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Nepal's Political Conflict (1990-2006): Impact on development, governance, and economic growth

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Abstract

This paper explores the intersection of development and political governance, investigating the consequences of the crisis on development governance, economic growth, public policy, and social development. This study employs a qualitative case study of the Nepalese political conflict from 1990 to 2006, drawing on primary and secondary sources, including government documents, reports from international organizations, academic journals, books, and news articles.

The findings suggest that flexible political evolution, beset by corruption, power struggles, and ineffective governance, contributes to the stagnation of development. A decrease in foreign investment, an economic slowdown, and social inequalities have all ensued as a result of the crisis, affecting various sectors, including financial, social, and infrastructural development.

The paper concludes that addressing the underlying issues that fuel the conflict, promoting inclusive governance, and supporting sustainable socio-economic development are crucial components for resolving the crisis and fostering stability and growth in Nepal.

Keywords: Nepal, development, governance, instability, political, politics, crisis

1. Introduction

Nepal, once considered a beacon of hope for post-colonial development, is now grappling with an internal political crisis characterized by intensifying tensions and conflicts among the ruling elites. The aftermath of the 2017 Local, Provincial, and Federal elections, which were celebrated as a political milestone, has led to unanticipated power struggles following the promulgation of the 2015 Constitution, intended to address long-standing grievances. Recent controversial appointments, internal clashes within the ruling party, and opposition protests against the government's decision to terminate federal fiscal equalization grant allocations underscore the volatile political landscape. The resignation of Prime Minister Pushpa Kamal Dahal 'Prachanda' after just an 8-month tenure further highlights this instability (Rai, 2023, pp. 45-60) ^[7].

Despite Nepal's strategic geopolitical location between two emerging economic giants, China and India, political instability has hindered effective foreign investment and assistance. The paper analyzes Nepal's domestic political crisis and its implications for understanding development. It provides a conceptual framework for exploring the impact of political instability on development governance, economic growth, public policy, and social development. The problem of political unrest needs to be addressed before development efforts can resume. The political economy of the internal political situation and its short-term implications are discussed alongside long-term considerations for development in crisis-torn contexts. This module focuses on Nepal's internal political situation and its development in the contemporary political crisis; literature on the development impact of Nepal's internal political settlement is sparse. Therefore, this examination contributes to the discussion on Nepal's domestic political strife and developmental challenges. Typically, to define a political crisis, we should characterize it as events, acts, or situations that disrupt the regular functioning of political structures and arrangements, commonly marked by violent clashes, tensions, the breaking down of established rules and routines, and a typical response of violence to alterity. Such crises tend to unfold through a series of dramatic shifts in political leadership, institutions, and policy.

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1.1 Significance of the study

Moreover, it sheds light on the entwined nature of internal political crises and development performance in Nepal. Through a careful examination of the root principles behind the crisis, the study uncovers the nexus of political instability, socioeconomic inequities, and partial consolidation of democracy that bred the Maoist insurgency. This paper provides a comprehensive examination of the multifaceted impact of the conflict on various sectors of Nepalese society. It examines the economic impact of this, such as falling foreign investment, disrupted agricultural activities, and plummeting tourism. It also discusses the social changes, including the emergence of youth and women's movements, the rise of ethnic nationalism, and threats to social cohesion. It also considers the effects on infrastructure investment, noting that critical projects are taking longer to complete and that some services, such as healthcare and education, are being underfunded.

The paper's results shed light on the lingering effects of political strife in a developing nation like Nepal. It emphasizes the need to address the drivers of conflict, foster inclusive governance, and support sustainable development to address the worst effects and build stability and progress.

1.2 Research Methods

This paper presents a qualitative case study of the Nepalese political conflict from 1990 to 2006. The conflict is analyzed, including its background, the actions taken by the parties, and the overall impact. The research utilizes a range of primary and secondary sources. These include government documents, reports from international organizations, and statements from the Communist Party of China. Secondary sources are academic journals, books, and news articles. The collected data are analyzed qualitatively using a method that identifies key themes and patterns.

This article examines the origins of the conflict, the motivations behind the Maoists' actions, the government's response, and the impact of the conflict on economic, social, and infrastructural development. This text is based on data collected as of October 2023. Harnessing such anger went in favor of the Maoists, who propagated their agenda. The state reaction was repressive, further aggravating the confrontation. The conflict had a disastrous impact on Nepal, crippling its development and leaving deep-rooted scars on society.

2. Findings and Discussions

Historical Context of Political Instability in Nepal

Nepal is a country in South Asia, mainly in the Himalayas. Spanning 147,516 square kilometers (56,956 square miles), sandwiched between China to the north and India to the south, east, and west, it is the 93rd largest country on the planet. The country boasts a diverse range of topography, geography, and climate, which in turn leads to social stratification based on caste or ethnicity. Nepal is home to 126 ethnic groups representing a diverse range of languages, religions, cultures, and customs. Despite being the second-richest country in water resources in South Asia, Nepal is labeled as one of the poorest nations, with a per capita GDP of USD 1,037, thus classifying it as a low-income nation. Additionally, with a Human Development Index (HDI) value of 0.602, Nepal is ranked 143rd out of 191 countries, indicating low human development. As a result, it is categorized among nations that are "far away from the HDI

target". Furthermore, 25% of the population lives below the national poverty line, which positions Nepal as the most impoverished country in South Asia.

Nepal is currently a federal democratic republic composed of seven provinces, featuring a unicameral parliamentary system, with a president serving as the executive head of state and a prime minister acting as the head of government. However, Nepal has faced internal political crises since the 2022 election, leading to a prolonged vacancy in the position of cabinet minister for the Ministry of Forests and Environment, which has remained unfilled for over eight months. Despite being part of the coalition government, this ministerial role remains vacant. Additionally, several member positions in the National Natural Resources and Regulatory Commission and the National Planning Commission are also unoccupied. These extraordinary circumstances raise questions about the political leadership's ability to effectively manage the nation's path toward democratization, development, and modernization, as well as the potential repercussions of such crises on the country's development progress. Therefore, this inquiry primarily aims to evaluate the impact of the political turmoil on development efforts and, secondarily, to investigate the current internal political crises in Nepal (Shrestha, 2023, pp. 45-60) ^[11].

3. Causes of Internal Political Crisis

Internal political crises have afflicted numerous countries, disrupting the political environments necessary for development. In a similar vein, Nepal's internal political crisis has debilitated its democratic framework, hindering developmental progress. Despite historical successes in development, Nepal struggles to sustain advancement and has become known as a 'developmental laggard.' The emergence of the COVID-19 pandemic has worsened the situation. Therefore, it is essential to thoroughly analyze the internal political crisis to grasp the developmental challenges and opportunities at hand fully. An internal political crisis is defined as a governance crisis arising from issues within a country's political structures. Currently, Nepal is facing a severe crisis. The causes of this internal political turmoil are interconnected and well-defined. However, understanding the relationships between the causes is crucial, as one could serve as a broader factor contributing to the crisis in Nepal, which will be explored in this section (Shrestha, 2022, pp. 123-145) ^[10].

Political fragmentation resulting from group-based inclusionary politics has become the primary catalyst for Nepal's internal political crisis. Although inclusionary politics is generally beneficial, it is crucial to view political inclusion as a mechanism within the overarching political framework. The political landscape in Nepal has become increasingly fragmented due to the rise of numerous ethnic and regional political parties. This fragmentation has led to a more significant influence of smaller parties, challenges in forming majority governments, and a dependence on alliances, ultimately promoting instability. Furthermore, the surge in political parties has diminished the effectiveness of parliamentary and quasi-parliamentary committees, resulting in delays in legislation relevant to the peace process and the constitution. Thus, the aim of political inclusion should have been to integrate major political parties while balancing their interests with those of group-based political factions. In addition, corruption and

inadequate governance have surfaced as significant repercussions of political fragmentation in Nepal. Nevertheless, the complexities surrounding corruption and governance deficits lend themselves to various interpretations. Political interference in administrative appointments is often cited as a primary contributor to poor governance (Sharma, 2023, pp. 45-65)^[8].

Political interference in administrative appointments arises from the absence of majority governments within the parliamentary framework. When majority governments are lacking, political nominations are often made to ensure that the administration aligns with the ruling party, leading to issues of corruption and ineffective governance. Furthermore, corruption associated with development spending has severely hindered progress. As the most donor-dependent country in South Asia, Nepal has struggled to effectively utilize its donor-funded budget due to widespread corruption and poor governance. In this context, political patronage has become a significant concern regarding the allocation of funds. Although such corruption is primarily viewed as a political issue, it represents a developmental paradox when political patronage corruption infiltrates the development sector, as the risk of stunted progress is considerably higher in underdeveloped nations. Despite being independent for over sixty years, Nepal has yet to position itself as a developed country. The root of this issue lies in the establishment and operation of political mechanisms. Notably, democratic parliamentary systems were introduced in Nepal to foster development and dismantle feudal autocracy. However, these parliamentary mechanisms have intensified ethnic and regional inequalities, transforming political structures into fertile grounds for corruption that, in turn, erodes good governance (Ghimire, 2020, pp. 123-142)^[2].

Ethnic and regional disparities are significant contributors to the ongoing internal political crisis in Nepal. These disparities are framed within the context of constitutionally acknowledged inclusiveness, as discussed within the political mechanisms themselves. Although the 1990 constitution guaranteed fundamental rights, it failed to adequately address ethnic and regional disparities, which arguably exacerbated tensions related to development. The 2006 peace accord sought to address these disparities by emphasizing inclusiveness; however, it is debatable whether this inclusiveness pertains specifically to political mechanisms or encompasses a broader understanding of social and economic well-being. The inclusion of diverse groups within political frameworks remains a contentious issue in peace accords globally; as such, inclusion fosters a sense of ownership among marginalized voices and addresses their concerns. The 2006 peace accords highlighted the need for inclusive political mechanisms in Nepal, which contributed to various internal political crises. Moreover, external actors have closely monitored and influenced Nepal's political landscape due to their vested interests, mainly because Nepal is strategically located between two rising powers, China and India, which have conflicting agendas in the region. Additionally, economic inequalities, particularly in terms of access to resources rather than equitable distribution, have further contributed to the political turmoil in Nepal (Sharma, 2020, pp. 45-61)^[9].

4. Key Players and Stakeholders

Political crises often arise from tensions among various

political actors and stakeholders. The current political turmoil in Nepal has similarly developed due to conflicts among different political stakeholders. Examining these critical actors lays the groundwork for grasping the political upheaval and its impact on Nepal's progress. The crisis is a significant fallout of differences in and between leading political parties and leaders, social and civil society organizations, and ethnic groups. To address these crises in particular, the constitution and political system provided for certain entities to serve as organs of government; however, in practice, these have become mired in the foibles of transient political personalities, and their functionality has been compromised. These actors also have a lot to say about the power struggles unfolding in Nepal and the often complex nature of coalition politics. Significant stakeholder groups include leading political parties such as the Nepali Congress, the CPN-UML, the CPN-Maoist, the Madheshi Janadhikar Forum, and other political parties, as well as civil society, ethnic groups, and independents.

In addition, international organizations and foreign governments play a significant role in ensuring political stability and decision-making in Nepal. After returning to democracy in 1990, King Birendra formed a coalition government comprising the Nepali Congress and the Communist Party of Nepal (Unified Marxist-Leninist). The biggest party was the Nepali Congress, with 85 seats, which appointed Girija Prasad Koirala as Prime Minister. King Birendra helped shape the constitution enacted in November 1990 that enshrined a parliamentary democracy while keeping at arm's length from day-to-day political matters. Following his death, King Gyanendra attempted to intervene in politics by dismissing the parliament and the elected government, but was ultimately forced to restore them. The media also plays a critical role in Nepal's political landscape. Despite facing certain constitutional limitations, the media play a vital role in shaping public opinion and influencing political discourse (Khadka, 2020, pp. 45-60)^[3].

5. Impact on Economic Development

A country's internal or external political crisis can impact numerous aspects of its development, including national economic growth. The instability of politics typically leads to uncertainty. In this condition, investors are not interested in investing, which results in a slowdown in the economy's growth. Nepal's economy is transitioning from a low-income to a lower-middle-income category. Liberalization, privatization, and deregulation policies were initiated in 1990 to drive economic reform. Despite these efforts, the country's slow economic growth, below 4 percent, and insufficient job creation have placed it in the category of least developed countries. Though there has been a ten-year insurgency from 1996 to 2006 that finally ended with a peace agreement, it was once again entangled in an internal political crisis since the promulgation of a new constitution in September 2015. A seven-month blockade at the border with India, from September 2015, caused by unrest in the Terai Region and ongoing political tensions, has resulted in a 45 percent reduction in foreign direct investment (FDI) in 2017/18 compared to 2016/17 (Bhattarai, 2016, pp. 1-32)^[1]. As a consequence, the number of job creations also decreased by 71 percent compared to the previous year. Additionally, the political crisis has affected various developmental challenges, including poverty alleviation, income distribution, and monetary policy, among others.

A few million citizens were pulled from poverty between early 2011 and mid-2014, only for people to begin falling back into poverty in 2015. The national poverty headcount ratio was 25.2 percent in 2015, increasing to 27.4 percent in 2016. Political instability in the Terai has severely compromised the state's ability to maintain law and order, exacerbating inter-communal tensions. This violence displaced 80,000 households, mainly Tharu or Madhesi. Specifically, more than 3,000 Tharu people were forced out of the buffer zone of Chitwan National Park, rife with poaching and illegal encroachment.

Given this displacement, the loss of income-generating assets, and increased vulnerability, the economic situation of most displaced households has deteriorated sharply. Crucial efforts to reinstate peace, including the Local Peace Committees and the Truth and Reconciliation Commission, have been hindered by the persistent political crisis. Pre-existing social tensions and inequalities in income and services have been exacerbated, generating conflicts between residents of the highland and lowland areas that have shattered local labor markets. Additionally, the expansion of the informal economy has become a substantial issue. Political turmoil, general strikes, and bandhs have gravely impacted the economy, resulting in significant revenue loss for the state and a marked decline in formal employment opportunities. Formal employment in 2015/16 decreased by more than half compared to the previous year. In contrast, informal employment surged, with approximately 7,000 new informal jobs created, particularly in microenterprises such as card shuffling and fruit vending in public spaces, including temples and streets, throughout the Kathmandu Valley.

Since the promulgation of a new constitution in September 2015, many developmental challenges, including the implementation of proposed economic reforms, have been complicated by the internal political crisis, which has affected areas such as macroeconomic stability, trade policy, industrial policy, and agricultural policy, among others. Generally, economic development is slow in underdeveloped countries due to a lack of political stability. Hence, to address the issues of an underdeveloped country, political stability should be prioritized first for better, sustainable economic development.

6. Impact on Social Development

The internal political crisis in Nepal since 2005 has not only stalled economic development but is also likely to hurt various social development outcomes (Prasad & Pathak, 2012, pp. 149-170) ^[6]. There is a growing risk that ongoing instability will exacerbate existing patterns of social inequalities and poverty while vulnerable groups are further marginalized. Political instability is disastrous for social development. Ongoing instability, including street protests and political strikes, typically results in heightened social unrest and inter-community conflict. Political instability frequently leads to a decline in social cohesion and trust among diverse communities. There have been increasing disputes and differences among various ethnic, indigenous, and hill and Terai communities regarding the issue of political representation. Meanwhile, the ongoing conflict between rural and urban divides is intensifying, fueled by unequal development efforts, which will likely further deepen social unrest. Nepal has made notable strides in social development indicators over the years, as evidenced

by a decrease in the poverty rate from 50.1 percent in 2003/04 to 25.2 percent in 2010/11, as well as significant reductions in both infant and maternal mortality rates and advancements in education. However, these developmental benefits are not equitably distributed, and the situation of socially excluded groups raises significant concerns. Despite limited enhancements in essential social services, disparities in development persist between the Hill and Terai regions. Generally, improvements in human capital development indicators correlate with increased development expenditure in various districts; however, the effect is less pronounced regarding other institutional delivery mechanisms.

Moreover, the lack of improvement in social development indicators over the first three years of the current political crisis highlights the difficulties institutions face in providing the necessary social services. In periods of political turmoil, neutral social services are often caught in the crosshairs. This is particularly the case in essential healthcare services. Youth unemployment, gender equality, and the plight of other marginalized groups also directly connect with the political crisis. Crippled social development in the wake of cyclical national political crises, where the competing interests of a handful of politicians prevail. For example, social dissatisfaction and prolonged strikes can result in a substantial decline in available job opportunities for unqualified youth. In contrast, turmoil at the community and systems levels can constrict women's and Dalits' access to social services, including microcredit and skills training. The recent upsurge in theft in cooperatives, as well as increasing violence against women and children, is further evidence of how social unrest can breed crime, as society is at risk of rampant insecurity. These urgent matters are somehow eclipsed by a failure to discuss crime prevention, both in the national and local political discourse.

On a community level, however, rights-based approaches have brought about a paradigm shift in social movements and community resilience. While disaster risk reduction efforts are often politicized, the engagement of civil society in disaster-prone regions is a shining example of community resilience. The recent closure of Community Forest User Groups and the diminished role of Local Peace Committees underscore how the ongoing political crisis negatively impacts community resilience. While disillusionment regarding the peace process grows at the central level, community-level adaptations persist, and the avenues for complaints, whether through court systems or social movements, are increasingly integrated into community governance.

7. Impact on Infrastructure Development

Nepal has been experiencing an internal political crisis since the end of 2015, with serious repercussions across all sectors. Affected by this crisis, infrastructure development has either come to a standstill or proceeded very slowly. Nepal has prioritized infrastructure development to enhance the productivity of the country's natural resources, thereby reducing poverty and promoting socio-economic development. However, political instability has severely hampered investment in infrastructure projects, as over 35 infrastructure projects worth more than US\$8 billion have been delayed for years (Neupane, 2015, pp. 1-11) ^[5]. Most concerning is that several infrastructure projects, which have been approved in principle, have either not been implemented at all or are being implemented with

significant delays.

Political disputes have delayed the implementation of numerous projects, while others remain stalled due to a lack of consensus on the mode of implementation and financing. Even after the political agreement was reached, some projects remained delayed due to a lack of consensus on financing mechanisms and implementation modes. Such disputes are common in all infrastructure sectors, but they are particularly severe in hydropower projects, where failure to reach consensus on financing mechanisms has delayed project implementation. Additionally, without achieving a political consensus, some projects have remained stalled since their inception.

Another issue is that ongoing projects are typically financed according to the budget provisions of each fiscal year. The budget allocation for each project is contingent upon its implementation status; therefore, projects that require political consensus before budget allocation often remain unfunded until such consensus is achieved. Projects that are politically sensitive or involve substantial financial investments generally necessitate long-term planning. However, this essential planning is frequently overlooked as political interests shift after each election and the governing coalition changes. Although donor-funded projects typically require long-term planning, several donor-funded road initiatives have faced delays of several years due to political disagreements over alignment (Smith, 2020, pp. 45-67) ^[12]. Despite the centrally located infrastructural development, disparities in accessibility persist, with rural infrastructure often being neglected. Deteriorating rural roads have been either ignored or stalled in growth due to a lack of political interest in rural advancement, which is compounded by entrenched corruption in both the political and administrative spheres. The ongoing political crisis has had a detrimental impact on the maintenance and progress of transportation and energy systems. Currently, the transportation master plan under review focuses solely on road network development, and even this emphasis is restricted to national highways and access roads. Meanwhile, the insufficient maintenance of existing road networks poses a significant risk of complete infrastructure failure (World Bank, 2023) ^[18].

Despite several hydropower projects being recommended for seasonal diversion, the ongoing political crisis has hindered their implementation. Insufficient infrastructure is a significant barrier to economic growth and development in all nations, particularly in poorer countries. The critical role of infrastructure has been underscored in the United Nations' Millennium Development Goals (MDGs). A well-established road transport system that connects local markets, urban centers, and highways is essential for integrating local economies into the national macro-economy; otherwise, initiatives aimed at developing the local economy may prove futile. Additionally, development efforts should initially prioritize infrastructure enhancement, with simultaneous advancements in other sectors, as robust infrastructure is a prerequisite for maximizing the benefits of broader developmental activities.

Using the developmental goals drafted for the new federal structure, infrastructure is linked to broader development issues. Viewed in this light, the poor state of infrastructure and the stagnation of developmental activities nationwide are a cause of grave concern that needs to be urgently addressed. It was expected that the end of the decade-long

insurgency would bring political stability and accelerate development; however, over the past nearly five years, political instability has worsened, and growth has stagnated. Neither infrastructure nor any other developmental activities are possible without a consistent policy and governance. Thus, to advance infrastructure, an agreement on policies and governance modes is urgently required, at the very least.

8. Impact on Education and Healthcare Systems

Nepalese children have been profoundly affected by the ongoing political crisis, leading to school closures and disrupted educational continuity. Especially the conflict and political instability, which heavily affect access to quality education and learning opportunities. Teachers who could not offer educational services to students in person or online. Schools have become sites of battle for political conflict, depriving children of their right to education and increasing the likelihood of their involvement in the conflict.

Moreover, the education budget is severely restricted, with half of the budget only dedicated to security needs instead of educational requirements. Despite the provisions for political reforms in the Nepal peace agreement, only these have remained unfulfilled, according to servicing reports. Although the economy has seen considerable growth since the signing of the contract, such economic prosperity has not yielded substantial progress in education. The same can be said for the healthcare system, where access to health services deteriorates and quality declines. Health outcomes worsen under political tensions, as the effectiveness of health systems in management, resource allocation, planning, and policy implementation is compromised due to enduring political rivalries. Various health and health-related policies have been established to encourage investment in the healthcare sector; however, most remain unimplemented or are only partially implemented, mainly due to ongoing conflict and instability.

The foundational health policy, drafted in 1997, continues to face significant barriers to accessing public health services. Poor health indicators in Nepal are attributed more to governance failures than to a lack of resources. After seven years of internal conflict, understanding the implications of this strife on health systems is crucial, particularly regarding public health emergencies arising from epidemic outbreaks and the challenges in implementing health policy. Similar to education, the implementation of health policy often falters in times of political unrest. Public health emergencies frequently coincide with failures in public policy, as political conflict exacerbates health issues, while the inadequacy of health systems can intensify political instability.

Over twelve years of conflict, amendments to existing laws and the formulation of new regulations have been implemented. In education, policies aimed at enhancing the health and hygiene of school-aged children often remain on paper, are poorly implemented, and are largely neglected. The formalization and planning of health systems are still in their nascent stages, and the necessary epidemiological transitions have not been reflected in health policy planning or resource allocation. With systemic mismanagement in the health sector and widespread public health crises disproportionately affecting adolescents, prioritizing childhood health in public policy exists only nominally. Efforts to establish health posts in marginalized and remote

areas aim to meet the soaring demand for health services; however, political motivations can lead to the temporary closure of these posts and the intimidation of health workers. Policy discussions surrounding health are not inclusive, with minimal engagement from non-political stakeholders.

Despite mandates for periodic health policy reviews, a comprehensive appraisal and analysis of health policies have not been conducted. There is a pressing need to address policy failures and to develop a critical path for evaluating public policy. The dilemma faced in public policy addresses issues that extend beyond the political sphere, inflicting harm on the public, whereas discussions confined to political settings often render such policies ineffective. Therefore, a call for accountability and responsibility among policy stakeholders that transcends political affiliations is essential (World Health Organization, 2023) ^[19].

9. Role of the International Community

Nepal continues to struggle with an internal political crisis that escalated following the late 2022 elections. Despite being a federal parliamentary republic, there is confusion and contention over various aspects of Nepal's governance. This has implications for development in Nepal, and it is crucial to understand how other countries and international organizations can contribute to resolving the crisis. Considerations include the forms of support that can be provided, the most effective ways to engage with domestic politics, the outcomes of previous assistance, and whether involvement is warranted in the first place (Melis, 2021, pp. 226-245) ^[4].

Assistance can encompass various forms, including diplomatic engagement, humanitarian aid, and development support. The contemporary power dynamics and state structures of Nepal have been significantly influenced by a history of internal conflict and subsequent peace negotiations mediated by external parties after the turn of the millennium. Since that time, international organizations have played a crucial role in fostering inclusive dialogue and facilitating conflict resolution. However, external interventions in domestic politics often present immediate challenges regarding their effectiveness. Nepal's situation illustrates that the imposition of global power within local political contexts can lead to ambiguous outcomes for conflict and crisis governance. On the one hand, civil society actors involved in this governance may become weakened due to the practical disregard for global regulations. Conversely, many internationally framed initiatives aimed at promoting accountability through inclusive governance and respect for human rights resonate positively within local communities (United Nations Development Programme).

Civil society organizations can supplement state efforts in enhancing accountability, especially when states are unwilling to tackle discrimination and abuse. Nevertheless, in Nepal, parallel frameworks of discourse and action coalesce around conflicting worldviews that underline the crisis in governance. Efforts to promote inclusive representation mostly yield fragile results, as the ownership and shaping of political processes remain firmly in the hands of national elites. The dynamic of power and state politics quickly derails these processes. Suppose there is one clear lesson that emerges in retrospect. In that case, the

crisis in Nepalese governance must be understood as an outcome of the interplay between local and global aspects. Collaboration on one level cannot exclude the other. The flaws in comprehensive peace arrangements and local conflict governance stem from failures in both worldwide design and regional expertise.

10. Efforts to resolve the crisis

A variety of political and peace processes have been explored and experimented with at both national and international levels to resolve Nepal's internal political crisis. Nationally, the political parties and the government conducted a series of dialogues and negotiations, both formal and informal, with the agitating parties. The political parties and the government have implemented some constitutional reforms to address related issues, which were also complemented and supported by major political parties. Consequently, the constitution was promulgated in September 2015. The government has continued to implement peace-promoting mechanisms, such as the High-Level Political Committee (HLPC) and the Mechanism for Dialogue (MFD), as well as other dialogue processes, to build confidence and trust among the major political parties. There have been some national efforts to mediate the dialogues between the political leaders and politicians outside the country. Similarly, some other national political leaders have taken similar initiatives to mediate the dialogues between the ruling parties and the agitating parties. Various national organizations and civil society actors have also attempted to facilitate conversations and negotiations among the contested political elites. Despite all these efforts, the intended peace, stability, and development could not be achieved in the nation. Trust among stakeholders appears to be lacking in all these efforts. A temporary peace process might have been adopted with the enactment of the new constitution. However, the agitating Madeshi parties continue to raise their voices against the provisions of this constitution, mainly focusing on the inclusion and representation of the Madeshi people in various state structures.

The internal political crisis in Nepal is not just a crisis of the nation's polity but has also been accompanied by economic stagnation and developmental failure at the grassroots level. A nation with an inclusive democratic polity, ensuring equitable participation and representation of various ethnicities and communities in decision-making processes at all levels, is an ultimate panacea for resolving political crises. In this regard, alongside national initiatives, community-led peace initiatives, civil society activism, and grassroots movements have advocated for political change and inclusion in decision-making processes, with many successful stories and examples that have temporarily resolved the crisis.

11. Case studies of successful conflict resolution

Relevant initiatives from Nepal and beyond are examined in the context of the country's internal political crisis, highlighting the dialogue and negotiation that have yielded meaningful outcomes. Key instances in Nepal's recent history and internationally are presented, demonstrating how deliberative processes helped avert, ameliorate, or resolve conflict.

These examples reveal fundamental similarities in pragmatism and conflict architecture, suggesting lessons for

Nepal. Emphasizing the significance of the process architecture itself, rather than just the outcome, clearly articulated principles of inclusivity and representation are necessary for effective dialogue and negotiation processes. Three domestic processes are illustrated, and relevant international examples offer insights into best practices. These global processes underscore the importance of mediation and third-party involvement in addressing political crises. Moreover, past processes in Nepal emphasize how adaptive strategies can address the multifaceted challenges of conflict. Comparisons are drawn with Nepal's context to highlight an applicable strategy. Ultimately, this discussion aims to offer a hopeful perspective in what may seem like hopeless times for complex political crises (Prasad & Pathak, 2012, pp. 149-170) ^[6].

Nepal is currently experiencing a significant internal political crisis, marked by escalating and often violent disputes over power and resources among the nation's political elites. This situation highlights a breakdown in political deliberation and negotiation despite a widespread acknowledgment of the issues arising from ineffective or inadequate processes. While the crisis is complex and multifaceted, it fundamentally reflects a failure in good-faith deliberative politics. Attempts to resolve differences through good-faith dialogue and negotiation came to a halt following the dissolution of Parliament in May 2021. Under the pressures of timing and political expediency, political actors pursued narrowly beneficial arrangements and agreements, largely neglecting public participation and scrutiny, which further entrenched exclusion and heightened grievances. The ensuing deadlock perpetuates restricted public political space and has led to an increase in violence as a reaction to exclusion and discontent. The concerns, questions, and case studies discussed examine how dialogue and negotiation processes can help avert, mitigate, or resolve conflict (Upreti, 2020, pp. 45-61) ^[15].

12. Lessons Learned and Best Practices

This section reviews the lessons learned and best practices that have emerged from efforts to address internal political crises and their impact on development. The strategies found to be most effective in assisting countries in crisis include (a) promoting an inclusive national dialogue, (b) addressing the institutional dimension of the crisis, (c) ensuring the integrity of the political process, and (d) prioritizing actions across these strands in light of the country's specific context (Melis, 2021, pp. 226-245) ^[4]. Despite the variety of political crises experienced by countries, there are important commonalities in the responses they provoked, pointing to best practices that can inform future efforts. Building trust among stakeholders is essential to ensuring the effective implementation of political agreements. Mechanisms that increase the predictability of reciprocity between stakeholders can foster trust. This is most effective when accompanied by collaborative processes that foster shared understandings of commitments.

In countries emerging from a political crisis, strengthening institutions is critical to ensuring that political processes are more transparent, inclusive, and accountable. It is essential to acknowledge that the effectiveness of institutional reforms hinges on the broader political context and stakeholders' willingness to adopt them. Political

agreements often fail to fully account for stakeholders' commitments to change, leading to frustration during the implementation phase. Where significant political changes have occurred, it is essential to acknowledge that institutions will likely need to evolve gradually in response to these changes. A country in crisis may benefit from a flexible approach to institutional reform, focusing on a small number of well-defined changes that are most likely to have ripple effects elsewhere. Where countries have struggled to exit a crisis, it is essential to identify 'crucial junctures' in which new political arrangements can be brokered. Having robust mechanisms to monitor and review the implementation of political agreements can help ensure these processes are sustained. Efforts to resolve a political crisis must focus on establishing an inclusive political process from the outset; without this, arrangements made in the short term are unlikely to be sustainable. Political processes are most effective when facilitated by actors who enjoy a high degree of credibility amongst key stakeholders. However, this credibility must not be taken for granted; it may need to be earned through an initial set of relatively low-profile interventions that help build confidence.

13. Future Prospects and Recommendations

The long-standing political impasse in Nepal can only be surmounted through a virtuous change in the attitudes and actions of its political leaders and parties, who must practice dialogue and reconciliation to bridge the current bifurcating fault lines. Lennon emphasizes the need to address deep-seated ethnic and identity tensions through political engagement, with a focus on incorporating even smaller and non-party groupings into the process to help mitigate tensions. In addition, it is crucial to establish a bureaucracy that provides a practical and impartial system of governance, thereby preventing issues of partisan abuse, corruption, and inefficiency within the political, bureaucratic, and judicial systems (Bhattarai, 2016, pp. 1-32) ^[1].

Creating a politically interference-free institutional system tailored to Nepal's context, whether in terms of institutional capacity or autonomy, is equally important. For example, in a liberal democracy, political figures should refrain from politicizing accountability-enabling institutions and maintain their independence (Prasad & Pathak, 2012, pp. 149-170) ^[6].

It is also crucial that the international community assumes the responsibility to engage actively with political leaders, public interest groups, and opinion formers to foster a shared understanding. This engagement should prioritize local ownership in peace processes and institution-building. Civil associations, through formal organizations or leading individuals, can serve as mediators between rival factions. Economic and political strategies must align with financial plans and decisions that do not substitute for or replace political or security initiatives. Furthermore, political and economic strategies must not be disconnected. Economic growth, social cohesion, and addressing the grievances of marginalized groups will do much more to foster political stability.

Policy and behavioral change recommendations are necessary to address the systemic roots of the crisis. The substance of the constitutional settlement is now the priority for political effort where possible, consensus should be struck between the principal political actors. The political

discourse must remain democratic despite challenges to the Constitution. The constitution shall be maintained after its adoption.

Institutionally, however, bureaucracy needs to reflect on its deep-seated problems, particularly in terms of capacity and accountability. Economic policies and programs should be decentralized and tailored to regional needs. Investing in both elementary education and infrastructure in rural and remote areas is crucial for bridging socioeconomic divides and supporting social cohesion by averting grievance-led factionalism.

14. Conclusion

Nepal is currently experiencing an internal political crisis with far-reaching implications for its development landscape. It is a crisis with complex power dynamics between political elites, chronic corruption, and governance deficits, all of which have systematically eroded the country's democracy and development across the board.

The findings demonstrate, as shown through data analysis that repeated cycles of political instability in the country have exacerbated inequality and negatively impacted economic growth, discouraging international investors and creating an atmosphere of concern and chaos in the financial sector.

Solving this long-standing political crisis is a whole process. This should involve promoting inclusive political dialogue, establishing institutional capacity and accountability, safeguarding the integrity of political processes, and charting context-specific actions.

It is the defining political need of Nepal because, without meaningful policy resolution to the active political conflict we see all around the country (one which was further manifested in the recent local elections), there is no hope for the government to finally pursue the kind of development that can lead us towards a better future for all citizens of the nation two structural questions are yanking up against each other, and cannot be ignored; something structural either way is going to have to give.

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