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Including the excluded? The political economy of the constituency development fund in post-war Nepal

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ABSTRACT

Post-war political transitions may open up opportunities to advance the political participation of marginalised and disadvantaged groups. In Nepal, after a decade-long armed conflict, representation of disadvantaged groups in parliament has increased significantly through a parallel mixed, first-past-the-post (FPTP) and proportional (PR), electoral system. However, economic and political subordination of marginalised groups in the parliament has continued. This article analyses one of the mechanisms through which this has occurred, showing how the allocation of the Constituency Development Fund (CDF) had a negative impact on political inclusion. The exclusive provision of the CDF to FPTP MPs, mostly men from privileged groups, allowed them to strengthen their patronage networks. Voters saw FPTP MPs as delivering development, while considering PR MPs weak. As a result, PR MPs, which account for the vast majority of MPs from disadvantaged groups, had limited opportunities to strengthen their position within political parties. Finally, the CDF hindered the implementation of the new federal system and endorsed a centralised mentality, with a negative impact on the agenda for inclusion.

Introduction

Post-war transitions are often seen as opportunities to bring about greater political inclusion. This process is often analysed in terms of constitutional reforms and design of inclusive formal political institutions. However, this approach tends to downplay the informal processes and the underlying configurations of power that shape how a country's politics works in practice. While constitutional provisions that expand political representation are important, they only tell part of the story. To fully understand the dynamic of political inclusion it is crucial to analyse the country's political settlement, considering the informal power structures that determine the actual extent of inclusion of different groups and that often operate at odds with the newly created formal institutions.

This article explores this issue in the context of Nepal's post-war transition, looking at the Constituency Development Fund (CDF) – the budget directly allocated to MPs for local development projects – and its impact on political inclusion as a case study. After a ten-year war (1996–2006) between the state and the CPN (Maoist) – henceforth 'the Maoists', Nepal embarked on an ambitious state restructuring project, aimed at

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devolving power from the central government and creating more inclusive political institutions. However, despite the introduction of a federal system of government and the approval of a more inclusive constitution, the implementation of these reforms was affected by a pushback from traditional ruling elites. While this took many forms, one example is the CDF. The article shows how the CDF resulted in the degradation of the ostensible inclusiveness of formal political institutions. This both reflected and rein-forced the enduring power of privileged male politicians from high-caste groups in Nepali politics, excluding marginalised and disadvantaged groups from access to resources.

After outlining the theoretical framework and providing some background on Nepal's post-war political settlement, a short section describes the origin of the CDF in Nepal and how its implementation changed through the years. The main sections of the article then consider the implications of the CDF on political inclusion. First, it is argued that the way the CDF was allocated, with the exclusion of MPs elected through the proportional system, which include most female MPs and many MPs from historically excluded communities, entrenched the power of male politicians from dominant castes. Second, it is shown that the very existence of the CDF created an obstacle to the implementation of Nepal's new federal system, which had been introduced as a tool for achieving a greater degree of political and social inclusion.[1]

Nepal's post-war transition and political inclusion

Post-war transitions and political settlements

Both scholars and policymakers have stressed the role of inclusion for preventing and for transitioning out of violent conflict.[2] Following Bell and Pospisil, inclusion is defined as 'the recognition and cherishing of diversity, capable of delivering access to public institutions and access to public goods, across the society's ethnic, political, social and gender divisions.'[3] A specific attention in the analysis of pathways out of conflict has been given to the role of political inclusion and to the importance of addressing political horizontal inequality, that is, inequality in the distribution and access to political opportunity and power among groups based on identities such as ethnicity, religion, and region. In particular, it has been argued that political representation of these groups in parliament through a proportional system contributes to resolving conflict and estab-lishing a stable peace.[4]

Post-war periods have been seen as 'moments of rupture' that can open possibilities for greater inclusiveness. As argued by Cramer, 'in spite of the very real awfulness and waste of war, there can be long-run consequences that are socially progressive'.[5] Civil wars produce deep social transformations that can persist into the post-war period, breaking old power networks and reshaping social norms. War can transform gender roles as a result of the recruitment of women into the rebel forces and the need for civilian women to perform new types of work.[6] In the political sphere, countries coming out of major conflicts have experienced the most dramatic increases in women's political participation.[7] War-to-peace transitions, therefore, offer the possibi-lity to establish new institutions and norms that redress inequality, contributing to an inclusive peace.[8]

However, the liberal peace-building model, based on the simultaneous promotion of conflict resolution, liberal democracy and market sovereignty,[9] has proved unable to take advantage of these ruptures to resolve conflict and reform the political, legal and economic systems of countries emerging from wars.[10] Recognising that what these state-building experiences lacked was an understanding of local power relations, several studies of war-to-peace transitions have adopted a political settlements framework, focused on the role of elite bargains and of the underlying distribution of power between groups in shaping post-war trajectories.[11] This article follows a similar approach.

A political settlement is 'a description of the distribution of power across organizations'[12] underpinning society's formal and informal institutions. The evolution of a political settlement is influenced by the two-way interactions between institutions and the underlying distribution of power. On the one hand, formal and informal institutions affect the distribution of power by creating economic benefits that affect the relative power of different organisations; on the other hand, the distribution of power affects institutions because powerful organisations act to make institutions evolve in the direction of the distribution of benefits that they desire.

Political settlements research has been criticised for being mostly based on a rational actor frame of analysis, which sees groups as responding only to material interests and incentives, and therefore not taking the role of ideas in constituting interests into account. In particular, O'Rourke argues that gender norms and commitment to gender roles (either conservative or progressive) cannot be ignored when analysing groups' motivations.[13] Similarly, True observes that gender analysis can complement political settlements analysis by revealing unequal gender power relations and identifying gender norms as informal institutions that affect social interaction.[14]

The political settlement analysis of post-war transitions has also typically been applied taking the nation state as its sole frame of reference – the framework is silent about the spatial dimension of power.[15] This limitation can be addressed by spatialising political settlements, explicitly looking at centre-periphery and transnational relations and at how they shift in post-war transitions. In this analysis, the role of borderlands may be of particular relevance, as they are frequently the epicentres of conflict: borderland groups may advance their position in wartime, gaining greater bargaining power in the post-war settlement.[16]

With these integrations, a political settlement analysis can shed light on the inclusiveness (or lack thereof) of a country's post-war political institutions. This is typically assessed in terms of how many elites are included in the 'limited access order' that regulates access to state resources.[17] While non-elites can be included in formal political institutions, politics remains dominated by elites. However, elites cannot sustain their power without supporting constituencies. This generates a downward re-distribution of resources from elites to non-elites, often through patronage networks.[18] Therefore, greater inclusion of elites in a country's political institutions can result in a less unequal distribution of resources and, conversely, the exclusion of some elites implies the exclusion of their constituencies. A similar argument can be made for the case of women's representation in political institutions: elite women might advocate for women's rights and gender equality,[19] and their presence in decision-making positions has been found to lead to higher spending on public goods valued by women.[20]

Nepal's evolving political settlement and the quest for inclusion

For much of its history, Nepal has been characterised by a highly centralised and oppressive state that discriminated against people on the basis of caste/ethnicity, gender, class, religion, and region.[21] This has created unequal access to the social-political and economic spheres for the majority of the population and has resulted in significant socio-economic differences between caste/ethnic groups. Hill high-castes – Bahuns and Chhetris, also referred to as Khas-Arya – are the group with the lowest poverty rate and the highest per-capita income, life expectancy, adult literacy level and overall HDI.[22] Hill high-caste men have dominated key economic and political institutions. At political level, hill high castes account for 66 per cent of positions in the state apparatus, despite constituting only 30 per cent of the total population;[23] in particular, Bahuns have dominated politics, the judiciary, universities and the civil service.[24]

Modern Nepal was created in the eighteenth century through the territorial conquests by the Shah dynasty of Gorkha. In 1846, power was assumed by the Rana family, which turned the king into a figurehead. The Ranas' autocratic regime, which lasted until 1951, centralised power and resources in the hands of the ruling family, organising society into a hierarchical system where prestige and power was linked to high-caste Hindu status.[25] After a short democratic experiment following the fall of the Ranas, King Mahendra's coup in 1960 led to the creation of the party-less Panchayat system, where the king held de-facto power over state institutions. While the caste system was abolished, Dalits had no recourse to law against discriminatory practices, given their minimal representation in the state apparatus.[26] Moreover, the active promotion by the state of a national identity based on the culture and values of high-caste Hindus had exclusionary consequences for the Adivasi Janajatis[27] and especially for the Madhesi[28] population of the Tarai border-land, seen as 'less Nepali'.[29] A discriminatory citizenship law, which required literacy in Nepali, disenfranchised many Madhesis. The patriarchal character of Nepali society continued to exclude women from public and political life, and only seven of the 24 governments formed during this period included one woman.[30]

The first People's Movement of 1990 led to the re-establishment of multi-party democracy and raised expectations for greater political and social inclusion of Adivasi Janajatis, Madhesis, Dalits and women. However, political parties, whose leadership was dominated by high-caste Hindus, proved unable to translate these expectations into policies, resulting in the continuation of deeply embedded inequalities.[31] The state structure established in the 1990 Constitution set up rules of the game that favoured the dominant group[32] and dismissed concerns on gender, ethnic, linguistic and religious issues, reinforcing historical patterns of social exclusion.[33]

Since the 1990s, a number of collective actions by different social groups challenged that exclusionary political settlement. The Maoists waged a war against the state, aimed at ending all forms of discrimination and exclusion. Following this, the Second People's Movement of 2006 led to the abolition of the monarchy, while the Adivasi Janajati and especially Madhesi Movements of 2007, 2008 and 2015 made federalism inevitable and resulted in increased political representation of disadvantaged groups in the parliament.

While the 'People's War' was not an ethnic conflict per se, as the main driver was the politics of class, it also included strong demands for the recognition of historically marginalised groups.[34] Whether instrumentally[35] or for a genuine belief in the need for

national liberation,[36] the Maoists mobilised people around ethnic and linguistic identity. In a conversation with the author, former Maoist minister Dev Gurung confirmed that, initially, the Maoist leadership was divided on whether to promote an ethnic/identity agenda, but that it was possible for the Maoists to receive large support from marginalised groups such as Madheshis and Adivasi Janajatis only after creating different organisations based on regional and ethnic lines within the Maoists' party and administrative structure.[37] In doing so, the Maoists increased the organisational capacities of regional and ethnicity-based organisations in the periphery of the country,[38] creating the basis for a more inclusive political settlement.

The demands and grievances that emerged during the conflict were reflected in the Comprehensive Peace Agreement that formally ended the war in 2006, which committed the signatories to carry out an inclusive restructuring of the state to address the problems related to women, Dalit, Adivasi Janajatis, Madhesi, oppressed, neglected and minority communities and backward regions. In the Interim Legislature of 2007, the Maoist party nominated a significant number of political representatives from marginalised and disadvantaged groups, following the principle of inclusion. Other parties followed a similar trend.[39] In the 2008 elections to the Constituent Assembly, 335 of the 601 seats were assigned through a proportional system, with quotas for women, Dalits, Madhesis and Adivasi Janajatis.

Moreover, as is often the case in war-to-peace transitions, there was a change in centre-periphery relations, with borderland regions playing a central role in shaping the political settlement at the centre.[40] This was manifested most dramatically in the Madhesi Movements of 2007 and 2008, in response to which federalism was explicitly recognised as one of the key elements of inclusive state restructuring and population was made the main criterion for drawing electoral constituencies. A federal structure of government was finally established in the 2015 Constitution, although in a form that did not accommodate the requests of several ethnic communities. Nevertheless, the new structure has the potential to enable wider political participation and inclusion of local communities.

The failure of the first Constituent Assembly to approve a constitution and the success of traditional parties at the 2013 elections to the second Constituent Assembly marked a turn in Nepal's political settlement towards greater power for conservative forces and against Maoist-inspired reforms.[41] The 2015 Constitution diluted the principle of inclusive representation affirmed in the 2007 Interim Constitution, for example by reducing the proportion of seats in the House of Representatives assigned through a proportional system.[42] This also reflects the fact that the Constitution was actually drafted by a small group of party leaders, mostly from the Khas-Arya group.[43] Despite this conservative pushback, Nepal's post-war political settlement is more horizontally inclusive than in the pre-war period. Several other authors, while recognising the increased political representation of disadvantaged groups, have pointed out some limitations.[44]

This article shares with these studies the view that high-caste men continue to dominate politics. However, assessing the level of political inclusion requires going beyond levels of representation, to consider how state institutions work in practice and how they interact with informal institutions that affect a country's political sphere. The article adopts a political economy perspective and extends the analysis by illustrating how privileged and powerful groups modify the working of institutions to achieve a distribution of resources more beneficial to their interests.

While a full analysis of political exclusion in Nepal is beyond the scope of this article,[45] looking at the CDF provides a glimpse into processes through which the working of apparently inclusive formal institutions can be twisted to reflect and cement the persisting political dominance of privileged groups. The article argues that the discriminatory access to the resources of the CDF limited the political space of disadvantaged groups, contributing to the continuing political dominance of high-caste men.

The constituency development fund

A 'Constituency Development Programme' was first created in 1995, to directly involve the MPs in the development of their constituency. At the time, Nepal had a centralised system of government. In the first year, Rs 250,000 was allocated to each constituency; the fund was later extended to the members of the National Assembly, the higher chamber of parliament.[46] Although the projects were selected by the MPs, there was direct participation of local representatives in the implementation. However, in 2002, the term of local elected representatives expired, and local bodies began to be run by the bureaucracy; the House of Representatives was also dissolved later in 2002. After the 2006 People's Movement and the reconstitution of the parliament, the programme was resumed.

After the Constituent Assembly (CA) election in 2008, the amount of the CDF was increased to one million per CA member. FPTP CA members had to implement the programme in their constituencies, while PR CA members could do it in the district of their choice. The programme, suspended after the dissolution of the first CA in 2012, was resumed after the election of the second CA in 2013 with the name of 'Constituency Infrastructure Development Programme'. Each constituency was allocated Rs 10 million budget to be spent on the proposal of FPTP CA members, while PR CA members had a Rs 1.5 million budget. This was the beginning of the differentiated treatment of FPTP and PR representatives. In the following years, the budget was increased up to Rs 30 million for FPTP CA members and Rs 5 million to PR CA members.

Following the promulgation of the new Constitution in 2015, elections at the three tiers of government were held in 2017. For the first time since 2002, local level bodies were once more run by elected representatives. Moreover, the Constitution established a federal system of government, in which local bodies had responsibility over local development programmes. Discussions were held both in Parliament and in the civil society on whether, within this new system, a centralised CDF still made sense. However, pressure from MPs resulted in the programme being not only continued, but even expanded. Under the new name of 'Local Infrastructure Development Partnership Programme', each directly elected MP had access to a budget of Rs 40 million, increased to Rs 60 million in 2019, although the demand was for Rs 100 million (see Figure 1).

Crucially, proportional MPs were completely excluded from the CDF. The fund could be used to finance 30 to 40 physical infrastructure projects under the coordination of the directly elected MP.

MPs considered the CDF, and the development work that it allowed them to bring to the constituencies, crucial to respond to the requests of their constituents and get their vote in the next elections. This reflected and reinforced a persisting centralised mindset among MPs and their voters. The CDF was also used as a tool to channel resources through party cadres in a way that avoided monitoring and evaluation.[47] For these
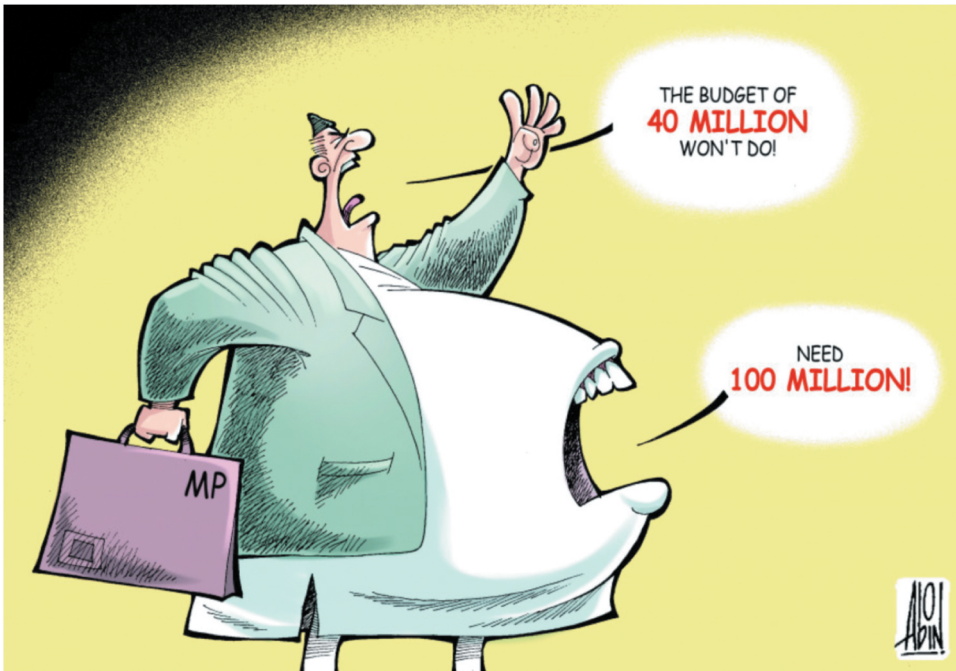
Figure 1. 'The million-rupee MPs – MP, where "M" stands for "Millions" and "P" stands for "Paisa"'. Cartoon by Abin Shrestha, from *Kathmandu Post*, 19 May 2019. Reproduced with the permission of Kantipur Media Group.

reasons, every year during the preparation of the budget, the fund was central to the political debate, to the extent that MPs threatened to block the approval of the budget if the CDF were removed.[48] In 2020, despite huge pressure, MPs resisted demands for CDF resources to be spent on addressing the COVID-19 health crisis, arguing that they had promised certain development work to their voters and that the CDF should continue 'at any cost'.[49]

Budget for the CDF was released even after prime minister KP Oli dissolved parliament in December 2020. While the dissolution was eventually overturned by the Supreme Court, the CDF would have given an unfair advantage to former MPs in the upcoming elections, as noted by former chief election commissioner Bhojraj Pokharel.[50] However, in the new yearly budget presented in May 2021 after a second dissolution of parliament in the same month, the finance minister announced the elimination of the CDF, to use the limited available resources for the COVID-19 crisis.[51] It remains to be seen whether the government will be able to stick to this decision.

Most provinces also implemented similar programmes. Initially, some provincial governments tried not to allocate the budget for the programme but could not resist pressure from members of the provincial assemblies (MAs). The then Chief Minister of Gandaki Province, Prithvi Subba Gurung, criticised the programme as 'person-centred budget' and did not allocate the fund in the first year after the establishment of the province. However, after pressure from MAs, funds were allocated in the following

fiscal year.[52] At provincial level, the fund was also allocated to PR MAs, but a lower amount than for FPTP MAs. In Province 1, for example, Rs.30 million was allocated to each FPTP MA and only Rs.5 million to PR MAs.

CDFs are not a phenomenon limited to Nepal: by 2010, they had been adopted or proposed in at least 23 countries,[53] in both federal and centralised systems. CDFs have been criticised on several grounds. They lead to an inefficient use of resources and tend to be a vehicle for corruption; they breach the separation of power between the executive and the legislature, making MPs less able to oversee the work of the executive; and they can hamper governments' capacity for service delivery and development work, especially at local level.[54] While these issues have also been raised in Nepal, this article looks at Nepal's CDF from a different perspective, considering its adverse impact on political inclusion in the context of Nepal's mixed electoral system and of its newly adopted federal structure.

The CDF and unequal access to resources and political space for disadvantaged groups

The House of Representatives (HoR) that resulted from the 2017 elections appeared to reflect a new, more inclusive political settlement than before the war, although less so than the first CA of 2008, as Table 1 indicates.

Inclusive representation in terms of gender, caste, class and region is important for the interests of all groups to be reflected in policy decisions. Scholars have shown that the electoral system has a large impact on the representation of excluded groups: while majoritarian systems penalise minorities, proportional systems increase the chance of equal representation.[55] Butenschøn et al. argue that, in conflict affected societies, proportional systems offer the best prospects for balanced group representation;[56] in particular, Kabeer's multi-country analysis shows that they increase women's representation.[57] The data in Table 1 is consistent with these results: representation of women and excluded groups, low under the majoritarian system of the 1990s, increased substantially in the two CAs, where most representatives were elected through a proportional system and quota for women and ethic/caste groups were applied.

The increased political representation of women and of traditionally excluded groups in the post-war period has undeniably been an important change and has had some policy implications. The critical mass of women in the two CAs facilitated the approval of the long debated Domestic Violence Act, and the establishment of a 40 per cent quota for women representatives in local governments,[58] while the new constitution included women's proposals on inheritance rights and on proportional representation in elected bodies.[59] However, men from privileged groups are still overrepresented and hill high castes continue to dominate political parties. Parties lack powerful women leaders and even those appointed to expert committees are expected to follow the party line.[60] As a result, women were unsuccessful in their attempt to have inclusive constitutional provisions on citizenship allowing mothers to transfer citizenship to their children.[61]

While important, representation is only a partial indicator of political inclusion. The remainder of this section shows how the discriminatory access to the resources of the CDF limited the political space of disadvantaged groups, contributing to the continuing political dominance of high-caste men.

Table 1. Caste/ethnic groups and women representation in the HoR, interim legislature and constituent assemblies (percentages).

	1991	1994	1999	2007	2008	2013	2017	Population
Khas Arya	53.7	62.4	58.1	49.4	33.6	40.7	41.8	31.2
Adivasi Janajati	34.2	24.9	25.9	30.6	34.1	32.8	30.9	35.3
Madhesi	9.3	10.3	14.2	13.6	20.7	16.5	17.1	15.3
Dalits	0.5	0.0	0.0	5.2	8.9	6.8	6.9	13.8
Muslims	2.4	2.4	2.0	1.2	2.8	3.3	3.3	4.4
Women	3.4	3.4	5.9	17.3	32.8	29.5	32.7	

The composition of the house of representatives after the 2017 elections

The overall figures on HoR seats hide stark differences in how members from different groups got elected to the HoR. Based on the 2015 Constitution, the 275 members of the HoR are elected through a parallel mixed system – 165 through FPTP and 110 through PR. The Constitution also mandates that at least one third of the total representatives from each party must be women. Finally, the House of Representatives Election Act, 2074 (2017) established a system by which the representatives of each party elected from the PR list must meet quotas for each of the six 'inclusion' groups specified in the Constitution – Dalit, Adivasi Janajati, Khas Arya, Madhesi, Tharu[62] and Muslim. The quota for each group reflects its share of Nepal's population.[63]

While this electoral system has guaranteed a greater representation of women and historically marginalised groups compared to the pure FPTP system applied before the war, it has also resulted in dramatic differences between the gender and ethnic compositions of HoR members elected through FPTP and PR.

As Figure 2 shows, while the overall composition of the HoR showed a significant over-representation of the Khas-Arya group, this was much more extreme for FPTP seats. Almost half of FPTP seats were won by Khas-Arya candidates, despite them constituting only 31.2 per cent of Nepal's population. Madhesis were the only other group whose representation reflected (and somewhat exceeded) their population share, as most of them live in borderlands districts where they constitute the majority of the population and they managed to take advantage of post-war identity politics to increase political representation.[64] All other groups were under-represented, severely so in the case of Muslims and especially of Dalits.

When considering the gender composition, the difference between FPTP and PR seats was even more striking. While overall the proportion of women reflected the quota set in the Constitution, almost all women were elected from the PR lists, as shown in Figure 3.

The ethnic/caste and gender composition of the FPTP seats was not dissimilar from that of the HoR in the 1990s, where all seats were allocated through a FPTP system. This is consistent with the general tendency of majoritarian institutions, such as a FPTP electoral system, to favour larger groups and penalise minorities.[65]

In particular, the over-representation of Khas Arya among FPTP MPs reflected the persisting dominance of this group within the leaderships of political parties, while the negligible number of women was consistent with the patriarchal character of Nepali society.[66] The higher socio-economic status of Khas Arya may also give them a better chance to win a FPTP seat, thanks to better connections and greater resources required for party politics.[67] Elections in Nepal are very expensive; several informants during

private conversations said that a candidate had to spend between Rs 50 million and 150 million to win a FPTP seat.[68] A lawmaker and former minister told the author that the main reason for not giving a FPTP ticket to women was that winning an election cost a huge amount of money and required a big effort, and women were considered less capable of doing this.[69]

Clearly, not all PR representatives came from disadvantaged backgrounds. First, the quota system did not only include categories considered underrepresented, but all ethnic groups in Nepal, including the dominant Khas Arya – a feature that contributes to the maintenance of inequality, rather than promoting equality.[70] Second, political parties allocated some PR seats to family members of political leaders, loyalists, and businessmen who could support the party financially. Some notable examples are billionaire business-man Binod Chaudhary, in Forbes's list of the world's richest men; and Sujata Koirala, former minister and daughter of former prime minister Girija Prasad Koirala. Nevertheless, the ethnic diversity and the prevalence of women made PR HoR members more repre-sentative of those social groups that had been systematically excluded from politics.

Unequal access to the CDF: perspectives from MPs

As seen above, MPs elected through the PR system were discriminated against in relation to the CDF since the second CA and were subsequently completely excluded from it. Conversely, during the same period, the resources FPTP representatives had access to through the CDF increased substantially.

PR MPs were vocal about the discriminatory nature of the CDF. PR MP Laxmi Pariyar sarcastically asked the Speaker of the House to reflect this discrimination in the workings of Parliament:
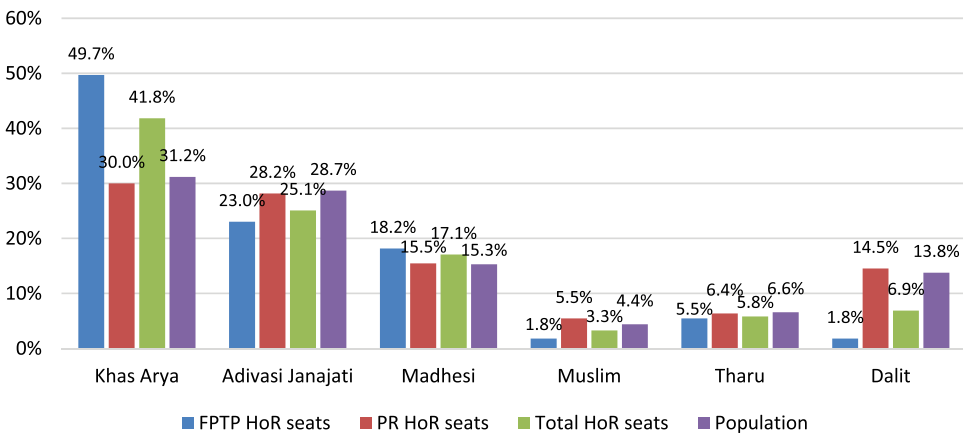

Figure 2. Representation of caste/ethnic groups in the HoR.
Source: Federal Parliament Secretariat, 'Federal Parliament of Nepal', and author's analysis of data from the Election Commission of Nepal; population based on the quotas in the House of Representatives Election Act.
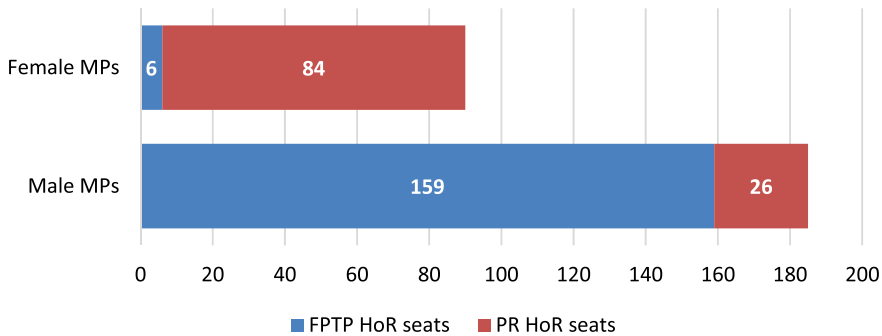
Figure 3. Gender composition of the HoR.
Source: Author's analysis of data from the Election Commission of Nepal.

> *Honourable Speaker, I am now compelled to speak as a second-class member of this dignified House. [...] Some MPs are first class, some MPs are second class. I urge the Speaker to make arrangements for the direct MPs, who are capitalists with Rs 60 million, to stay in one place; and we should make separate arrangements for the MPs from proportional representation, who are poor.[71]*

FPTP and PR MPs differed in their views on the reasons for the different treatment of the two groups of representatives: while FPTP MPs saw this as a result of problems with the electoral system, PR MPs perceived it as a case of intentional exclusion and injustice towards disadvantaged groups in Parliament.

During conversations with the author, several FPTP MPs, including former law minister Dev Gurung, said that the problem lied with the electoral system and that fundamental change was necessary there. MP Bishal Bhattarai, who strongly supported the continuation and expansion of the CDF, argued that the reason the CDF was not allocated to PR MPs was that they did not have their own constituency. The MP said that decisions on what projects to finance with the CDF were made in consultation with local stakeholders and PR lawmakers could participate in those meetings in the constituency they were from, but that PR MPs did not understand the local needs as they did not often go to their village. MP Bhattarai, however, recognised that PR MPs felt dominated by the FPTP MP, as the latter was the decision maker and project coordinator.[72]

PR MPs disagreed with the argument that they did not have their constituency: they argued that the constituency of PR MPs was the one where they voted. They stressed that PR MPs also had to seek votes, not only in their constituency but also in the community in whose quota they were elected.[73]

PR MPs saw this as a case of discrimination and exclusion of female representatives and MPs from disadvantaged communities. PR MP Pramila Rai complained that 'the programme has made FPTP lawmakers powerful and weakened us'.[74] In a conversation, a PR MP complained that such discrimination was unacceptable and shameful and that those who spoke about equality were deprived of opportunities:

> *As I have spoken out, the party has sent me from my constituency to another constituency as in-charge. If I was in my area, I would have strong grassroot support, but the party does not want me to be in a strong position.[75]*

MP Prakash Rasaili saw the discrimination in access to the CDF as resulting from structural issues of intentional exclusion of marginalised communities:

> *PR MPs come from many ethnic clusters. Even now, the people from excluded communities have not been able to come into the mainstream of the state. Only one community still dominates politics and the system of governance. This is one of the reasons for not giving the fund to PR MPs.*[76]

For MP Renuka Gurung, the CDF showed that the political leadership was unconcerned with the issue of inclusion:

> *The Finance Minister [Yubaraj Khatiwada] comes from the bureaucracy and has no political background. [. . .] He does not know about equality and inclusion. [. . .] We have talked about it thousands of times. They don't even answer. [. . .] We are lawmakers and we don't need money; but when given, it should be for everyone equally.*[77]

It was under the tenure of Finance Minister Khatiwada[78] that PR MPs were excluded from the CDF and the amount was increased up to Rs 60 million per FPTP MP. The minister was initially opposed to the CDF, as it scattered state resources, but could not resist pressure from lawmakers. The result was a decision to exclude PR MPs.

Exclusion from the CDF is just one example of discrimination against PR MPs. Some PR MPs felt discriminated more widely. MP Ganga Chaudhary shared her experience:

> *If you go to the ministry, some bureaucrats ask whether you are from FPTP or PR. As soon as it is discovered we are from PR, it is a problem to have even small things done. If small things cannot be done, people will reject us. No matter where we go, we look like second-class citizens as soon as we say 'proportional'.*[79]

Discrimination is linked to the view, held by many, that PR MPs get their position easily, receiving it from the party, and that they do not have the capacity to 'do things'.[80] This was also due to the fact that, unlike in most other countries, the electoral lows allowed Nepali parties to choose PR MPs from a closed list without following the order in which candidates were listed. This resulted in voters not knowing for whom they were voting and generated the perception of PR MPs as second-class MPs.[81]

Politics, patronage and the CDF

Given the differences between FPTP and PR representatives, the exclusion of PR representatives from the CDF had the implication of concentrating these resources in the hands of males from predominantly privileged groups. To understand why this had significant implications, it is important to consider the role of patronage in Nepali politics and the role that the CDF could play in creating and strengthening patronage networks.

As Khan argues, the preservation of power requires members of the elite to generate rents and redistribute them downwards along patronage networks.[82] Operating within such a 'political market', even politicians motivated by an ideological agenda or the promotion of the public good have to engage in patronage in order to have a chance to get in power.[83] While the centrality of patronage is undisputed, the vision of patronage as based simply on an 'exchange' between resources and support has been criticised by Piliavsky. She argues that, in South Asia, patrons are not judged by clients only as useful persons, but as good persons – 'getting things done' is seen as what a good politician

should do.[84] Whether based on exchange or on moral considerations, patronage is a crucial part of politics in Nepal. Political parties in Nepal are mainly coalitions of informal and personalised networks linking powerful politicians to their supporters through networks of patronage. Patronage networks were key to maintaining local political stability during the transition period between the end of the war and the 2017 elections.[85]

For many people, the role of their representatives in the Federal Parliament is to bring development to their village in the form of roads, bridges, taps etc. This was evident during an event attended by the author organised in Kathmandu by people from Khotang district, who discussed with their MP about CDF projects that could be realised in the district. The demands from the locals were framed in the language of an exchange between development projects and votes. One of the organisers said:

> The next time you go to the village to ask for votes, you have to show why we should vote for [you]. You said that you would bring a programme for electricity at the request of the people and you fulfilled that promise. Now it is easier to go to the polls next time. Now our village needs easy road transportation.

One participant stated that, if the road to the village was not paved, people would not give their votes to the MP.

While patronage is not limited to the CDF, in Nepal as in other countries the CDF played a significant role in reinforcing this system (see Figure 4).[86] The CDF was an important tool for strengthening support for politicians in their constituencies as, despite a formal requirement to consult with the local governments, lawmakers had significant discretionary power in the selection of projects to be funded. Using de Waal's terminology, the CDF was an important part of MPs' 'political budget', which they used to secure the political loyalties needed to maintain their power or pursue their political projects.[87] The reluctance of Nepali lawmakers to terminate the programme despite years of criticism is indicative of the importance they attached to the CDF.

Loyalties were acquired not only through the provision of infrastructure that the CDF enabled, but also through the choice of contractors. One of the mechanisms through which a project can be implemented is user committees, which have been known to often be controlled by local party cadres and subject to very little scrutiny.[88] Nepali Congress leader Ram Sharan Mahat, who continued the CDF during his six-time tenure as Finance Minister, recently criticised it heavily, pointing at the trend of implementing projects through user committees led by lawmakers' own people, which led to scattering of resources and more irregularities.[89]

Several investigations showed that resources from the CDF were distributed to party cadres without following the spending rules.[90] Reports from the Auditor General's Office found that 126 projects worth Rs. 52.5 million were implemented in 17 districts through political party fraternal or sister organisations. Rs. 728,000 was spent on training allowances for running a yoga camp in Kathmandu, which was not a permitted used of the fund. Similarly, Makwanpur District Coordination Committee formed 10 different user committees, each purchasing electricity poles from the same firm worth nearly Rs 2 million in total, in order to flout the obligation to run a bidding process for projects of that size.[91]

PR MPs resented not being able to use resources for local development. They were fully aware of the importance of the CDF in sustaining local-level support and wanted to have the same opportunity, as MP Renuka Gurung told the author:

> *We also like to go to the village and carry out development projects in front of the people. FPTP representatives go with projects and ask for votes. But we are deprived of doing that.*[92]

The same idea was expressed by MP Parvati Bisunke:

> *FPTP MPs who go to their constituency carrying development programmes and projects are welcomed by the people and the media cover it; but we are not like that. As we have said, let's halve 60 million to 30 million and give it to everyone. If not, make it unavailable to anyone.*[93]

Similarly, MP Mina Pandey stated that, because of the CDF, FPTP MPs were popular with the people; on the other hand, it seemed people did not care about PR representatives, despite them having the same responsibility in shaping policies.[94]

Given the centrality of patronage to Nepali politics and the importance of the CDF as a source of 'political budget', the exclusion of PR MPs from access to the CDF left them unable to create their own support base and dependent on the party leadership for their political careers. At the same time, FPTP MPs could strengthen their position with an eye to future elections.

As shown above, almost all female representatives and the majority of those belonging to traditionally excluded groups were elected through the proportional system of quotas. Therefore, the difficulties PR representatives have in increasing their political authority result in an obstacle to the ability of these groups to challenge the political dominance of
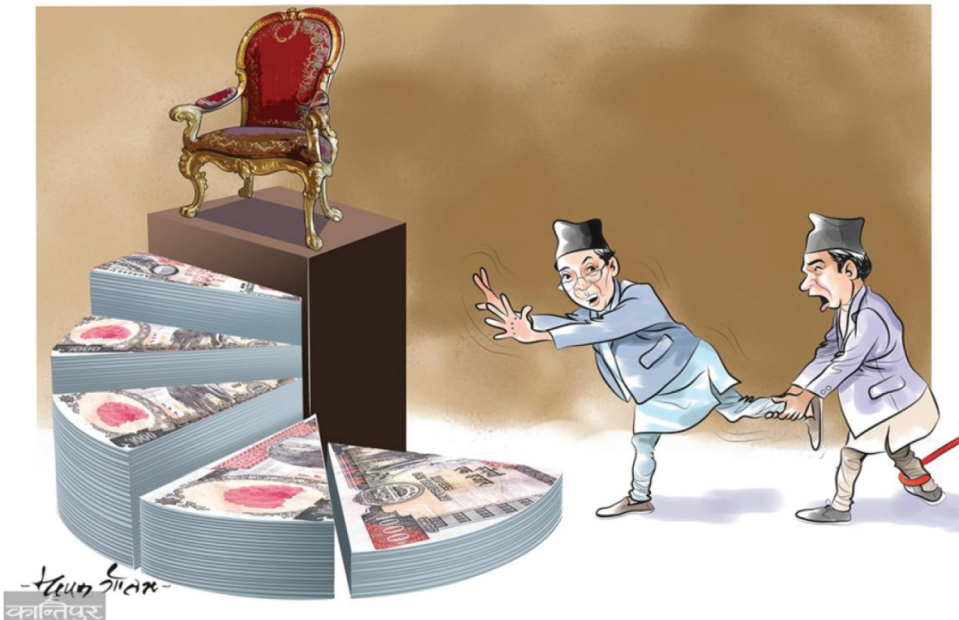

Figure 4. 'Don't give budget to MPs'. Cartoon by Dipak Gautam, from *Kantipur*. Reproduced with the permission of Kantipur Media Group.

Khas-Arya men. As the leading Dalit writer and activist Aahuti stated, the provision of the CDF made proportional representatives second-class MPs and was an outcome of the socio-economic and political system built by the so-called upper castes.[95] Despite the ostensible inclusivity of the HoR, the discriminatory access to the CDF contributed to the maintenance of a less inclusive political settlement.

The CDF as an obstacle to the implementation of federalism

Given the historically highly centralised and exclusionary character of the Nepali state, the federal reform was presented as a way to address political, economic and social exclusion, and as a route for inclusive development. Federalism and political decentralisation are seen as facilitating the integration of local groups marginalised by the centralised state and giving them a degree of autonomy over decision making processes and access to resources.[96] In Nepal, federalism has been considered the key means to address the concerns of marginalised groups over inclusion and representation.[97]

However, the implementation of federalism in Nepal has encountered many obstacles, from the demarcation of the federal units to the actual devolution of power from the central government, the result of a political leadership with a centralised mindset. This article only looks at the impact of the CDF in endorsing a centralised mentality and hampering the role of sub-national governments. This is therefore another mechanism through which the CDF was an obstacle to a more inclusive political settlement.

It has been noted in the literature on CDFs that the direct involvement of national representatives in local-level projects can violate the 'vertical' separation of power that should characterise federal countries.[98] Advocate Durga Karki expressed the same concerns to the author in relation to Nepal:

> Local government has a channel for development work. The job of lawmakers of the federal parliament is to make federal laws. [...] Now, with the increase in the fund, it has endorsed a centralized mentality. At the same time, this reduces the value of local governments, rather than helping to strengthen the federal system.[99]

The CDF hindered the implementation of federalism in three ways. Firstly, it distracted MPs from their role as legislators, delaying the approval of laws crucial for the implementation of the new federal system of government; secondly, it delegitimised local governments, to whom the Constitution gives responsibility for local-level development projects; and thirdly, it distracted people from keeping local governments accountable for local development.

Distraction for MPs

The Constitution of Nepal was approved in 2015, and local and provincial governments have been in place since late 2017. However, at the time of writing, several laws urgently required for the implementation of federalism have not been endorsed by the federal parliament, while some of them still need to be drafted. As a result, local and especially provincial governments have been struggling to conduct work properly and effectively.

National Assembly Speaker Ganesh Prasad Timilsina pointed out that delay in law-making was one of the main problems in the implementation of the new federal system.[100] Several informants told the author that some leaders had been actively delaying the approval of these laws, as this made it easier for them to control and interfere in sub-national governments. The CDF made it easier to achieve this, by keeping the lawmakers busy outside of Kathmandu.

MP Binda Pandey complained that, while the job of federal lawmakers should be to formulate policies, rules and laws, the focus had been on constituency-centric development; FPTP MPs were often busy coordinating projects at local level and visiting project areas instead of participating in the debate on bills in thematic committees and in parliament.[101] Several MPs, however, argued that people did not choose them just to make laws, but to bring development work, so their job was to assure development for the people in their constituencies.[102] In a conversation with the author, an MP noted:

> In principle, it is not good to give a penny to an MP. [...] But if you take me to the village tomorrow, the demand of the people is not that such a bill should be passed. People say that a road has to be built, a water well has to be built, a school has to be built.

The CDF changed constituents' perceptions of the role of their national representatives.[103] The negative consequences were recognised by some MPs in Nepal, like MP Gagan Thapa:

> [T]he citizens of the constituency evaluate what kind of development work I have done [...] but this has nothing to do with what I did as an MP. So, I ignore my responsibilities and run into development work [...] citizens should evaluate us on the basis of legislative work, not development.[104]

The result was delays in passing laws, which weakened the implementation of federalism. For example, in March 2020, during the winter session of Parliament, which is focused on approving laws, every week one to three bills could not be passed due to the absence of MPs from parliament; one of these bills – Arrangements for the interrelationships between the federal, provincial and local levels – was fundamental to the implementation of the federal system.[105]

The CDF had similar effects also on the work of provincial assembly members. A recent research on provincial governments found that, like federal lawmakers, MAs in provinces were busy with development projects from the CDF, ignoring their legislative responsibilities.[106]

Deligitimisation of local governments

When there were no elected representatives at local level, lawmakers argued that the CDF was essential to connect people with their elected representatives. However, as pointed out by National Assembly Speaker Timilsina, after the adoption of a federal system of government and the 2017 local elections, this argument was no longer valid, and maintaining the programme went against federalism.[107]

According to the Constitution, local governments have the power to formulate local policies and implement programmes and projects on the basis of local needs. However, the discretionary power enjoyed by MPs in the selection of projects on

which to spend the CDF tended to result in local governments following the choice of federal lawmakers, as observed by Hom Narayan Shrestha, president of the National Association of Rural Municipalities.[108]

MPs, on the other hand, justified the CDF as a way to partially overcome the inefficiency of government spending. In a conversation with the author, an MP emphasised how his intervention through the CDF was made necessary by the failure of the government to address people's needs:

> Sometimes in a village a project is not completed because 5 lakhs are lacking. [. . .] I have built a ferry to cross the river as people suffered not having a bridge to import and export basic goods. It has been eight years since the foundation stone for the bridge was laid, but nothing has been done yet.

While it is undeniable that the needs of people are many, and MPs may have good intentions when trying to address them, working on small-scale projects such as building a road, a school, a bridge and providing water are responsibilities of the local governments. As stated by National Assembly Speaker Timilsina, the role of lawmakers should be to devise policies that promote development, rather than bringing projects themselves.[109] By getting directly involved in the selection of the projects, MPs undermine the authority of local governments.

Diminished people's incentive to keep local governments accountable

The author observed an event in which people from Kothang district requested development projects from their MP. One of the most notable things during the event was that people were appealing to the MP to compensate for lack of action by the local governments. One of the organisers said to the lawmaker:

> We demanded you to provide accessible drinking water to the village as the municipality and the province have not listened to the problem.

The MP was trying to explain his own limitations in distributing the projects, promising alternative resources:

> There are 79 wards in Khotang district but it is not possible to distribute more than 20 schemes under the fund. [. . .] I can look for resources from the central government's plan for drinking water.

The CDF showed that the power and resources, which under the new federal system are supposed to be made available at local level, were still concentrated in Kathmandu and in the federal parliament. People responded to this by turning to their MP to solve those local problems which the local government was directly responsible for. The result was that people paid less attention to what local governments did or did not do, reducing the pressure on local governments to be accountable to the people.

Conclusions

Post-war transitions can be seen as opportunities to bring about greater political inclusion. In particular, political inclusion and representation of different groups, and the adoption of a parliamentary PR system, are assumed to provide a pathway out of conflict towards stable peace. To an extent, this happened in Nepal. Through the war they waged against the state, the Maoists challenged the existing exclusionary political settlement; the Second People's Movement of 2006 paved the way for the abolition of the monarchy, while the Adivasi Janajati and especially Madhesi Movements of 2007, 2008 and 2015 reshaped centre-periphery relations. The most visible results of these political struggles was increased representation of disadvantaged groups in parliament, through quotas under a mixed electoral system, and the establishment of a federal system of government.

However, these changes failed to transform the underlying configurations of power and their impact on political inclusion was limited by the continued dominance of traditional elites (mostly Khas-Arya men) and their power to shape institutions to their own advantage. The economic and political subordination of marginalised groups in the parliament continued under new forms. This article has analysed how these dynamics played out in the case of the CDF, showing that its implementation hindered political inclusion through two main mechanisms. Firstly, limiting access to CDF resources to FPTP MPs penalised women and representatives from disadvantaged groups, most of whom were elected through the PR quota system. As FPTP MPs could use these resources for patronage and to strengthen their local political base, PR MPs appeared weaker in the eyes of voters, with the result that women and other marginalised groups had limited opportunities to strengthen their position within political parties. Secondly, the CDF directly involved federal lawmakers in local development projects that, under the new federal system, should have been the responsibility of local governments. In doing so, it distracted MPs from their role in formulating laws to make the federal system work, delegitimised local governments in the eyes of people and reduced the incentive to keep them accountable. The combined impact was to re-centralise power and hinder the implementation of federalism, which had been introduced as a mechanism to address the concerns of marginalised groups over inclusion and representation.

Given the impact that the very existence of the CDF had on the implementation of federalism and political inclusion, extending it to PR MPs would not be a solution to the issues discussed in this paper. In the context of Nepal's political system, in which parties have a highly top-down approach and weak internal democracy, such intervention would not even fully address the discrimination towards PR MPs and their position as second-class MPs. Nevertheless, the allocation of the CDF to FPTP MPs created unequal access to resources among MPs and had significant implications for the political position of disadvantaged groups, given the role of patronage in Nepali politics. As shown above, this was one expression of a political settlement dominated by conservative forces, which meant that political representation of disadvantaged groups failed to translate into substantial inclusion that could address their socio-political and economic grievances.

At the time of writing, a debate emerged on whether to keep the mixed electoral system in the upcoming elections. UML, the largest party in the parliament, advocated a fully FPTP system, arguing that the mixed system was an obstacle to forming a stable government. On the other hand, the Maoists, Madhes-based parties and some former electoral officials argued

for a fully PR system to reflect the diversity of the country and as FPTP had led to the monetisation of elections, making them inaccessible for candidates who could not raise large amounts of money. It appeared unlikely that a fully PR system would be introduced, since this was not in the interests of conservative parties; but it would not be easy to abolish the PR part either, as this was an important part of the peace agreements and subsequent political negotiations. The subordination of PR MPs under a mixed system therefore seems likely to continue.

The main contribution of this article has been to show how analysis of political exclusion must go beyond the issue of representation and consider the underlying distribution of power, reflected in both formal and informal institutions. Limiting the analysis to formal political institutions, as is the case when looking only at quantitative evidence of political representation, risks giving a distorted picture of the inclusivity of a political system and of the social changes taking place in a post-war context. Political settlements provide a framework to expand the analysis by considering the interactions between institutions and the distribution of power and resources.

Notes

1. This paper is based on fieldwork research conducted between October 2019 and April 2020 as part of the author's PhD research. Informal interviews were conducted with lawmakers, politicians, journalists and political analysts; debates in parliament and in its thematic committees, as well as others political events, were observed.
2. Cheng, Goodhand, and Meehan, 'Securing and Sustaining Elite Bargains That Reduce Violent Conflict'; United Nations and World Bank, *Pathways for Peace.*
3. Bell and Pospisil, 'Navigating Inclusion in Transitions from Conflict', 576–577.
4. Butenschøn, Stiansen, and Vollan, *Power-Sharing in Conflict-Ridden Societies.*
5. Cramer, *Civil War Is Not a Stupid Thing*, 45.
6. Wood, 'The Social Processes of Civil War'.
7. Tripp, *Women and Power in Post-Conflict Africa.*
8. Rai, True, and Tanyag, 'From Depletion to Regeneration'.
9. Pugh and Cooper, *War Economies in a Regional Context.*
10. True, 'Gender and Conflict'.
11. Di John and Putzel, 'Political Settlements'; Bell and Pospisil, 'Navigating Inclusion in Transitions from Conflict'; Goodhand and Meehan, 'Spatialising Political Settlements'; Cheng, Goodhand, and Meehan, 'Securing and Sustaining Elite Bargains That Reduce Violent Conflict'.
12. Khan, 'Political Settlements and the Analysis of Institutions', 640.
13. O'Rourke, 'Gendering Political Settlements'.
14. True, 'Gender and Conflict'.
15. Goodhand and Meehan, 'Spatialising Political Settlements'.
16. Goodhand, 'The Centrality of the Margins'.
17. North, Wallis, and Weingast, *Violence and Social Orders.*
18. Khan, 'Political Settlements and the Governance of Growth-Enhancing Institutions'.
19. True, 'Gender and Conflict'.
20. Ghani, Kerr, and O'Connell, 'Political Reservations and Women's Entrepreneurship in India'.
21. Höfer, *The Caste Hierarchy and the State*; Whelpton, *A History of Nepal*; Tamang, 'The Politics of Conflict and Difference or the Difference of Conflict in Politics'; Hutt, 'Introduction. Monarchy, Democracy and Maoism in Nepal'; Lawoti, *Looking Back, Looking Forward*; Gellner, Pfaff-Czarnecka, and Whelpton, *Nationalism and Ethnicity in Nepal.*

22. Pandeya and Oyama, 'The Question of Equal Representation of Citizens in the Legislature of Nepal'.
23. Hachhethu, 'Balancing Identity and Viability'.
24. Gellner, 'Caste, Ethnicity and Inequality in Nepal'.
25. Pfaff-Czarnecka, 'Vestiges and Visions'.
26. Adhikari and Gellner, 'New Identity Politics and the 2012 Collapse of Nepal's Constituent Assembly'.
27. Adivasi Janajatis (indigenous nationalities) include more than 60 communities with different languages, cultures and distinct historical homelands.
28. Madhesis are the Hindu caste groups in the Tarai sharing close cultural and linguistic ties with similar groups in neighbouring India.
29. Tamang, 'Exclusionary Processes and Constitution Building in Nepal'; Rai and Shneiderman, 'Identity, Society, and State'.
30. Mahato, Rai Paudyal, and Baruah, 'Women in Public Life in Nepal'.
31. Tamang, 'Exclusionary Processes and Constitution Building in Nepal'.
32. Lawoti, *Towards a Democratic Nepal*, 118.
33. Hutt, 'Drafting the 1990 Constitution'; Malagodi, *Constitutional Nationalism and Legal Exclusion*; Mahato, Rai Paudyal, and Baruah, 'Women in Public Life in Nepal'.
34. Shneiderman et al., 'Nepal's Ongoing Political Transformation'.
35. Lawoti, 'The Maoists and Minorities'.
36. Ismail and Shah, 'Class Struggle, the Maoists and the Indigenous Question in Nepal and India'.
37. Conversation with MP Dev Gurung, Kathmandu, 6 March 2020.
38. Breen, 'The Origins of Holding-Together Federalism'.
39. While most of the members of the Interim Legislature from the other parties were the members of the parliament produced by the 1999 general elections, some new members were nominated by those parties as well, including representatives from disadvantaged groups, following the Maoists' example.
40. Goodhand et al., 'Marginal Gains'.
41. Adhikari and Gellner, 'New Identity Politics and the 2012 Collapse of Nepal's Constituent Assembly'.
42. Hutt, 'Before the Dust Settled'.
43. Hachhethu, 'Legislating Inclusion'; Jha, *Federal Nepal*.
44. See, for example, Pandeya and Oyama, 'The Question of Equal Representation of Citizens in the Legislature of Nepal'; Lotter, 'Gender Gap, Gender Trap'; Vollan, *Elections in Nepal*; Vollan, 'The Systems of Representation in the Three Tiers after the Promulgation of the 2015 Constitution of Nepal'; Lawoti, 'Ethnic Politics and the Building of an Inclusive State'.
45. Another limitation of the article is that it does not look at differences in the level of exclusion within groups such as Madhesi or Adivasi Janajati. See Vollan, *Elections in Nepal*.
46. As members of the National Assembly were not directly elected, they could use the funds in the constituency of their choice.
47. Shrestha, 'New Provisions on Parliamentarians' Fund Will Encourage Irregularities'; Ghimire, 'Government Likely to Continue Local Infrastructure Development Programme Fund Despite Criticism'.
48. Pandey, 'Sanghiyata Karyanayanko Abasar'.
49. Ghimire, 'Government Likely to Continue Local Infrastructure Development Programme Fund Despite Criticism'.
50. Shrestha, 'Despite Concerns, Government Releases Budget for Projects Chosen by Lawmakers'.
51. Acharya, 'Sambidhako marmabiparit addhyadeshbata badget'.
52. Kafle, 'Samsad Bikash Kosh Katautiko Mag'.
53. van Zyl, 'What Is Wrong with the Constituency Development Funds?'.
54. van Zyl, 'What Is Wrong with the Constituency Development Funds?'; Hickey Tshangana, 'Constituency Development Funds'.

55. Pandeya and Oyama, 'The Question of Equal Representation of Citizens in the Legislature of Nepal'.
56. Butenschøn, Stiansen, and Vollan, *Power-Sharing in Conflict-Ridden Societies*.
57. Kabeer, 'Gender Equality and Women's Empowerment'.
58. Yadav, 'Can Women Benefit from War?'
59. Tamaru and O'Reilly, 'How Women Influence Constitution Making After Conflict and Unrest'.
60. Ramsbotham and Thapa, 'Introduction. Two Steps Forward, One Step Back'.
61. Tamaru and O'Reilly, 'How Women Influence Constitution Making After Conflict and Unrest'.
62. The Tharu are an ethnic group that includes a number of communities living across the Tarai; they consider themselves to be the indigenous people of the Tarai.
63. A similar system applies to the election to Provincial Assemblies. Quotas have also been introduced for the National Assembly and local governments.
64. For post-war identity politics, see Meehan and Plonski, 'Brokering the Margins'.
65. For a discussion of the literature, see Lawoti, 'Political Exclusion and the Lack of Democratisation'.
66. See Lotter, 'Gender Gap, Gender Trap'.
67. Pandeya and Oyama, 'The Question of Equal Representation of Citizens in the Legislature of Nepal'.
68. While the law limits the amount of spending for a campaign, this is widely disregarded.
69. Conversation with a lawmaker, Kathmandu, 16 March 2020.
70. See also Vollan, 'The Systems of Representation in the Three Tiers after the Promulgation of the 2015 Constitution of Nepal'.
71. Author's observation of HoR meeting on 26–02-2020 in Kathmandu.
72. Conversation with MP Dev Gurung, Kathmandu, 6 March 2020; conversation with MP Sudan Kirati, Kathmandu, 7 March 2020; conversation with MP Bishal Bhattarai, Kathmandu, 13 November 2019.
73. Conversation with MP Prakash Rasaili, Kathmandu, 3 March 2020; conversation with MP Mina Pandey, Kathmandu, 18 March 2020; conversation with MP Renuka Gurung, Kathmandu, 2 March 2020.
74. Ghimire, 'Lawmakers Lobby for Hiking Constituency Development Fund'.
75. Conversation with a lawmaker, Kathmandu, March 2020.
76. Conversation with MP Prakash Rasaili, Kathmandu, 3 March 2020.
77. Conversation with MP Renuka Gurung, Kathmandu, 2 March 2020.
78. At the time of writing, Yubaraj Khatiwada is no longer Finance Minister.
79. Author's observation of HoR meeting on 19 March 2020.
80. Conversation with MP Parvati Bisunke, Kathmandu, 6 March 2020.
81. Vollan, 'The Systems of Representation in the Three Tiers after the Promulgation of the 2015 Constitution of Nepal'.
82. Khan, 'Political Settlements and the Governance of Growth-Enhancing Institutions'.
83. de Waal, 'Introduction to the Political Marketplace for Policymakers'.
84. Piliavsky, 'Introduction'.
85. Sharrock, 'Stability in Transition'; Jarvis, 'The Stabilising Impacts of Corruption in Nepal's Post-Conflict Transition'.
86. van Zyl, 'What Is Wrong with the Constituency Development Funds?'
87. de Waal, 'Introduction to the Political Marketplace for Policymakers'.
88. Sharrock, 'Stability in Transition'; The Economist, 'Low Road through the Himalayas'.
89. Shrestha, 'New Provisions on Parliamentarians' Fund Will Encourage Irregularities'.
90. Himalkhabar, 'Samsad Bikash Koshma Manpari: Pratibedhan'.
91. Poudyal, 'Samsad Koshbata Yog Shibirka Prashikchaklai Bhatta'. An attempt to limit the clientelist use of the CDF was made by requiring half of the budget to be spent on projects with an estimated cost of at least Rs 5 million, for which contractors had to be chosen

through a tender process. However, changes approved in October 2020 further relaxed these rules, allowing each representative to use the CDF for up to 30 projects (40 if the constituency covered an entire district), and removing the requirement for tenders.

92. Conversation with MP Renuka Gurung, Kathmandu, 2 March 2020.
93. Conversation with MP Parvati Bisunke, Kathmandu, 6 March 2020.
94. Conversation with MP Mina Pandey, Kathmandu, 18 March 2020.
95. Prime Times HD, *Janata Janna Chahanchan*.
96. See Jackson, 'Local Government and Decentralisation in Post-Conflict Contexts'; Crawford and Hartman, 'Introduction. Decentralisation as a Pathway out of Poverty and Conflict?'.
97. Khanal, 'Federal Discourse'.
98. van Zyl, 'What Is Wrong with the Constituency Development Funds?'; Ongoya and Lumallas, 'A Critical Appraisal of the Constituency Development Fund Act'.
99. Conversation with Durga Karki, Kathmandu, 22 November 2019.
100. Sharma and Kafle, 'Samsadle Bajet Badnu Sanghiyata Birodhi Kaam: Timilsina'.
101. Pandey, 'Sanghiyata Karyanayanko Abasar'.
102. Panday, 'Lawmakers Can Spend Rs 40 Million in Their Constituencies'.
103. Hickey Tshangana, 'Constituency Development Funds'.
104. Tamang and Dahal, 'Samsad Bikash Koshko Rakam Coronabirudhako Ladaima Prayog Garda Ke Hunchha?'
105. Author's observations of HoR meetings in February and March 2020.
106. Rai, 'Deepening Federalism'.
107. Sharma and Kafle, 'Samsadle Bajet Badnu Sanghiyata Birodhi Kaam: Timilsina'.
108. Shrestha, 'New Provisions on Parliamentarians' Fund Will Encourage Irregularities'.
109. Sharma and Kafle, 'Samsadle Bajet Badnu Sanghiyata Birodhi Kaam: Timilsina'.

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Disclosure statement

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