

RESEARCH NOTE

REVITALIZATION OF THE REGIONAL DEVELOPMENT AGENDA IN NEPAL: LESSONS FROM BRITISH MODEL

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Introduction

The main objective of this paper is to draw attention of the academicians and professionals regarding the new regional development framework and its mechanism in Nepal. This paper is conceptually divided into three sections. The first section, given an introduction to the policies and programmes of regional development in Nepal. In addition, emergences of regional development concepts in Nepal, their purposes, objectives and strategies have also been discussed. The model of regional development in United Kingdom after 1990 and their mechanism and structures have been discussed in the second section for the comparison. At the end, discussion has been done on the possible regional development agenda [model] for Nepal based on the British approach, their wicked issues and strengths.

Development Scenario and Regional Issue in Nepal

The concept of regional development and planning came in 1960s. Several attempts were made to reduce the regional variations of poverty in Nepal during various planning periods. For this purpose, the nation has been divided initially into four Development Regions e.g. Eastern Development Region (EDR), Centre Development Region (CDR), Western Development Region (WDR) and Mid-Western Development Region (MWDR) in 1972 and five development regions in 1981 in view of balanced and integrated development. There are 5 Development Regions (DR) and 3 Ecological Regions (Mountain, Hills and Terai), 75 districts, one Metropolitan City, four sub-metropolitan cities, 52 municipalities and 3,474 Village Development Committees (VDCs) in Nepal and emerging a rural-urban dichotomy in the development context. Although, the development was guided by some centrifugal forces and confined in certain typical locations. Kathmandu Valley is developing as a 'development island' and remaining parts of the whole nation are still backward.

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

(Shrestha 1998). The spatial pattern of poverty shows that the Mountain, MWDR and FWDR have concentrated high mass of poverty. CDR, EDR and WDR have comparatively better position than the remaining two development regions. Similarly, Terai (Plain) and Kathmandu Valley are more developed as compared to the other regions. The political instability, poor accessibility, poor economic integration, rigid and steep topography, high rate of inter and intra-regional migration, environmental and natural calamities are core causes of the regional inequalities of Nepal.

Regional Variation of Poverty

Most of the mountain and hill districts of Nepal are contained worst in terms of the poverty and deprivation. More poverty is concentrated in those areas, which are characterized by poor resources, remoteness and rugged topography. Out of the total, MWDR has a large number of people belongs to the poverty (i.e.56.4 %), it follows FWDR (45.8 %), CDR (39.7 %), WDR (38.2 %) and EDR (34.2 %) (Table 1). EDR has lowest concentration of poverty whilst MWDR is the worst, having more than 56% population under the poverty line dominated by the large percentage of rural poverty (about 59.2 percent).

According to Nepal Living Standard Survey (NLSS) 1996, average household income at the national level was estimated Rs. 43,732 and per capita income Rs. 7,690. The highest household income was estimated in CDR (Rs. 52,408), while, the lowest in MWDR (Rs. 36,435). Kathmandu, the capital of Nepal, in CDR, has higher level of household income as compared to other regions. Similarly, per capita income was estimated to be highest in the CDR (Rs. 9,366) as compared to the lowest in FWDR (Rs. 5,928). As estimated by the ecological regions, it clearly seems that, hill people have highest per capita income (e.g. about Rs. 8,433) as against the lowest in mountain people (e.g. about Rs. 5,938). Average household income in the hill was estimated as average Rs. 45,000, which by Terai (Rs. 44,500) and Mountain (Rs. 32,300). Urban-rural differentiation of poverty in Nepal is also a major issue. The per capita income of urban was estimated as Rs. 16,118 in stead of Rs. 7,075 in rural areas, while, the average household income in urban areas estimated as Rs. 86,797 as against Rs. 40,400 in rural areas (NLSS, 1996).

ICMOD (1997) had conducted a study on poverty based district ranking, for example better rank districts, intermediate rank districts and worse rank districts, shows that the poverty and deprivation in Nepal are under two distinct clusters, one lies in the hill and mountain regions of FWDR and MWDR, and another lies in the Central hill and mountain regions. But Kanchanpur of FWDR categorized into best district and Darchula and western terai districts have been categorized into intermediate districts. In CDR, except Kathmandu, Bhaktapur and Lalitpur, 7 districts like Rasuwa,

Sindhupalchowk, Dolakha, Ramechhap, Sindhuli, Rautahat and Mahottari have categorized in worse districts. The study shows that the EDR, WDR and Kathmandu valley have been categorized into best in terms of overall composite index of development. One study conducted in Sankhuwasabha and Bhojpur district shows that the level of poverty and deprivation in Nepal mostly conforms to the resource endowment, accessibility, markets and topography (DEVA, 1997). In this context, the regional development approach might be more relevant to address the poverty issues in Nepal. The identification of the poverty pockets would be more meaningful to formulate, and implement of the development plans and policies in the Kingdom.

Table 1: Regional Variation of Poverty

Regions	Poverty %		Per capita Income (Rs)	
	1989	2000	1996	1999
Development Regions				
EDR	34.2	42	7,434	1073
CDR	39.2	40.7	9,366	1713
WDR	38.2	39.9	7,011	1022
MWDR	56.2	43.4	6,038	861
FWDR	45.8	54.3	5,928	899
Ecological Regions				
High Mountain	NA	46	5,938	898
Hill	NA	37.2	8,433	1262
Terai	NA	40.2	7,322	1267
Residential Areas				
Rural	43.1	41.4	7,075	1,094
Urban	19.2	23.9	16,118	2,133
NEPAL	42.5	39.2	27690	1237

Sources: *Himalayan Studies Centres (HSC) 1989*
Nepal Living Standards Survey Report, CBS1996
Human Development Report, National Planning Commission (NPC) 2000

Regional Development Planning in Nepal

Regional development planning in Nepal can be divided into three phases

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

Regional Development Before 1970s

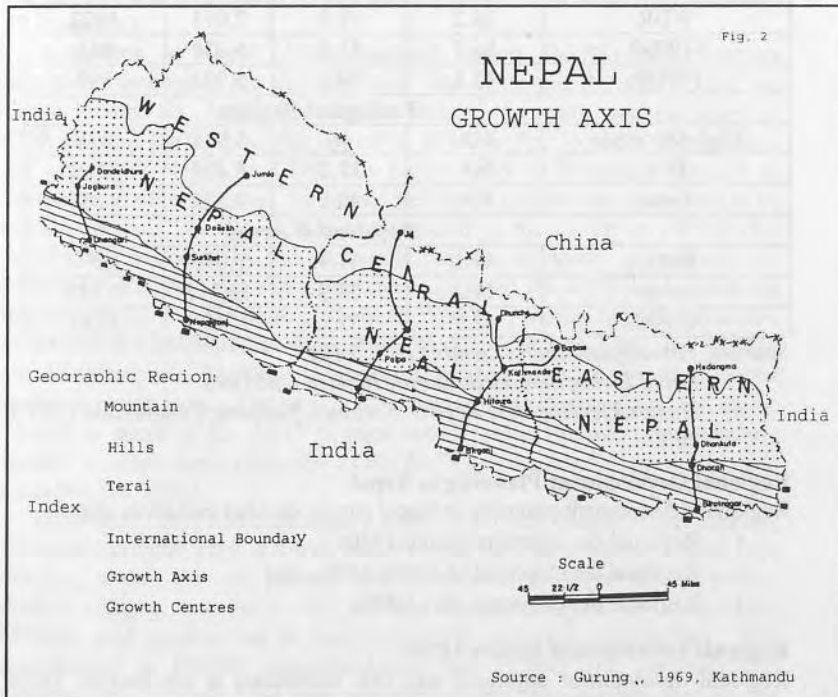
Regional development approach was first introduced in the Second Three Year Plan (1962-1965) in Nepal. As a result, the country was divided into several development and administration regions. Third Five Year Plan (1965-

1970) was focused on the road and transportation development to link mountain, hills and terai region in the national development process. Third plan gave prominence to regional aspects in the national development plan by dividing the country into three watershed regions like Koshi, Gandaki and Karnali with the aim of the balance regional development. Till 1970, regional development was in the initial stage. There were no additional development policies and plans prepared in the field of regional development in Nepal.

Regional Development in 1970s-1990s

Fourth Five-Year Plan (1970-1975) was a milestone in the regional planning and development in Nepal. Growth pole hypothesis was introduced in the country. Four growth poles and several other growth centres were identified in order to reduce the regional disparity of Nepal. The main growth pole hypothesis was to establish the north-south linkages in the movement of goods and services, trade and people with the view to coordination and integrated development activities within the country (Table 3 & Fig. 1).

Fig. 1: Growth Axis, Nepal



In 1992, four-development regions have been defined e.g. EDR, CDR, WDR and MWDR. Growth centres and their possible hinterland areas have also been defined (Table 4). The main objective of the regional planning during the 1970s was to provide a comprehensive spatial framework to the national development.

These roads were proposed to link series of growth centres where development efforts will be concentrated in order to achieve full economies of scale and encourage agglomeration economies (Gurung 1969). The important aspect of the growth centres approach is the positive nature of polarized development as it takes place and the mechanisms whereby the growth centres spread to the surrounding areas.

This strategy of regional planning has been closely linked to the road construction linking terai, hill and mountain, and generating greater inter-regional circulation of goods, service and people. This approach of regional development has focussed on the circulation of goods, people and services among the mountain, hill and terai and ultimately of India, but did not give more attention about the flow of goods and services among the regions like hill to hill, mountain to mountain and terai to terai. In effect, Nepal is made up of several separated regional economies, each one dependent upon its railhead connection with India (Blaikie 1981). As a consequence, hills have become grain deficit and are obliged to export labour to Terai and India.

Table 3: Growth poles and Development Centres

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

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

Table 4: Development Region, Growth Centres and Hinterland Districts

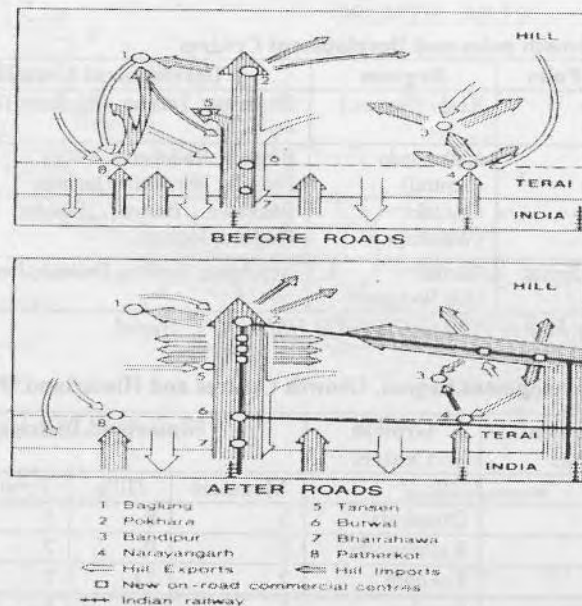
Development regions	Growth Centres	Hinterland Districts			
		Mountain	Hills	Terai	Total
Eastern	Dhankuta	3	8	5	16
Central	Kathmandu	3	9	7	19
Western	Pokhara	2	11	7	18
Far Western	Surkhet	8	11	5	24

Source: *Shrestha and Jain 1978*

Harka Gurung's development approach has brought many significant changes in the location of flows and break-of-bulk points (fig2). Road provision in west-central Nepal has accelerated in some instances the long-established decline of the hill economy, particularly in the case of artisans, craftsmen and occupational castes (Blaikie, 1881). This is true that Harka Gurung's approach of regional development has a number of limitations and does not offer a suitable regional development framework. Many rural areas of Nepal have self-sufficient economy. Road and communication, infrastructure and service facilities are developing fast in recent years. In this context, this approach of regional development would not be an appropriate strategy for national development.

Fifth Five Year Plan (1975-1980) was designed to increase national revenue by widening the foundation and boundary of development, by utilizing the resources in particular region and community through appropriate methodology (NPC, 1995). The objective of regional development was to bring uniformity in the income by increasing the income of the majority of the population based on social justice in maintaining economic and social unification and by mobilizing local resources.

Fig. 2: Impact of Growth Axes (An Example of Bhairahawa-PokharaJomsom Growth Axis)



Source: Bentley and Gibney, 2000

In the Sixth Five Year Plan (1980-1985), regional development planning emphasized not only to the integration between north and south but focused on the east and west integration through the development of roads and other infrastructure development, and priority was given to increase economic integration among the different regions through the huge economic investment, especially to the food production in the backward and poor areas. Integrated Rural Development Programmes (IRDP) were given more emphasis on the Sixth Five Year Plan although the concept of IRDP was introduced during the Fifth Plan in order to improve the quality of socio-economic standard of people. The main objectives of the IRDP were to (1) improve the socio-economic condition of rural communities (2) provides social services, (3) mobilize local resources through people participation, (4) involve local people in the decision making of local development programmes and (5) develop different components in an integrated way (Shrestha 1986).

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

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

1. To develop development centres and service centres established in the sub-regions in each development region e.g. towns and market centres.
2. To make the regional level plans practical and effective, regional development projects should be carried out at different levels/tiers i.e. DR, Sub-region and District, and
3. District Development Plans formulated under the decentralization policy will conform to regional development plan. Sub-regional will be identified recognizing the existing zones as they are. The district will be the third tier of development region (NPC, 1990)

Therefore, the decentralization and regional development policy were integrated during the Seventh Plan periods and the regional development

through an empowerment of the local government was considered as an important approach of development.

But without a statutory regional and sub-regional institution and powerless districts, the proposed regional development policies were not properly implemented. National Planning Commission (NPC) is a national level statutory institution and the planning from above did not give proper attention in the regional development. Seventh Plan did not mention the programme coordination among the different tier of regional units. District development plans were prepared without detailed study of the local resources and their relations among the different districts and regions. The main problem of this plan was the improper implementation of the targeted policies.

Regional Development After 1990

People's democratic movement in 1990 established a parliamentary democratic system in Nepal, and gave more priorities to the rural and regional development through more decentralization and empowerment of local bodies. Policies, which aim to the empowerment of the local people and local government in the development process, were formulated in order to balance the regional development.

Eighth Five Year Plan (1992-1997) was designed with emphasis on three-core objectives: (a) sustainable economic growth, (b) poverty alleviation, and (c) reduction of regional imbalances (NPC, 1992). The main objectives of the regional development in the eighth plan were (i) to increase regional and national production and reduce regional imbalance by mobilizing resources and assets scattered in different parts of the country, and (ii) to integrate rural development processes into the national mainstream by involving the prevailing economic condition of the less developed rural and backward areas (NPC, 1992).

Reduction of the regional imbalances through creating the physical infrastructures in the rural and backward regions had been emphasized in the plan. It had given more priorities on the extension of rural roads, health facilities and education. Fifteen different policies were put forward in regard to the regional development in the plan. These policies were enacted through different regional, sub-regional and district level programmes. Expansion of the road networks, rural electrification, establishment of the health post and schools in rural village, extension of infrastructure and service facilities in the rural areas, establishment of rural development banks, natural resources conservation through the extensive community forestry were some important achievements during this period. But without appropriate mechanism and programmes to co-ordination

among different regional units (intra and interregional interaction), the regional development policies became ineffective. There were lacking an effective programmers in the context of regional development, except rural infrastructure development.

The Ninth Five Year Plan (1997-2002) was designed with the aim to reduce the level of poverty in the country. Balanced regional development was seen as an important aspect of poverty alleviation in the country. This plan highlighted four core objectives for regional development. Ninth Plan also focussed on regional development through the three tiered hierarchy of areas for development i.e. Development Region, Sub-region and Districts and formulated 13 different policies to fulfill these objectives. One of the important aspects of this plan was to define and formulate different programmes. Many programmes were proposed in order to reduce the regional imbalance in the country. Optimum mobilization of the regional resources, identification of the potentiality and capacity of the resources at regional level, area specific programme, NGOs mobilization, peoples' participation in the development process, development of infrastructure and service facilities, co-ordination and integration mechanism for the regional development and proposed regional offices for the formulation, mobilization, monitoring and evaluation of district level programmes were very important aspects in the context of regional development. This plan for the first time felt the necessity of regional offices, peoples' participation, area-specific programmes and analysis resource potentiality for the regional development, which were not mentioned in the previous plans.

Policies and programmes prepared in the ninth Five Year Plan seem to be more ambitious. It is very difficult to implement these policies and programmes in a short period. After 1990, the country has been facing serious political instability (See annex 1 for further detail). Moreover, after 1996 the targeted policies and plans in the regional level have failed and less implemented due to extreme political instability. MWDR, FWDR and some high mountain districts are still backward due to the high political uncertainty, poor human and natural resources and deficit budget as well.

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

- People's participation in the social and political decision making processes.

- The interregional economic relations among the rural, urban and backward regions through the infrastructure development particularly transport and communication.
- Resource allocation in view of reducing regional imbalance.

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

The Nepal Gazette 2058 (2002) has emphasized the position of Regional Administrator in the view of the regional security. But the Gazette did not give attention in this matter and focused only in the regional security.

In Britain, regional development agenda has been put forward through an institution naming *New Regional Development Agencies (RDAs)*. Let us look at the salient features of British Model of regional development first. After 1994, Britain's Conservative Government recognized the need of regional coordinator. In this regard, the conservative government launched its network of 10 Government Offices for the Regions (GORs). Labour Party's consultation Document, *A Choice for England* (1995), Confederation of British Industry (CBI) published a report, *Regions for Business* (1997) and Department of Environment, Transport and Regions (DETR) White Bill *Building Partnerships for Prosperity: Sustainability, Growth, Competitiveness and Employment in the English Regions* (1997) emphasized on the regional level government. In 1997, DETR was established and a new bill of RDAs was announced.

In 1998, RDAs Act was set out. Both DETR White Paper (1997a) and RDAs Act 1998 defined the core functions of the RDAs. The Eight RDAs (Nine RDAs, if London included) were established under the Act and began operation in April 1999 (Fig 3). Each RDAs have five statutory purposes –

- To further the economic development of its areas;
- To promote business efficiency, investment and competitiveness in its area;
- To promote employment in its area;
- To contribute to the achievement of sustainable development in the UK where it is relevant to its area to do so; and
- To enhance the development and application of skills relevant to employment in its areas. (Source: Section 7(1) RDAs Act 1998)

Fig. 3: Regions and the logos of the English RDAs Sicne 1999



Source: Bentley and Gibney, 2000.

The roles of RDAs include the preparation of Regional Economic Strategy (RES) and advising and commenting upon other areas of government policy and expenditure where relevant. In relation to the task of implementation, RDAs have taken over the powers of English Partnerships and the Rural Development Commission (RDC) largely in respect of land and property development, as well as responsibility for inward investment and promotion policies of the English Regional Development Organizations (Mawson, 2000). The new RDAs have taken responsibility for programmes such as the Single Regeneration Budget (SRB) and have resource of up to £200m per annum depending on the size of the region.

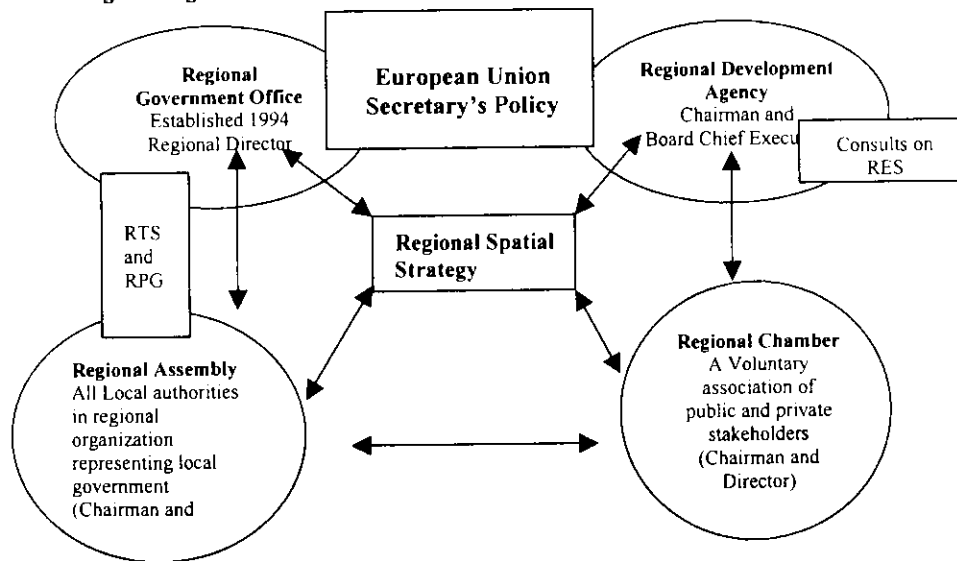
The Regional Agenda in Britain: A New Framework for the Regions

The Act 1998 provides RDAs as a government sponsored bodies, with board that are business led and reflecting a range of diverse interests in the region. In Wales, Scotland, Northern Ireland and London, the RDAs will be

responsible to directly elected regional authorities and regional governments, while in England, they are new quangos responsible to the Secretary of State for the Environment and to a certain extent, to new voluntary regional chambers, whose membership consists of a regional public-private partnerships (Shutt, 2000).

One of the principles of the RDAs is to establish regional partnerships. Each RDA would have well skilled and experienced board members. Each region has a regional assembly, established all party support, bring together all the local authorities in each region and building a new regional level local government. These regional assemblies link number of voluntary regional chambers, these are public private partnerships, which have to be consulted by the new RDAs as a part of their statutory obligations. All regional organizations are linked with each other and important bodies of the RGOs. In the North West Region, for example, the assembly and chamber have been combined. Both are focused on the RDA formation and partnership process. It is the regional chamber that has the potential to bring together the range of key regional partners and stakeholders, not only from the public and private sectors, but also from further higher education (Shutt, 2000).

Fig. 4: Regional Governance in England from 1st April 1999



Four key aspects of the regional development in England have been established for example Regional Governance, Regional Development Agency, Regional Assembly and Regional Chamber. Figure 4 shows the role of these institutions and their relationships in the broad regional development context in Britain.

Lessons from British Model

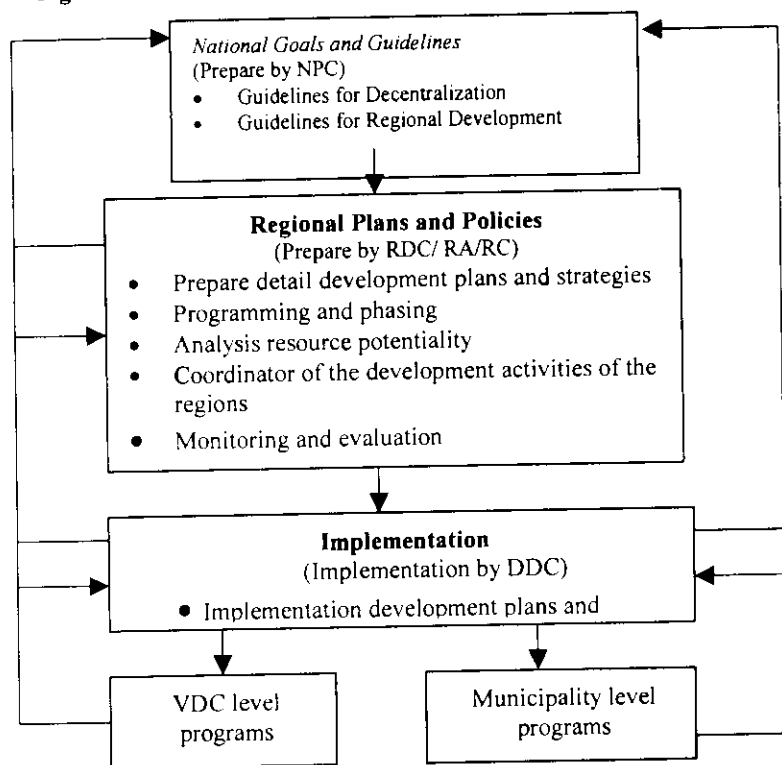
British approach of regional development could be feasible for the balanced and integrated development through making independent regional administrative structures. Let us discuss the possible framework of the regional development in Nepal based on the British model. Two institutional mechanisms found essential for the effective regional development in Nepal for example, Regional Development Council (RDC) and Regional Assembly (RA). Because of the environmental diversification, locational specificities, socio-cultural diversity, political pressures, resource allocation and availability, such institutions might be an appropriate for the planning and development of the region through a suitable coordination and linkages among the various local-regional-central level public and private organizations. Public and private nexus seems to be an essential in the development. RDC and RA therefore are proposing in this study, which will play key roles in the regional development.

[Proposed] Regional Institutions and their Relationships

Due to the lack of an appropriate regional institutional mechanism, the regional development plans and policies are directly guided by the National Planning Commission (NPC) and their frameworks. There is no effective regional institutional mechanism throughout the history of development of Nepal. Regional plans and policies are formulated and guided directly through the NPC in their own mechanism. Like in Britain, four regional institutions could be proposed in Nepal, for example, Regional Development Council (RDC), Regional Assembly (RA), Regional Administration (RAD) and Regional Chamber (RC). RDC is supposed to be an appropriate institutional mechanism for the regional development of Nepal. RDC would have stakeholders from private, public and other voluntary groups. All District Development Committee's chairman will automatically be a member of the RDC. Moreover, experts from the different interests would have also been members of the council appointed by NPC and RA. RA, in the present situation, could be a Federation of District Development Committee (FDDC). All DDC members would be automatically a member of the assembly. RDC can give their power of implementation to the District Development Committee (DDC). Each DDC would have responsibility of the implementation of the development plans and policies designed by the RDC. Even, Local Self-help Governance Act 1998 has been given more power to

make and implement local development plans and programmes in the district, municipal and VDC levels. The main role of the RDC will make plans and policies suitable to the region. DDC, Central Government and donors will be appropriate financial supporters for the implementation programmes.

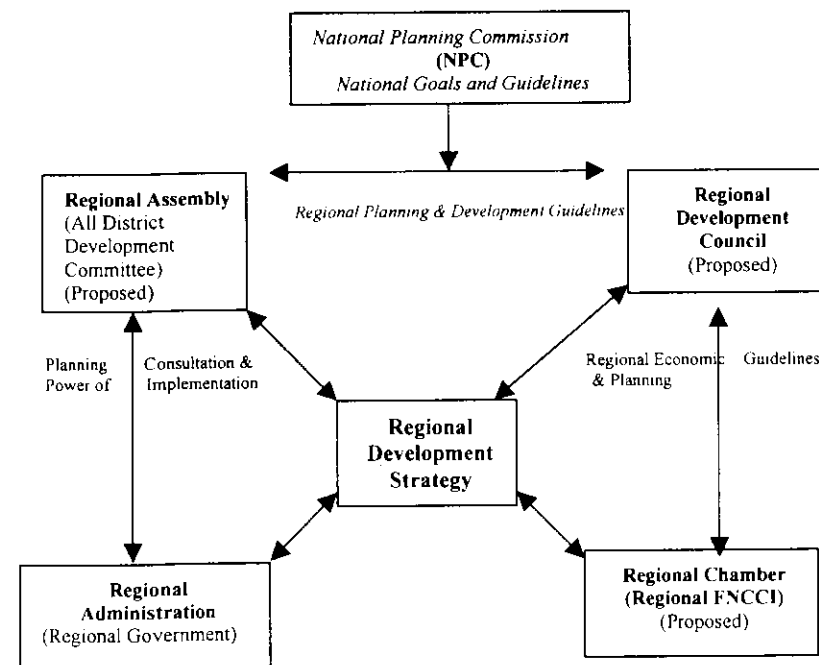
Fig. 5: Possible Coordination among the Different Regional Units



The concept of RA_d has been already evolved in Nepal since 1960s, but the provision of the RA_d has been created since 2001. Regional Administrators could play a role in the regional development. Such institution would have responsible for both development as well as regional security. But the Regional Administrator according to the Gazette 2058 (2001) is responsible primarily for the security. Each five-development region should have Regional Chamber (RC) Federation of Nepal Chamber of Commerce and Industry (FNCCI) can play a role of RC. FNCCI is a business organization could focus for the promotion of regional business activities and economic

development in the regions. All the regional development planning and programmes will prepare and decide through RDC and RA with close contact with the RA_d and RC. The possible coordination and the concept of regional governance are shown in Fig.5 and 6.

Fig. 6: Proposed Regional Development Mechanism in Nepal



But the establishment of the RDC is not easy. There will be varying assessments and opinions regarding the implication and consequences for RDC. The most important argument might be eroding power of the local government, i.e. district government. Other argument may be the power devolution from the centre government will strengthen regional and local government.

Weak Issues

Even in England, RDA faces a range of issues and difficulties to address regional agenda. DETR 2000 has also been considered these issues. All weak issues are rising in the implementation stages. However, RDA in England is

in the honeymoon stage. There are many areas that RDAs may fail to address the regional issues in England, for example:

- Develop consultation with partners in a meaningful way;
- Consult adequately action plans;
- Privilege urban areas above rural areas;
- Resource properly the strategic regional priorities and actions; and
- Get to grips with the regional institutional architecture. (Shutt, 2000)

The revitalization of regional agenda in Nepal is not easy even difficult to adopt British Model. Several wicked problems will arise while discussing the new model of regional agenda. Some of the core issues will arise after the adaptation of the British Model in Nepal are summarized below.

Integration of number of agencies

The integration and coordination of many regional level offices [units] within their own vision, target, philosophy, or policies and set up their own organizational structure probably becomes a barrier in the regional development in Nepal. Regional strategies, organizations and partnerships need to be developed for the economic development of the regions. But it is not easy task to develop such integration within their own individual policies and ways of activities.

Partnership for economic development

Each Region must prepare their own economic plans together with map-out and create strong linkage with economic development partnerships. Each region needs to understand the local economic development partners and their plans and policies and also need to regular dialogue with local partnership agencies. Regional chamber, business organizations, non-government organizations, community based organizations and local service providers should have a strong coordination and have partnerships for the development. But partnership is not an easy task. Partnership must be identified in terms of their financial adequacy, human resources, willingness to integration and the development.

Resource attraction

Each Region needs to attract new fund for the investment. But it is a challenge to attract huge investment through attracting public/ private investors. On the other hand, human resource development, for example, dexterous administrators, advisors and motivators with highly developed diplomatic networking and political skills, is essential for the effectiveness of the regional development.

Integration and relationships

The most important issue will arise the relationships among the RDC, RA, RC and RAd. It will also be difficult to define their scope and limitations in the development. Furthermore, the preparation and integration of economic development plan, transport and environmental plans in the broad regional development context would have been challenged. Therefore, each institution should have holistic vision and have integrated approach for the overall development of the regions. One of the core objectives of the development is to promote the sustainable development. Sustainable Development means the balanced and integrated socio-economic and environmental development within the framework of the need of the present and future generation. Without integration, the goal of sustainable regional development would not have been meet.

Conclusion

The new approach to regional development is essential due to the different features and multi-cultural specificities of Nepal. The concepts of regional development need to develop beyond the traditional approaches and models. Traditional approaches did not give a clear-cut picture of balanced and integrated regional development and regional competitiveness. Regional problems and issues can be identified and solved through suitable regional governance. The concept of regional governance is also a process of development of decentralization that would be able to address the regional issues including poverty, resources and development. Even in England, RDA is an initial step not only for the economic development but also for the socio-cultural, environmental and political development and reform of the England's urban, rural as well as countryside development.

Because of the different level of economic development, socio-cultural and environmental specificities, the original British model of regional development might not be appropriate in Nepal. British model of regional development is led mainly by public/private organizations including business sectors. Nevertheless, in Nepal, private and business sectors are not strong like in England which can contribute to the regional development processes. However, academics and policy makers could learn and make regional level policies based on the British Model. This model of regional development could also help to increase interests of the community, business sector, NGO and CBOs in the development and in regional competitiveness. This model of regional development can also reduce the burden of the central government, for example NPC and other different ministries and departments.

Revitalization of regional agenda in Nepal is not an easy task. Several weak issues will emerge during the implementation of the regional policies. What would be the relationships of regional governments with central government and other lower tiers of regional units? How many agencies will

integrate in the new regional development model with their own and fragmented development strategies and policies? What would be the policies and strategies for the rural poverty, unemployment and deprivation? Does this model would be in the path of sustainable regional development? These issues are more critical and need to be considered in the broad regional development framework.

This is an innovative approach of regional development of Nepal. There are many models and approaches that could be an appropriate for the development. Further study and research in the field of regional development in order to make sustainable regional development is still important in Nepal.

Notes

1. Regional development planning is a comprehensive approach towards the reconciliation of economic and social aims as well as a means of broadening the scope of the allocative processes of the national plan ... regional planning provides an important link between the micro-analytic concern at local level and macro-economic objectives at the national level by laying stress on the coordinative relations among programmers in particular localities and new resource combination for improved land use (Gurung, 1969).
2. Regional development objectives of the Ninth plan were:
 - To minimize regional imbalances.
 - To alleviate poverty.
 - To achieve national socio-economic integration by expediting the social and economic development through promotion of activities that contribute to employment and income generation
 - To achieve national socio-economic integration by expediting the social and economic development through promotion of activities that contribute to employment and income generation and
 - To give emphasis to production enhancement through identification of local resources specific to the geographical regions.
3. Labour Party Election Manifesto on Regional Government Demand for directly elected regional government so varies across England that it would be wrong to impose a uniform system. In time we will introduce legislation to allow the people, region by region, to decide in a referendum whether they want directly elected regional government. Only where clear popular consent is established will arrangements be made for elected regional assemblies. This would require a predominantly unitary system of local government, as presently exists in Scotland and Wales, and confirmation by independent auditors that no additional public expenditure would be involved. Our plans will not mean adding a new tier of government to the existing English system.
Source: Labour Party Election Manifesto 1997, quoted in Cullingworth and Nadin, 2002
4. The RDAs will provide leadership in developing and implementing a new regional economic strategy for each region for 21st century. They will build upon existing regional partnerships and develop a fuller understanding of regional economies.

including research. They are to expand and develop regional economic intelligence.

The RDAs have, from 1st April 1999, the lead the role in the social, physical and economic regeneration of each region, seeking to maximize benefits and spread the benefits of economic development and investment. Each RDA will: (i) administer the Single Regeneration Budget (SRB) Challenge Fund; (ii) administer and combine the regeneration role of English Partnerships (EP) and the Rural Development Commission (RDC); and (iii) absorb and integrate the activities of existing inward investment agencies.

The RDAs must address both urban and rural issues, integrating town and country, and be responsible for the economic development and regeneration of rural areas.

The RDAs will take a 'leading' role in the European Union Structural Funds (EUSF) Programmers in each region for the 2000-2006 period. In the first instance, however, responsibility for delivering European Programmers remains with Government Offices for the Regions and with the Department of Trade and Industry.

The RDAs will provide advice to ministers on Regional Selective Assistance (RSA). The DTI has since reviewed RSA, which is seen as an important tool in attracting and retaining internationally mobile investment.

The RDAs will monitor and provide a regional focus for the work of Business Links in promoting small and medium sized enterprises (SMEs) and Enterprise programmes. The DfEE has reviewed the Training and Enterprise Councils (to be replaced by LSCs) and the DTI is establishing the Small Business Services.

The RDAs will promote the reclamation and preparation of sites, including taking the role now played by English Partnerships through its regional offices. EP Regional Offices went into the RDAs, but EP has retained a central national role on key strategic programmers.

The RDAs will facilitate investments, including projects encouraging public-private partnerships. New Regional Capital Funds are to be established.

The RDAs will market their regions as business locations in conjunction with the invest in Britain Bureau and regional partners.

The RDAs will promote technology transfer, including maximizing the benefits of the work of the higher and further education institutions (universities and colleges) in the regions.

The RDAs will make improvements to the skill base of the region, including developing a regional skills agenda, assessing the contribution of TECs towards regional objectives and promoting training for major investments.

5. The responsibility of the regional administrator is to coordinate for the regional administration. The main duties and responsibility are:

- To create the peace safety and harmony in the region
- To monitor and coordinate the district administration in the region
- To make regional; and district administration more transparency and public oriented
- To care and maintenance the public and government properties in sides the regions
- To provides the regular infuriation of the regional security to the centre government

To coordinate and observe the district development activities in sides the region
 To coordinator, manage and order for the suitable and regular prevention and control of natural disasters
 To submit the report regarding the international crime and accidents to the centre government and
 To follow the centre government orders and monitor them
 (Source: Nepal Gazette 2058 (2001), HMG, Nepal)

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