

Development Challenges in New Sociopolitical Structure: A Case of Nepal

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Introduction:

For last 240 years since Shah Dynasty started to rule over the country, political elites more focused on individual benefits rather than change the country into a welfare state. After 1960s when Nepal became an open country for the international community, ever since people often aspired more dynamic political system which could lead the country a developed one. If we look back the history of Nepal from 1960s to onwards, several movements for socio-political emancipation were either oppressed or ignored or not brought into media. Nepal remained underdeveloped country for a long time because it didn't try to change its sociopolitical structure during the 20th century when Western world was already enjoying mass consumption and modernization. In the mean time, people also indicated a need of change and change in overall structure of the nation however, intrigues, conspiracies, played vital role and political fragilities were forcefully avoided through military measures. Simply to say, in the top hierarchies of polity, they never let progress and development or very slowed down it. Nepal hardly paced into a change only from 1950s when most of the countries from South Asia observed freedom from British colonialism. Development is a spatio-temporal phenomenon, as Hegel defines. Development is only possible, when it has potentiality like a seed (Cowen & Shenton, 1997). This paper discusses the historical development of socio-politics of Nepal and changes that implicate in the development phenomena. The base of argument and discussion will be theoretical and phenomenal in relation to short backgrounds of developmental history. In this respect, socio-political structure and changes will be discussed as a whole and other development factors as specific parts. Epistemology of this discussion starts from the issue - Development is not a natural process rather it is an intentional and instrumental in which mode of production and economy are shaped and moved towards a highly consumption pattern where an egalitarian distribution of development outcomes is an ideal focus. In the mainstream of discussion, this paper will take an account of post modernism development ideology. In modern context, development is regarded as to maximize the production with the help of innovative technology (highly skilled human resources) and its egalitarian distribution with the help of strong democratic government. For the rapid growth of economy, it has been supposed that the best way is to follow the capitalist experimentations of the global market.

Economic and Political History of Nepal:

Before the Shah Dynasty, there is no extant history of Nepal that authenticates different dynasties that ruled over the country. Prithvi Narayan Shah (1769 -1775) a king from Gorkha, a small principality from west of Nepal started to expand the country into a larger territory. After conquering the Kathmandu valley on 25 September 1768, Nepal became a unified nation.ⁱ The successors of Prithvi Narayan Shah and latter Rana regime kept Nepali economy into a conventional mode of production such as a feudalism until 1960. All exchange sources were virtually controlled by the centrally located political elites. The state, from the economic perspectives had labour-oriented feudalistic in which there was no value of labor force which was just substantial to keep up hands and mouths of ordinary people. The major contribution to economy was agriculture and partly from the royalty received by British Gurkhas. The market and consumption pattern was so weak that was not supportive to establish new industries. Basic industrial products such as clothes and construction materials were mostly imported from India. It was only when cold war was heightened on the globe Nepal experienced a new dimension of capitalistic mode of production. The context could be better understood through Rist as:

The cold war had at least two consequences. First it constituted the 'Third World' as an ideological battleground of the major powers, so that new States or national liberation movements were able to benefit from the support of influential protectors (sometimes switching from one to another). Second, it blocked the UN decision-making system... Thus the organization was thus forced to occupy itself with matters on which there was more of a consensus 'development' being one of the most important of these (1997:80).

It was a kind of intentional development in the context of globalization in between two political polarities. Nepal during the cold war in a way went under the pressure of inclination to one of the super powers. During the era of cold war, Nepal slightly came to static equilibrium economy into dynamic equilibrium. Meanwhile, Nepal had a few industrial establishments such as Janakpur Cigarette Factory, Hetauda Cements and Bansbari Leather Shoes Company. Even having these industrial establishments, Nepal had to depend upon India for raw materials and technical support. Unfortunately, in the time, India adopted import substitution industries policy to protect its domestic markets therefore; Nepal was helpless to expand its industrial market. Besides, Nepali industrialization policy and private sector was so weak to intervention of new technology or finding the market subsequently was worthless. The reality behind of this constraint mainly was of centrally

governed power elites who had a vested interest of hoarding capital for personal trust which ultimately slowed down the development pace. In addition, the fertile arable land was sources of economy however many political elites owned them to maintain feudalistic economy. Those feudalistic features left an impression as technology was a “Pandora’s Box.” Upreti (2004) mentions, in Nepal national planners, policy makers, the bureaucrats and professionals still treat technology as a ‘black box’ (60). So the context of the contemporary era understood as a normal circular of economic life or static mode of production and consumption where surplus value contributed only state administration.

Considering the aim of every society according to Rist, ‘industrialization burgeoning trade, new agricultural technology, profitability requirement, reinvestment profit- all these are supposed to make it possible to create wealth or in other words, to stimulate development’ (216). Of these development stimuli, Nepali power centers never initiated to cash up international favors. In this case, Nepal, having static at development pace, all criticisms concentrates to the political economy of the state. Historically, Nepali development especially economic growth depended upon Indian Economy. Until 1994, the protectionist economic approach of India contributed nothing to Nepali economy. Sachs (2005) indicates the major cause of Indian worse economy until 1994 was not to adopt the globalization and liberalization process. Although the concept of SAARC was to tie up countries of South Asia for rapid growth and development but the pan regional political turmoil within each country also affected the South Asian economy. The main reason behind it was literally mistrust to liberalization and globalization in those contemporary context.

Considering to Schumpeter’s theory, Cowen and Shenton (1999) argue that development literally meant to fundamentally unstable and disequilibrating change whose source was endogenous and whose impact was to destroy existing production and consumption practices in the process of creating new ones. Development, however, brought its own internal sources of destruction and again it is the ephor of development of the economic system but not simply ‘the market’ that has to be brought into play to counteract the fundamental change of development (415). This idea supports again of political economy of a state to dismantle the existing complicate structure to with new replacement. On the other hand, Kohli argues of colonial power as an external force in terms of stimuli to rapid development. Comparing to theory of Kohli, Nepal neither experienced colonial past where inheritance of consolidated judiciary and bureaucratic system like India, nor inheritance of huge resources like South Korea. Besides these contexts, the feudalistic structure of Nepal which

ever played as an agent of autocratic centre, never dared to transform itself to neo-patrimonial state which could mobilize the domestic capital for industrialization. During the colonization era in South Asia, British India Company was merely operating Nepali political elites as an agent of military supporter ever since Nepal considerably collaborated to oppress the 1857 Sipoy mutiny against colonial power. If we critically look at the causes of Nepali underdevelopment process until the present, we must always blame to weak institutionalization of democratic stake holders. Though, Nepal so-called liberal country in 1980 of Hippy movement from the western eyes, it was what fundamentally weak government at the behind. In fact, that either was cultural impediments or lack of policyⁱⁱ. It should be understood the contemporary context as a rigorous effort of make a propaganda for international favors. It was not a modernization effort rather an attempt to remain in the power center. Consequently, each so-called reform in state mechanism political elites of Nepal retained power in different socioeconomic and political institutions who knew restructuring institution democratic way was a danger to themselves in the long term. The major problem of static development pace in Nepal was ever remained slow where shadow semi-colonization efforts of India worked out due to its landlockedness even after the country faced great political movements. In the name of security zone, India hindered Nepal open for international exposure. The effort of then the late king Birendra to recognized Nepal as **PEACE ZONE** turned into a trivial attempt. The clearest impediment to Nepali development speed has been hidden behind the peace treaty of 1950 between India and Nepal. Fundamentally, in the modernization and liberalization and globalization era, a landlocked country can also take much benefits under the UN conventions, however, Nepal left far behind to use its international rights despite, having geographically many potentialities. During the period of Second World War up to 80's Nepal hardly exploit its international relation especially in foreign aids. Foreign intervention in respect to Nepal was almost fragmented which never contribute to speed up mainstream development.

Social Aspects of Nepal

The most unique problem with Nepal is the caste system. The tradition of caste system has long been practiced around 400 years back. Besides this, there are many ethnic and tribal communities with various languages which show that Nepal is a country with ethnic diversities. Within the diversity of the social characteristics, Nepal always underwent unequal social practice. The reason behind it was hierarchies of cultural power and subdue of ethnicity. Simply, it has always been domination to lower caste from upper castes in each socio-cultural practice. There have been many forms of

discrimination that impoverished particular groups, ethnic minorities i.e. such as exclusion of customs, deprivation of opportunities, bondage labor, prohibition in religion and cultural freedom. Obviously, from this cultural aspect, there is a big gap division between rich and poor, urban and rural and centre to remote. A deep rooted caste system in Nepali society has contributed to social discrimination and class division which in fact has also a significant effect in generating the economic and social enhancement opportunities. Some particular castes are oppressed and have socially excluded. Additionally, many castes have been classified and socially kept in hierarchies show extreme gap between poor and rich and is always prone to dire conflict. According to latest census, there is still a majority of Brahman and Chhetris who have access to policy making level compare to other ethnic groups. Even in the political parties, these groups are in the leading position which of course indicates that Nepal despite achieved democratic republican setting has to do a lot in the field of social equality and Cultural Revolution. We must be thankful to modern media that significantly contributed to reduce such socially constructed hierarchies in Nepali society. Besides media, civil war, awareness of ethnicity and growing literacy rate contributed to reduce such problems. The context has demanded a rigorous structural change in Nepal. In these backdrops of social system, landlocked country, long history of kingships and anti liberal economic and social policy or system has subsequently brought tougher challenges to come over in recent years.

Nepali Politics at Present

Kohli (1999) asserts that it is imperative for the rapid development or industrialization there needs a legitimate government with coercive approach. Comparing to ideal model of South Korea, Nepal despite oligarchic government for almost 30 years never envisioned those policies that could lead the nation into an industrialized state. Neither Nepal had any inheritance of lucrative legacy from colonialist nor had strong supports of its own backgrounds. In the 1980s and in the 1990s Nepal observed two major political movements however in 1996, Nepal communist Party Maoists formally incepted people's war aiming for structural change in politics. The major objective of the war was to setup the country into a republic state, federal government, ethnic autonomy, revolutionary take off to economic prosperity. Many more ups and down in central polity, the war has concluded now and the interim constitution with federal democracy has been provisioned on the latest. Nevertheless, what went under these political games Nepal has recently observed Constituent Assembly election under the provision of interim constitution. The election has already cleared out the position of political parties and representation of all groups of the nation through proportional election system.

Within last decade Nepal observed many political ups and downs besides intimidation, terror, extortion and war torn the society materially to increase of more population into the poverty trap. Meanwhile, it was experienced that development can not be carried out without political stability and peace however, Sri Lanka is the best example despite heavy war. Unfortunately, as Sachs (2005:244) says types of capital to overcome poverty trap, Nepal always lacked initiatives to mitigate the extreme poverty. Following the end of war, Nepali policy makers mostly invested state capital on subsidy to petrochemicals, allowances to guerillas and non productive administration i.e. allowances to monarchy, six hundred one constituency members and their perks. If we look at GNP of last decade, it never went highest of four percent a year where as some years Nepal experienced even less than that. Ever since from 1998 to until 2007, election was never held which lost the credibility of the legitimate government to take initiatives fight against extreme poverty. Although continue depression in economy for last 10 years, there are a few positive development in politics. The verdict of constituent assembly election has established Nepal Communist Party Maoists a single largest party without majority which indicated that Nepal still needs a national government with national consensus. This political development has brought several challenges to the new government. I would like to discuss them on priority base.

International Relations:

Being landlocked and embraced by India in its three directions, and frequent intervention on Nepali internal polity from South, Nepal seems to be a semi-colonial country of India. On the other hand, China in the North has given Nepal an advantage to protect from Indian subjugation threat. Since a few past decades, Nepali politicians seem to be in favor of South Block patronization. At the same time US has been much interested in Nepal since it has been a geopolitically suitable location which helped US to surveillance on India and China on military and human right issues. The tie between India and US has pressured Nepal in dilemma on Tibetan refugees on the other hand Nepal also has much pressure from China to avoid campaign against them. Nepal can use the Tibetan refugees as bargaining issue to gain economic favor along with resolution of Bhutanese refugees residing here. After civil war, Nepal desperately needs foreign aids to reconstruct or revive its drowning economy. Besides, reconstruction Nepal has to take initiatives for take off to economic prosperity. Therefore Nepal should be free of diplomatic battlefield of international powers. As I have mentioned, Nepal should use its scrupulous foreign policy which could benefit Nepal to access sea ports and global market. Besides this, an effective clinical tool for prosperity is a heavy investment in education.

Nepal has to focus on knowledge based capital in close coordination with international community. To attract more international direct investment, Nepal has to review its policy especially through international and national NGOs and national planning commission. Lack of transparency, internal management and unplanned implementation are of questions to effective contribution in the mainstream development spirit.

Democracy Consolidation and Maintaining Peace:

Whatever the other factor that seems to be an essential factor for burgeoning the development in context to Nepal, the next priority goes at consolidating the democracy and maintaining the peace. Nepal experienced oligarchic political system, autocratic royal regime, quasi multiparty system and people's war. The conclusion of all these direct that Nepal still has to search a ground of common spirit of democracy and its firm establishment in order to economic and social transformation. Democracy is only the system which can address the existing national, regional and local level problems in terms of solid resolution to heterogeneous social and cultural structure of Nepal. During the past decade, when the people's war was on its extremity, the aspiration of most people was to maintain the peace and inclusive democratic practice in the state. The latest election of constituency election and its result is absolutely the reflection of people's aspiration of peace and democracy institutionalization in Nepal. Neither the state nor people can any longer bear other types of fragility in politics. Therefore, the immediate need of the Nepalese politics is to find out a consensus politics for another few years. Those major political parties which represents in the assembly should have careful steps in coming days. It is understood that it takes a considerable time to consolidate the democracy however, totalitarian, and reactionary attempts in politics or reincarnate the communism could be an irreversible mistake if any particular party vests for it. Improvement in election system, inclusive representation, gender equality, capacity building of local representative bodies and their autonomy in development and decision making process with transparency and finally tangible law and order are basic requirements to consolidate the democracy along with peace maintain.

Well Being through Economic progress:

Now time has come to take off economic progress. Nepal has several government owned corporations out of which a majority number of them are running under loss. The energy suppliers such as Nepal Oil Corporation, Timber Corporation and Nepal Electricity Authority have been failure to meet demand of energyⁱⁱⁱ. In context to sharp increase in price of biochemical energy,

Nepal has to find an alternative way to supply side and pricing policy besides innovation and promotion of renewable energy source. Since sharp price increase in energy and food, Nepal will have further low per capita income and vulnerable to more people fall poverty line^{iv}. During the civil war, many industries were shut down and tourism industry which contributed to almost 10% in GDP almost drowned. Nepal has to resume those industries and promote tourism in respect to revive its economy as an immediate measure to cope with depression. Besides, low in per capita income and high rate of poverty, Nepal also has to focus more on job creation and social security. Healthy economy keeps the society free of crime and insecurity. Until and unless, law and order is maintained through economic opportunities, clinging on “NEW NEPAL” seems trivial objective.

With the view of economic growth, it needs first to increase productivity of all the economic factors such as labor, production and market. In context to capitalism practice in global economy, Nepal has to promote more competitive privatization of goods and services and create a friendly environment for FDI (foreign direct investment). Maintaining the value of currency and supply and controlling steep down inflation it is possible to control on decreasing purchasing power parity. Sen (2005) mentions that- “It is not economic growth that enables the people more freedom but the enhancing capacity of the people to access the sources makes the real sense of development”. Therefore, the strategy to rapid social transformation is poverty alleviation through capacity building.

Though, Nepal never had a direct experience of colonialism such as India, Korea or the countries of one third of the globe, it has always been secular from global influence until 1960. Thereafter, unfortunately the leader of contemporary Nepal more inclined to political patronization of India. Loomba (2005) cites the experience of Caribbean novelists George Lamming- ‘the experience of a continuing psychic experience that has to be dealt with and will have to be dealt with long after the actual colonial situation formally “ends” . . . anti colonial struggles therefore had to create new and powerful identities for colonized peoples and to challenge colonialism not only at a political or intellectual level but also on an emotional plane’. While as I have already mentioned above that Nepali polity has always been driven from south block, Nepal has to find an alternative economic identity to challenge the shadow economic colonialism of India through its available resources. The emotion of people not only on political view but is to be transformed for an economic perspective. The anti colonialism struggle and opportunity for Nepal lie in agriculture, energy and tourism sectors. I am indicating these sectors because geographically, Nepal adequately inherits these resources. Although, Nepal has such sources and much more potentialities to exploit them in order to

revive the healthy economy and strong social welfare system, the country still has instable political economy. It would be appropriate here to talk what Cowen and Shenton (1996) mention- Schumpeter attempted to transcend a metaphysical or evolutionary conception of development by asserting that while development was about the causes of disturbance and destruction of existing material condition of life, mere adaptation to disturbance from some exogenous or external source of change such as colonialism, famine or war... a part of normal economic life (410). Revolutions, famine and war are catalytic factors to stimulate a rapid development and establish a social welfare system, it is no doubt however, Nepali polity adapted conventional practice which virtually seems to be scared of inability to adopt dramatic transformation and in addition, the leaders are unwilling to accept new structural difference in the state. It is very astonishing that after republic setting, no leaders have initiated contemplating over federal structure of the country and strategy to national unity. Summing up all, a question still persists over and over - has the civil war and political transition changed Nepal essentially in the structure of democratic institutions? Many speculative political games on electing president and vice president show that, political parties are still infected of traditional thoughts on arithmetic parliamentary system. If it is not wrong, one might claim that present parliamentary parties are unable to establish new democratic revolutionary culture. Having difficulty to form a national consensus government, the role of CA members seems to be inactive to redirect the central politics has led more frustration to public. Increasing number of crimes, impunity, and growing frustration among general public indicate, it will certainly take a long time to write a new inclusive constitution that address all issues of "NEW NEPAL". If the central polity doesn't go well or leaders still play speculation craving for the power instead of envisioning long term national unity through sharing power and inclusive federal structure, Nepal might face another severe problem such as Khmeruz in Cambodia. The present political leaders must take the directives of people's electoral mandate and movements which in fact wish to dismantle the static mode of production and distribution or in other words, an aspiration to a new moment in the destruction of the rustic old. It was according to Schumpeter's view a rapid and abrupt striking out along tangents from the normal circular flows of economic life.

Conclusion:

Lately experiencing civil war, political turmoil, Madheshi movement and less effective role of constituency assembly seem likely to bring any literal difference in the development as it has been proclaimed before the federal republic setting. The best examples: we have already experienced in

president election and efforts in government formation. In the context of rapid development in the neighboring countries, Nepal needs rigorous effort to establish a value added polity in the centre with well balanced intra-cooperating federal settings. As I have mentioned above sectors, such as agriculture, tourism and energy, Nepal has to focus an approach that is highly productive and should also redistribute the sources for alleviating extreme poverty with knowledge based capital. Exploring such mechanism in unity of multi ethnocentric structure through new constitution, the challenges of socioeconomic constraints can be addressed prudentially.

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