been divided into three broad physical divisions e.g. Mountain, Hill and Terai (Plain). But since Nepal has been divided into five development regions many experts have further divided into then 15 different sub-regions in total. This division of regions has been done mainly for understanding the different ecological environment

of Nepal, which could be useful to prepare and implement the national plans and policies for development.

Fig.1 Hierarchical Orders of the Regional Division in Nepal



The concept of regional development and planning in Nepal came in the mind of geographer in 1960s. According to Dr. Harka Gurung “Regional development planning is a comprehensive approach towards the reconciliation of economic and social aims as well as a means of broadening the scope of the allocative processes of the national plan . . . regional planning provides an important link between the micro-analytic concern at local level and macro- economic objectives at the national level by laying stress on the co-ordinative relations among programmers in particular localities and new resource combination for improved land use” (Gurung, 1969).

During the Second Plan (1962-1965), the country has been divided into 3,474 Panchayats, 75 Districts and 14 Zones with the view to promoting development activities at the grassroots level. Although, the development was guided by some centrifugal forces and development was confined in the some typical locations and areas. Kathmandu Valley was developed as a development island and remaining parts of the whole nation was still backward. To reduce the regional disparity, the nation has further been divided at first into Four Development Regions e.g. Eastern Development Region (EDR), Central Development Region (CDR), Western Development Region (WDR) and Far- Western Development Region (FWDR) in 1972 (2029 BS) and Five Development Regions in 1981 . To reduce the socio-economic imbalance in the regions, many municipalities were introduced in the country. Before 1980, there were 16 municipalities (Sharma, 1989-92) whereas at present, there are one Metropolitan City, four sub-metropolitan cities and other 53 municipalities in Nepal.

Development Scenario and Regional Issue in Nepal

Criteria for Regional Division in Nepal

The main purpose of the regional division in Nepal is a balanced and integrated national development. Regional development approach fulfills three basic objectives, first, identification of poverty and backward areas, second, analysis of the existing and potential resources and third, formulation of the relevant development strategies (Shrestha, 1998).

Purpose of the division of the country into different ecological regions is to understand the different environmental conditions of different areas, which is considered as an important aspect of the national development, while the division into different administrative units was to integrate the development opportunities among the different regions and share their resources in the main stream of national development. There were many criteria adopted for the regional division of Nepal. Physical features e.g. mountain, hills, river, vegetation and altitude and topography is major criteria of the regional division of Nepal. Development inequality in the eastern and western parts of the country is formidable factor of divided the nation into five development regions.

Regional Inequalities

Regional variations of poverty among the different regional units have highly been perceived in recent years. Regional development approach seems to be an effective tool for the poverty alleviation in Nepal for two reasons. First, it is important for identifying poverty pockets in the country. Second, it is necessary to formulate location specific development programmes for poverty alleviation (Shrestha, 1998).

Regional Variation of Poverty

Most of the mountain and hill districts of Nepal are known to be very bad in terms of poverty and deprivation. More poverty is concentrated in those areas, which are characterized by poor resources, remoteness and rugged topography. Out of the total, FWDR has a large number of people suffering from poverty (i.e.54.3 %); it is followed by MWDR (43.4 %), EDR (42 %), CDR (40.7 %) and WDR (39.9 %) (Table 1). WDR has lowest concentration of poverty whilst FWDR is a worst, having more than 54% population under the poverty line dominated by the large percentage of rural poverty. The spatial pattern of poverty shows that the mountains of MWDR and FWDR have concentrated high mass of poverty. CDR, EDR and WDR have comparatively better position than remaining two development regions. Similarly, Terai (Plain) and Kathmandu Valley are more developed as compared to the other regions.

According to the Nepal Living Standard Survey (NLSS) 1996, average household income at the national level was estimated Rs. 43,732, and per capita income Rs. 7,690. The highest household income was estimated in CDR (Rs. 52,408), while, lowest in MWDR

(Rs. 36,435). Kathmandu, the capital of Nepal, in CDR has higher level of household income as compared to other regions. Similarly, per capita income was estimated to be highest in the CDR (Rs. 9,366) as compared to the lowest one in FWDR (Rs. 5,928). As estimated by ecological regions, it seems that, hill people have highest per capita income (e.g. about Rs. 8,433) as against to the lowest in mountain people (e.g. about Rs. 5,938). Average household income of the hill was estimated as average Rs. 45,000, followed by Terai (Rs. 44,500) and Mountain (Rs. 32,300). Urban-rural differentiation of poverty in Nepal is also a major issue. The per capita income of urban was estimated as Rs. 16,118 in stead of Rs. 7,075 in rural areas, while, the average household income in urban areas estimated as Rs. 86,797 as against the Rs. 40,400 in rural areas (CBS, 1997). There has been a steady growth of the level of the income between 1995/96 to 2003/04. The average household income grew by more than 80 percent from 1996 to 2004. During the same period, the per capita income increased from Rs.7, 690 to Rs. 15,162. The average household income was Rs. 43,732 in 1996 whilst it increased up to Rs. 80,111 in 2003/04 (CBS, 2003/04).

ICIMOD (1997) had conducted a study on poverty situation on the basis of ranking of districts, for example better rank districts, intermediate rank districts and worse rank districts, show that the poverty and deprivation in Nepal are under two distinct clusters, one lies in the hill and mountain region of FWDR and MWDR, and another lies in the Central hill and mountain. But Kanchanpur of FWDR is categorized as the best district and Darchula and western terai districts have been categorized as intermediate districts. In CDR, except Kathmandu, Bhaktapur and Lalitpur, 7 districts like Rasuwa, Sindhupalchowk, Dolakha, Ramechhap, Sindhuli, Rautahat and Mahottari have been categorized as worse districts. The study shows that the EDR, WDR and Kathmandu valley have been categorized as best in terms of overall composite index of development. The level of poverty and deprivation in Nepal mostly conforms to the resource endowment, accessibility, markets and topography. The political instability, poor accessibility, poor economic integration, high friction of space, physical and environmental contrary, high rate of inter and intra-regional migration, environmental and natural calamities are causes of the regional inequalities of Nepal. However, regional development approach might be more relevant to address the poverty issues in Nepal and the identification of the poverty pockets in the country would be more meaningful to formulate, and implementation of the development plan and policies in the kingdom.

Human Development Index is also poor in the MWDR, FWDR, central hills and terai, whereas Kathmandu valley including Kavrepalanchowk district of CDR, Kaski, Palpa and Chitwan of WDR and eastern hills and terai of EDR seems to be develop as a best in terms of poverty and deprivation in the country (UNDP, 2004). Poverty is not a single dimension. The vicious cycle of poverty seems to be varies not only spatially but also socially. Its incidence is higher among ethnic minorities such as Limbu, Tamang, Magar, Tharu, Musahar reflecting a severe deprivation of opportunities in all aspects (UNDP, 2004).

Table 1: Regional Variation of Poverty in Nepal

Regions	Poverty %					Household Income (Rs.)		Per Capita Income (Rs.)	
	HSC	NLSS		HDR		1995/96	2003/04	1995/96	2003/04
	1989	1995/96	2003/04	2000	2004				
Development Regions									
EDR	34.2	NA	NA	42.0	37.1	40,892	68,380	7,434	13,000
CDR	39.2	NA	NA	40.7	39.7	52,408	91,693	9,366	16,838
WDR	38.2	NA	NA	39.9	36.7	39,213	82,568	7,011	17,172
MWDR	56.2	NA	NA	43.4	46.3	36,435	74,085	6,038	13,676
FWDR	45.8	NA	NA	45.3	45.9	37,307	66,294	5,928	11,504
Ecological Regions									
Mountain	NA	NA	NA	46	49.8	32,343	62,374	5,938	12,295
Hills	NA	NA	NA	37.2	38.8	44,998	89,932	8,433	18,299
Terai (Plain)	NA	NA	NA	40.2	39.6	44,518	73,545	7,322	12,975
Residential Areas									
Rural	43.1	43.0	35	41.4	42.0	40,400	65,107	7,075	12,124
Urban	19.2	22.0	10	23.9	25.2	86,797	157,550	16,118	32,573
NEPAL	42.5	42.0	30.8	39.2	39.6	43,732	80,111	7,690	15,162

Sources: HSC 1989, CBS 1996, CBS 2003/04, UNDP 2000, UNDP 2004.

Table 1 reveals that the poverty data derived from NLSS and HDR is very contradictory and the actual data of poverty in the country has been found controversial, for example, CBS (2003/04) estimated that there were about 31 % people below the poverty line while HDR (2004) estimated about 40% people under the poverty line. This controversial scenario reflected to the methodological variations adopted by the institutions. Nepal Living Standard Survey is based on the household consumption and expenditure whilst HDR based on the overall status of human development including social aspects of the development. However both data reveals that the regional variation of poverty is chronic issues for the balanced national development and MWDR and FWDR are suffering from more human poverty compare to the other regions.

The regional variation of poverty is clearly reflected in the circulation of goods, services and people. Migration from the upper elevation to lower elevation regions is main characteristics of the human mobility in Nepal. Better employment opportunities, fertile agriculture land, services, and dependents seem to be major causes of the migration in Nepal. Kathmandu valley is being the destination of the majority of the migrants from other regions of Nepal.

Regional Development Planning and Policies in Nepal

Regional development planning in Nepal can be divided into three phases;

- Regional development before 1970s
- Regional development in 1970s-1990s, and
- Regional development after 1990s

Regional Development Before 1970s

Regional development approach was first introduced in the Second Plan (1962-1965) in Nepal. As a result, the country was divided into several development and administration regions. Third Plan (1965-1970) was focused on the road and transportation development to link mountain, hills and terai region in the national development process. Third plan gave prominence to regional aspects in the national development plan by dividing the country into three watershed regions like Koshi, Gandaki and Karnali with an aim of attaining the balance regional development. Till 1970, regional development was in the initial stage. There were no an additional development policies and plans prepared in the field of regional development in Nepal.

Regional Development in 1970s-1990s

Fourth Plan (1970-1975) was a milestone in the regional planning and development in Nepal. Growth pole hypothesis was introduced in the country. Four growth poles and several growth centers were identified in order to reduce the regional disparity of Nepal. The main focus of the growth pole hypothesis was to establish the north-south linkages in the movement of goods and services, trade and people with view of the coordination and integration of development activities within the country (Table 2). In 1972, four-development regions were defined e.g. EDR, CDR, WDR and FWDR. Growth centers and their possible hinterland areas were also defined (Table 3). The main objective of the regional planning during the 1970s was to provide a comprehensive spatial framework to the national development. Series of north-south the growth axes or roads were proposed. These roads were proposed for linking the growth centers where development efforts would have been concentrated in order to achieve full economies of scale and encourage agglomeration economies (Gurung, 1969). The important aspects of the growth centers approach is the positive nature of polarized development as it takes place and the mechanisms whereby the growth centers spreads growth to the surrounding areas.

Table 2 Growth Poles and Development Centers

Growth Poles	Regions	Development Centers
Biratnagar	Koshi (Eastern)	Biratnager, Dharan, Dhankuta, Hedanga
Hetaunda-Kathmandu	Kathmandu (Central)	Birgunj, Kathmandu Valley, Hetauda, Barabishe, Dhunche
Bhairahawa–Jomsom	Gandaki (Western)	Bhairawa, Butwal, Tansen, Shangja, Pokhara, Jomsom
Nepalganj-Jumla	Karnali (Far Western)	Nepalganj, Surkhet, Dailekh, Jumla

Source: The Fourth Plan (1970-1975) HMG/ NPC, Nepal

This strategy of regional planning has been closely linked to the road construction and the circulation of goods, people and services among the mountain, hill and terai and ultimately

India as well. But the growth pole hypothesis did not pay any more attention to the flow of goods and services among the regions within ecological belts, for example, hill to hill, mountain to mountain and terai to terai. In effect, Nepal would be made up of number of isolated regional economies, each one dependent upon its railhead connection with India (Blaikie, 1981). As a consequence, hills have become grain deficit area and are obliged to export labour to Terai and India.

Table 3 Development Region, Growth Centers and Hinterland Districts

Development regions	Growth Centers	Hinterland Districts			
		Mountain	Hills	Terai	Total
Eastern	Dhankuta	3	8	5	16
Central	Kathmandu	3	9	7	19
Western	Pokhara	2	11	7	18

Harka Gurung's regional development approach has brought many significant changes particularly in the location of flows and break-of-bulk points. Road provision in west-central Nepal has accelerated in some instances the long-established decline of the hill economy, particularly in the case of artisans, craftsmen and occupational castes (Blaikie, 1981). This is true that Harka Gurung's earlier approach of regional development had some limitations. In view of the fact that some rural areas of Nepal have self-sufficient economy, road and communication, infrastructure and services facilities are developing fast in recent years. Some alteration in this approach of regional development would be an appropriate strategy for the national development.

Fifth Plan (1975-1980) was designed to increase national revenue by widening the foundation and boundary of development, by utilizing the resources in the particular region and community through the medium of appropriate methodology. The objective of the regional development was to bring uniformity in the income by increasing income of the majority of the population based on the social justice in maintaining economic and social unification and by the mobilization of local resources.

In the Sixth Plan (1980–1985), regional development planning emphasized not only the integration between north and south but focused on the east and west integration through the development of roads and other infrastructure development, and priority was given to increase economic integration among the different regions through the huge economic investment, especially for the food production in the backward and poor areas. Integrated Rural Development Programme (IRDP) was given more emphasis on the Sixth Plan although the concept of IRDP was introduced during the Fifth Plan in order to improve the quality of socio-economic standard of people. The main objectives of the IRDP were (Shrestha, 1986);

- (1) to improve the socio-economic condition of rural communities

- (2) to provide social services
- (3) to mobilize local resources through people participation
- (4) to involve local people in the decision making of local development programs, and
- (5) to develop different components in an integrated way.

The Sixth Plan focused on the regional development through integration of rural infrastructure development i.e. agriculture, small-scale industries, horticulture, livestock, conservation of the natural resources as well as the infrastructure and services in the rural areas. This was the second main step in the field of the balanced regional development in Nepal.

But location of such schemes has mutually contradictory aims. The problems of poverty, deprivation, ecological decline, lack of physical infrastructure and personnel within a political economy tend not to be conducive to a purposeful solution, and these problems are all so pervasive (Blaikie, 1981). Lack of transparency and political intervention were another causes of the failure of the IRDP in the past. In the Seventh Plan (1985-1990), the national goals and objectives of the plan were to reduce the regional imbalances in Nepal through the high utilization of the local resources. The Seventh Plan proposed a regional structure of regional development plan under three dimensions (Upreti, 1990):

1. Develop development centers and service centers established in the sub-regions in each development region e.g. towns and market centers.
2. To make the regional level plans practical and effective, regional development should be carried out at different levels / tiers i.e. DR, Sub-region and District, and
3. District Development Plans formulated under the decentralization policy conforming to regional development plan. Sub-regional will be identified recognizing the existing zones as they are. The district will be the third tier of development region.

Therefore, the decentralization and regional development policy were integrated during the Seventh Plan periods and the regional development through empowerment of the local government was considered as an important approach of development. But without a sound statutory regional, sub-regional and district level institutions, the proposed regional development policies were not properly implemented.

Regional Development After 1990

People's democratic movement in 1990 established the parliamentary democratic system in Nepal, and gave more priorities to the rural and regional development through more decentralization and empowerment of the local bodies. Policies, which aim to the empow-

erment of the local people and local government in the development process, were formulated in order to bring about a balanced regional development.

Eighth Plan (1992-1997) was designed on the base of three-core objectives- (a) sustainable economic growth, (b) poverty alleviation and (c) reduction of regional imbalances (NPC, 1992). The main objectives of the regional development in the Eighth Plan were (NPC, 1992);

- to increase regional and national production and reduce regional imbalance by mobilizing resources and assets scattered in different parts of the country, and
- to integrate rural development process with the national mainstream by involving the prevailing economic condition of the less developed rural and backward areas.

Reduction of the regional imbalances through the creation of physical infrastructures in the rural and backward regions had been emphasized in the plan. More priorities were given on the extension of rural roads, health, and education. Fifteen different policies were put forward regarding the regional development in the plan. These policies were formulated in different regional, sub-regional and district level programs. Expansion of the road networks, rural electrification, establishment of the health post and schools in rural villages, extension of infrastructure and service facilities in the rural areas, establishment of rural development banks, natural resources conservation through the extensive community forestry were some important achievements during this planning period. But without appropriate mechanism and programmes to coordination among different regional units¹ (intra and interregional interaction), the regional development policies became quite ineffective. Programmes introduced in the context of regional development were quite ineffective except there dealing with rural infrastructure development.

The Ninth Plan (1997-2002) was designed with the aim to reduce the level of poverty in the country. Balanced regional development was seen as an important aspect of the poverty alleviation in the country. The plan highlighted four core objectives for the regional development². Ninth Plan also focused on the regional development through the three tiers of hierarchy i.e. Development Region, Sub-region and Districts and formulated 13 different policies to fulfill these objectives. One of the important aspects of this plan was to define and formulate different programmes. Many programmes were proposed in order to reduce the regional imbalance in the country. Optimum mobilization of the regional resources, identify the potentiality and capacity of the resources at regional level, area specific program, NGOs mobilization, people participation in the development process, development of infrastructure and service facilities, coordination and integration mechanism for the regional development and proposed regional offices for the formulation, mobilization, monitoring and evaluation of district level programmes were very important aspects in the context of regional development . This plan for the first time felt the need of regional

offices, people's participation, area-specific programmes and analysis of resource potentiality for regional development. They were not mentioned in the previous plans.

Policies and programmes prepared in the Ninth Plan seem to be more ambitious. It is very difficult to implement these policies and programmes in a short period. After 1990, the country has been facing serious political instability. Moreover, after 1996 the targeted policies and plans in the regional level have failed and have not been fully implemented due to extreme political instability. MWDR, FWDR and some high mountain districts are still backward due to the high political uncertainty, poor human and natural resources and deficit budget as well.

The Tenth Plan (2002-2007) has focused on the balanced regional development through the utilization of the potential resources in different regions. Three core regional strategies have been prepared in order to reduce the regional imbalances. The core strategies are concerned with:

- Increased people's participation in the social and political decision making processes
- Interregional economic relations among the rural, urban and backward regions through the infrastructure development particularly transport and communication.
- Resource allocation in view of reducing regional imbalance.

The concept of economic region, nodal market center and road and infrastructure development through the use of local skills and resources are major policies highlighted in the Tenth plan. But the details explanation and its scopes of the economic region have not been defined well. The current political insurgency and weak security in the kingdom has been disturbing further implementation of the policies.

The Nepal Gazette 2058 (2001) has emphasized the position of Regional Administrator (RA) in the view of the regional security. But the role of the RA would be more crucial in the development planning of the region and RA would be a core institution for making plans, policies and their implementation and evaluation of the regional level programmes. But the Gazette did not pay attention to this crucial matter and focused only on regional security.

Conclusion

Spatial dimension of development becomes necessary. Regional development approach fulfills three basic objectives; first, identification of poverty and backward areas; second, analysis of the existing and potential resources; and third, formulation of the relevant development strategies (Shrestha, 1998).

Inter-regional and intra-regional inequalities in the country are becoming an acute problem in recent years in Nepal. CDR and WDR are highly developed in terms of level of income as compared to the other regions of Nepal while FWDR and MWDR are highly backward. Similarly, Terai (Plain) and urban areas are more developed as compared to the other parts of country. CDR, especially Kathmandu valley, is developing as a "Development Island" which has the concentration of all kinds of development facilities. The political instability, poor accessibility, poor economic integration, rigid and steep topography, high rate of inter and intra-regional migration, environmental and natural hazards are core causes of the regional inequalities in Nepal.

Three milestones in regional development in Nepal have emerged since 1970s: the growth pole and growth axis hypothesis, the IRDP concept and the decentralization and empowerment of the local bodies. However, the implementation of the above can be said to have rather poor performance. Highly centralized and fragmented administrative structures and lack of well established institutional mechanism are probably core causes of the failure of regional development policies and their implementation in Nepal in the past. Decentralization policy after 1990 provides more power to the local authorities. But most of the local authorities have yet to be more capable of coping with the development by provision of adequate human and financial resources. Moreover, local government officials are often slow or unwilling to act independently and continue to depend on the central government and ministry officials for decision and implementation. However regional development agenda is still a powerful approach for addressing the existing poverty and development inequalities in the country; it should be defined from the development reality of the country through restructuring of current regional unit.

Dr. Gurung's more recent article will be always remembered where he has emphasized as quoted below:

"Lack of regional approach is evident in some aspects that determine the spatial framework for development. The first aspect is the utter neglect of land use planning to resolve sectoral conflicts in space allocation. The second aspect is the imbalance in road network with vast tracts of highlands still inaccessible. The country has a very high density of airport, but this alternative transport potential remains under-utilized. The third aspect is the lopsided pattern of location of industries due to inadequate legal framework to include their re-location. The fourth aspect concerns the spurious definition of 'urban areas' without functional consideration and absence of designed hierarchy. In addition to these problems on internal spatial framework, the traditional southern orientation has ignored the potential of northern link in the wider regional context" (Gurung, 2006).

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