

HUMAN DEVELOPMENT

The word 'development' literally means to work out the possibilities or to elaborate and advance. Development discussions, however, have a tendency to veer around emphasis and primacy. The positing of human development as a new concept from that of economic growth is one such dialogic shift. Conventional economic development approach was also a pursuit for improvement of human condition. Adam Smith considered human beings as a source of social wealth and later classical economists referred to development of human capacities as an important factor for economic growth. Countries that lacked raw material resources or those were destroyed during World War II (Germany, Japan, Korea, Taiwan) proceeded to rebuild on the 'human factor' that yielded high level of economic development¹. In the 1960's, the notion of 'human capital' as an independent growth factor came into prominence² that had reverberation even in literature. William Faulkner in his book, *Intruder into the Dust*, describes a farm labourer as a "man without skills and knowledge, leaning terrifically against nothing".

The 'human capital' theory later evolved into the idea of 'human resource development' (HRD) as a means to maximize human potential and its effective use to promote socio-economic development. If HRD was considered as a means, human development (HD) defined people's well-being as the core of development. This concept of human development has been refined and elaborated by the UNDP reports since 1990 and the approach is based on four considerations³. These are: (i) use and degree to which additional income improves the quality of life; (ii) expansion in people's capabilities; (iii) policy rooted in the advancement of people's well-being; and (iv) concern for political and social freedom. Thus, UNDP Human Development Report annuals stand out as a maypole with new streamers re-enforcing the theme.

¹ Moscow State University & UNDP, 2000, pp. 12-13.

² Schultz, 1971

³ Fukuda-Parr & Shiva Kumar, 2003, pp. xxi-xxii

In 1993, it was people's participation and followed by poverty eradication (1997). Then, it was inclusive democracy (2000), deepening democracy (2002) and cultural liberty (2004) that highlighted particular aspects of human development.

Nepal covers an area of 147,181 sq. km. of which a considerable part is too steep or elevated for human occupation. Nearly 60 percent of its land surface is steep to very steep (exceeding 30 degree) and that considered very gentle is only 13.6 percent. Again, third of the land lies above the temperate zone (2,500m) with limited agricultural potential along with rugged topography in the sub-tropical zone. Despite such physical limitations, the country is overcrowded with 23 million people with a skewed distribution pattern. The density of population is 157.3 persons per sq. km. that varies from 4 in few mountain districts to over 500 in some tarai districts. Nepal may be a mountainous country but majority of its population (53.9%) now reside in the lowlands. The high growth rate of the tarai (2.70) and inner tarai (2.55) compared to the national average (2.25) is due to migration as a process of adjustment between population and land resources.

The problems of population that Nepal faces are rapid growth and low level of capability. The total population has doubled since 1971 and annual growth rate of 2001 remains higher than that of 1991. This means increasing volume of the under-employed and unemployed. Compounding the problem of sheer number is the low level of skill among the labour force. The potential of extant human capital is hampered by high level of illiteracy and morbidity. The adult literacy rate in 2001 was 54.1, with 65.5 for males and 42.8 for females. Health services remain poor as evident from following indicators: maternity mortality ratio of 539 per 100,000 live births, under 5 mortality rate of 91 per 1,000 live births and TB cases of 106 per 100,000 persons. A fifth of total population still has no access to safe water supply.

The low status of Nepal in human development can be assessed from data available for global comparison in Human Development Report 2004. Accordingly, 59.6 years life expectancy at birth (2002); 40.2 percent population under age 15 (2002); 3.7 percent of population aged 65 and above (2002); 88 percent population with access to clean water (2000); and 28 percent population with access to improved sanitation (2000). Percent share in income/consumption was 3.2 for the poorest 10 percent in contrast to 29.8 for the richest 10 percent. Human poverty index was valued at 41.2 percent while HDI value (2002) was 0.504 as compared to South Asia's 0.584⁴.

⁴ UNDP, 2004, pp. 141-190.

The human development index (HDI) developed by UNDP is a useful measure to make country level comparison. HDI is derived from combination of three indicators of capability: life expectancy at birth, adult literacy rate, and adjusted per capita GDP⁵. Refinements in the selection of these socio-economic indicators have been carried out since they were first devised in 1990. For example, Nepal's HDI for 1990 was reported to be 0.246 and ranked 152 out of the 173 countries/states then listed⁶. It was later revised to 0.413 and then 0.416 subsequent to changes in methodology of measurement.

In 1975, Nepal had the lowest HDI value among SAARC countries for which estimation was made (Table 1). Sri Lanka led with a HDI value of 0.616. A quarter century later, Nepal improved over Bangladesh while Maldives superseded Sri Lanka. Among the five South Asian countries with HDI estimate available since 1975, Nepal gained the most (Table 1). According to the latest HDI data available, all SAARC countries except Pakistan are categorized in the medium human development group⁷. Maldives leads the SAARC countries and is ranked 84th among the 177 countries listed (Table 1). Nepal now superseded by Bangladesh is ranked 140th and Pakistan 142nd.

Table 1: HDI Trend, SAARC Countries

HDI Rank 2000	Country	1975	1980	1985	1990	1995	2000	Gain 1975-2000 %	HDI 2002*	Rank* 2002
84	Maldives	..	..	0.629	0.676	0.707	0.743	-	0.752	84
89	Sri Lanka	0.616	0.650	0.676	0.697	0.719	0.741	20.3	0.740	96
124	India	0.407	0.434	0.473	0.511	0.545	0.577	41.8	0.595	127
138	Pakistan	0.345	0.372	0.404	0.442	0.473	0.499	44.6	0.497	142
140	Bhutan	..	..	..	..	..	0.494	-	0.536	134
142	Nepal	0.289	0.378	0.370	0.416	0.453	0.490	69.6	0.504	140
145	Bangladesh	0.335	0.353	0.385	0.416	0.445	0.478	42.7	0.509	138

.. Not available

Source: UNDP, Human Development Report 2002, New York, 2002, pp 154-155.

* UNDP, Human Development Report 2004, New York, 2004, pp. 140-141.

⁵ Haq, 1995

⁶ UNDP, 1993, p. 137.

⁷ UNDP, 2004, pp. 140-141.

SPATIAL DISPARITY

Nepal's low level of human development is associated with pronounced spatial disparity and social exclusion. The first, horizontal differentiation, is partly due to the natural environment and lack of regional strategy. The second, vertical hierarchy of society leading to exclusion is entirely a cultural construct. This section deals with the former aspect while the latter one is dealt in Section 3. Nepal presents immense landscape contrast from the tropical plain to the temperate mountain zone. These determine natural regions with diverse resources and economic pursuits. Some regions are more advanced economically and densely populated owing to their locational advantage. On the other hand, other regions remain backward due to remoteness where the lack of economic opportunity leads to out-migration of youth which further impoverish such regions.

It seems necessary to explain the regional divisions adopted in this paper. The 15 census regions officially defined since 1971 are based on the combination of three ecological (mountain, hill, tarai) and five development regions (far west, mid west, west, central, east) regions. They represent a multiplication of three formal/natural regions (north-south) and five functional/development regions (east-west). However, the combination of regions need to premised in hierarchical terms or levels of sub-region and macro-region. Therefore, the 15 regions devised as above is flawed from such a conceptual consideration. The regional division subscribed in this paper is based on geographic recognition of four elevation zones (mountain, hill, inner tarai, tarai) and three drainage basins/sections (Kosi, Gandaki, Karnali)¹. The north-south division distinguishes the Inner Tarai as a distinct interstice between the hill and tarai zones. It includes six districts that have more than two-thirds of their land surface area below 1,000 metres. The three east-west drainage sections have climatic and cultural basis. The east or Kosi basin is humid and with more diverse ethnic groups while the west or Karnali basin is comparatively dry and inhabited mostly by caste people.

¹ Gurung, 1989

The central or Gandaki basin represents the transition zone between the eastern and western sections. Further more, this regional division gives a separate identity to Kathmandu Valley owing to its metropolitan character. The distinctiveness of Kathmandu Valley (KV) becomes evident when its three districts are disaggregated from the officially designated central hill region.

Item	Including KV	Excluding KV	KV Only
Net migration	+ 185,654	- 130,082	+ 245,762
Per capita income	\$ 382	\$ 223	\$ 539
HDI	0.537	0.482	0.592

To recapitulate, the 15 census regions are a summation of three ecological and five development regions. The alternative division of 13 composite geographic regions is derived from four elevation zones and three river basins (4X3) along with Kathmandu Valley as a district region. Thus, the latter formulation gives recognition to a transition zone (Inner Tarai) and a metropolitan area. The discussion below compares disparities across districts and geographic regions as two spatial hierarchies.

The average per capita income (PCI) for Nepal in 2001 has been estimated at US \$ 240². The Nepal Living Standard Survey had an estimation of Rs. 7,673 (US\$ 136) for 1996 but this data cannot be used for comparison due to difference in calculation methodology. However, there is persistence of wide disparity in PCI across districts and regions. In 1996, there were 8 districts with very high PCI and 14 districts with very low PCI³. In 2001, very high PCI districts remained eight and very low PCI districts increased to 21. The per capita income of Bajhang and Kathmandu differ by a factor of 4.4 (Annex A).

² UNDP, 2004

³ NESAC, 1988, Annex 3-8

Out of 75 districts, 54 have PCI below the national average (Table 2). Districts with very low PCI are found in all elevation zones, of which two-third are in the hill. They are prominent in the western section and also make a compact block in the east including some tarai districts (Fig. 1). Of the nine districts with moderate PCI, most are in the tarai zone and equally distributed across the east-west section. Eight districts have very high PCI exceeding US \$ 320. Surprisingly, majority of these are highland districts (3 mountain, 3 hill). Most of such very high PCI districts are in the central sector and of these, five are coterminous. The remote western section has no districts of high or very high PCI (Table 2). In the past, agriculturally endowed lowlands tended towards a better economic status. The present pattern of PCI at district level indicates the increasing importance of secondary and tertiary sectors of the economy. Thus, qualification of Manang, Mustang, and Rasuwa in very high PCI may be attributed partly to benefits of mountain tourism and partly to method of PCI estimation.

Table 2: Districts by Per Capita Income, 2001

Per Capita Income (Rs)	Section/Basin			Total	Elevation Zone			
	West	Central	East		Mountain	Hill	InnerTarai	Tarai
1. Above \$ 320 (Very high)	-	7	1	8	3	3	1	1
2. \$280 –320 (High)	-	2	2	4	-	2	1	1
3. \$240 – 280 (Moderate)	3	3	3	9	1	2	-	6
4. 200-240 (Low)	6	10	7	23	6	13	1	3
5. Below \$ 200 (Very low)	15	2	14	31	5	16	3	7
TOTAL	24	24	27	75	15	36	6	18

Source: Annex - A

Per capita income (PCI) at the regional level is derived from aggregation of district data (Annex A). Out of the 13 geographic regions, six exceed the national average of PCI (Table 4). Kathmandu Valley ranks the highest and west mountain region the lowest. East tarai and central hill rank second and third. The assumed relationship between PCI and elevation zone is skewed by the east-west disparity. For example, east mountain ranks higher than central and west tarai. Furthermore, west tarai, west hill, and west mountain occupy the bottom three ranks.

Similar to PCI across districts, there is wide variation in the level of district HDI (Fig. 2). These range from 0.310 for Bajura to 0.626 for Kathmandu (Annex B). Of the 75 districts, 43 have HDI value below the national average (Table 3). These are spread over all elevation zones: mountain (11), hill (17), inner tarai (2), and tarai (12).

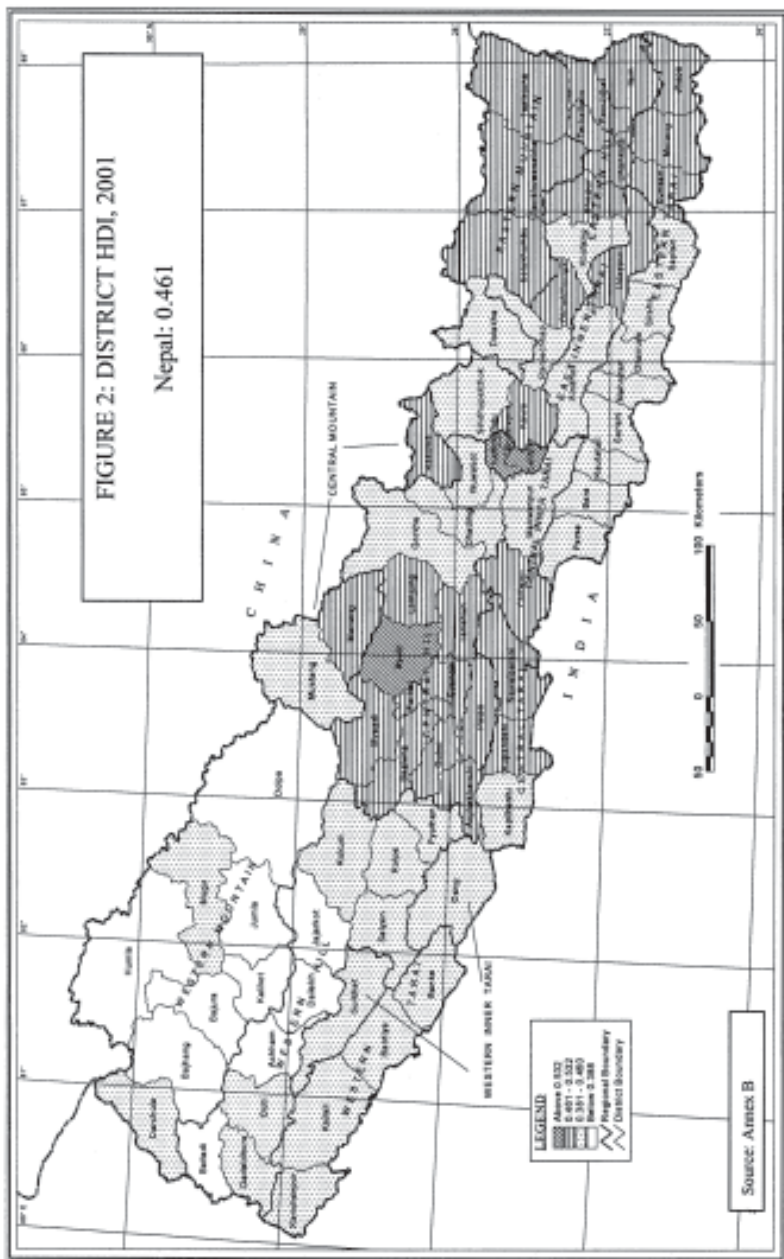


Table 3: Districts by HDI Status, 2001

HDI Value	Section/Basin			Total	Elevation Zone			
	West	Central	East		Mountain	Hill	Inner Tarai	Tarai
1. Above 0.532	-	4	-	4	-	4	-	-
2. 0.461-0.532	-	14	14	28	5	16	2	5
3. 0.381-0.460	14	6	13	33	4	12	4	13
4. Below 0.388	10	-	-	10	6	4	-	-
TOTAL	24	24	27	75	15	36	6	18

Source: Annex – B

By Section: All 24 districts in the west or Karnali section have HDI value below the national average, the highest (0.459) being for Surkhet. The 10 districts with very low HDI (below 0.388) are all in the west as a compact block in the highlands (Fig. 2). The central or Gandaki section has no districts of such very low HDI category (Table 3). Of its 24 districts, 18 have HDI exceeding the national level. All four districts with very high HDI are in this sector. Of the 27 districts in the east or Kosi sector, nearly half are below national level of HDI. None of them are in the category of very high or very low HDI.

By Elevation Zone: Among the 15 mountain districts only five have HDI above the national level (Table 3). In the hill zone, 20 out of 36 districts exceed the national average of HDI. These include the four with very high HDI (Fig. 2). This zone also includes four very low HDI districts, all in the west. Majority of inner tarai and tarai zone districts fall in the below average HDI category. Both of these lowland zones have no districts either in the very low or very high HDI category. Of the 33 districts with above average HDI, ten are from the lowland zone. All 14 districts with very low HDI are from the highland zone.

By Geographic Region: The number of districts grouped by geographic regions is indicated in Fig. 1 & 2, Table 4 and Annexes A & B. The HDI value by geographic regions in Annex B is based on simple average of component districts merely to reflect their relative ranking. Kathmandu Valley leads all regions with the highest HDI (0.592). Western mountain has the lowest HDI (0.347), followed by western hill. Of the six regions exceeding average HDI, four are in the highlands. Three hill regions lead in the HDI rank order (Table 4). The three regions in the lowest rank order are all from the western sector.

Table 4: PCI and HDI by Region, 2001

Geographic Region (No. of Districts)	PCI		HDI	
	US \$	Rank	Value	Rank
A. Mountain (15)				
1. West (8)	179	XII	0.347	XII
2. Central (3)	381	II	0.490	II
3. East (4)	216	VIII	0.459	VII
B. Hill (36)				
4. West (10)	159	XIII	0.382	XI
5. Central (13)	223	V	0.482	III
6. Kathmandu Valley (3)	539	I	0.608	I
7. East (10)	215	IX	0.474	IV
C. Inner Tarai (6)				
8. West (2)	197	X	0.413	X
9. Central (2)	325	III	0.465	V
10. East (2)	188	XI	0.460	VI
D. Tarai (18)				
11. West (4)	222	VI	0.429	IX
12. Central (3)	234	IV	0.474	IV
13. East (11)	221	VII	0.440	VIII
Nepal (75)	240		0.461	-

Source: UNDP, 2004

Since PCI is taken as one of the indicators of HDI, there should be obvious correlation in the two values. Indeed, of the 13 geographic regions, five show parity and five close parity in PCI and HDI. In both values, Kathmandu Valley ranks first and western mountain the last or near last (Table 4). The aberrations are seen only for eastern hill (low PCI, high HDI), eastern inner tarai (low PCI, high HDI) and western tarai (high PCI, low HDI). Overall, a considerable section of population is deprived from improving their capability due to the locational constraint. The poverty of such backward regions has negative effect on human development also at the national level.

STATE IDEOLOGY OF CLASS

The formation of Nepal as a hegemonic state in mid-18 century was to create a Hindu haven against Muslim menace from Mughal India¹. This theocratic orientation became entrenched after the Mughal rule was superseded by the British with Christian faith. Brahman orthodoxy was elevated to dominance as a bulwark against such alien religions. Thus, Hinduisation became the *raison d'être* of the Nepalese state with its national identity rooted in the image of Parbate (hill) high castes and their mother tongue (Parbate/Nepali). Society was organized on the basis of hierarchical caste system whose distinctive feature was exclusiveness based on ritual status with reference to marriage and diet. The Muluki Ain (Law of Land) of 1854 was a written version of such social code derived from the Manusmriti tradition. The classical varna (order) model had four occupational categories: (1) Brahman priest; (2) Kshatriya warrior; (3) Vaisya farmer/trader; and (4) Sudra labourers. These 'classes' later evolved into an orthodox caste structure. However, Nepal's caste division diverged from the four-fold Vedic model of Hindustan (India). Instead, the Nepalese version had five hierarchies to accommodate the tribal natives between the pure and impure castes (Table 5).

Table 5: Caste Category of Muluki Ain

Hierarchy	Category	Social Group
A	Wearers of Holy cord	Parbate upper castes, Newar Brahman, Tarai Brahman, Newar upper caste
B	Non-enslavable Alcohol Drinkers	Magar & Gurung (associated with Gorkhali army), Sunuwar (Hinduised), Newar (non-Hindu)
C	Enslavable Alcohol Drinkers	Bhote (Buddhist), Chepang, Kumal & Hayu (ethnic minorities), Tharu (Tarai ethnic), Gharti (progeny of freed slaves)
D	Impure but Touchable	Lower caste Newar, Muslim, Christian
E	Impure & Untouchable	Parbate artisan castes, Newar scavenger castes

Source: Annex - C

¹ Gurung, 1997.

The Muluki Ain (1854) formulated on the basis of Hindu orthodoxy was endorsed by State counsellors who were mostly Parbate high castes (Table 6). Thus, caste hierarchy and internal status ranking was influenced by political consideration. Among the five hierarchical categories, tagadhari' (wearers of holy cord) were ranked first (A). Ritually superior Newar Brahman and Indian Brahman were ranked lower than hill Thakuri and Chhetri (Annex - C). Although the second and third hierarchies refer to Matwali, (alcohol drinkers) their division also reflect the type of relationship with the establishment. The second hierarchy as Non-enslavable Matwali (B) included Magar and Gurung ethnics long associated with Gorkhali army, Sunuwar who received royal seal in 1825 to employ Bahun priest, and Newar peasant (Jyapu). The third hierarchy (C) as 'enslavable Matwali' included Buddhist ethnics, minority tribes, Tharu (plains ethnic) and Gharti (progeny of slaves) who were peripheral to the political power. Since inclusion of these ethnic groups (except Gharti) into the caste fold was politically devised, their rank status within the second and third hierarchies was undefined (Annex - C).

The fourth hierarchy of Impure Castes (D) was referred as 'water unacceptable but requiring no purification after contact'. This category was also a political invention as it included none from the traditional Hindu castes. Instead, those included were three Newar artisan groups, Muslim, and European (Annex - C). The last two were obviously considered 'impure' on their being beef-eaters in a country that legally banned cow slaughter in 1806. They were also not specified as to their status rank within this hierarchy. The fifth or lowest hierarchy of 'untouchable castes' (E) was based on ascribed impurity (Box 1). They were referred as from whom 'water is unacceptable and purification needed after contact' (Annex - C). In their case also, internal rank status was mentioned only for Parbate ones and not the Newar.

Box 1: DEFINING JAT, JATI, AND DALIT

The terms jat and jati have a common etymology in the sense of species. However, native usage makes a subtle distinction of the former as 'caste' and the latter as 'ethnic' group. This conforms to the linguistic connection of jati being subsidiary to jat and reflects well the reality of Jat dominance in Hindu Nepal. Jat or caste refers to social groups with internal hierarchy and Jati/Janajati are differentiated on the basis of mother tongue, religious tradition and native area. In other words, Jat (caste) groups are vertically stratified according to ritual status while Jati (ethnic) groups are differentiated by culture and space (Gurung, 1998/2001, p.35)

The Dalit category refers to artisan or occupational castes among the Hindu. The term Dalit (oppressed) is used as an alternative to traditional ones with pejorative connotation for the lowest caste hierarchy considered as 'untouchable' (achhut). That they are socially ostracized, economically deprived, and politically excluded is the making of caste discrimination (Gurung, 2003a, p.4).

The above social hierarchy is a deviant model based on the concept of core and periphery. This is obvious from the ranking of social groups within the hierarchy. The first distinction was obviously between the Hindu core with internal ranking (A, E) and non-Hindu periphery (B, C, D). The second distinction was between the hill Hindu (Parbate) and ethnic groups (Matwali) including Hindu Newar. The third distinction was more extended with hill Hindu as the core, Hindu Newar as the sub-core, hill ethnics as the periphery, and Bhote and Tharu as the periphery of periphery. It should be noted that the 64-caste division introduced by Jayasthitiraj Malla (1382-95) among the Newar was not based on varna model but rather designation of occupational groups including the Buddhists². For example, Newars of Bhaktapur recognise twenty status levels including various categories (thar) among the Hinduised Shrestha³.

The religious and political intent of Muluki Ain also becomes evident from considering those excluded in the ranking who belonged to the cultural and political frontier of the regime. These were Kirant tribes of eastern hill who were the last ethnic people to succumb to the Gorkhali rule and also least Hinduised, Bhote* of northern borderlands who adhered to Lamaistic Buddhism and caste (except Brahman) as well as ethnic people (except Tharu) of the tarai frontier. Despite being Hindu, the tarai castes were not included in the State's hierarchical list as they were politically peripheral. Thus, the modeling of caste status of the Muluki Ain was based on religious, political, and geographical considerations with the hill high caste supremacy as the guiding principle.

The political ideology of Nepal as a Hindu state has remained highly exclusionary. It has religious, linguistic and cultural dimensions. The first refers to primacy of Hindu religion that sanctifies caste system.

* The term Bhote then referred to Tamang which ethnonym was officially recognized only in 1932.

² Rosser, 1966

³ Levy, 1990, Appendix Two.

State advocacy of a particular religion militates against equality in practicing one's faith. While the western concept of 'race' has connotation of colour, the Hindu version of untouchability also has a racial basis as the impure status is based on birth. Other major discriminations are related to culture and language whereby the ethnic and regional groups are marginalized. The State alignment to Hindu ideology continues to perpetuate social exclusion of millions of people with its economic and political ramifications. The next section is an attempt to explore the extent of inequality due to such social discrimination.

EFFECT OF EXCLUSION

Spatial diversity and State ideology discussed above have contributed to significant level of social inequality in Nepal. In a way, spatial diversity has also contributed to rich cultural variety even if those in remote areas are more deprived than others. On the other hand, caste discrimination nurtured by the State has been the foundation of social exclusion. These two factors of geography and polity contribute to multiple layers of discrimination. Thus, a Shamanist or Buddhist ethnic living in a remote area is doubly disadvantaged as compared to a Hindu in paddy land or urban area. The political, economic, and educational areas examined here for social exclusion are mutually related. State ideology has been the instrument that perpetuates high caste hegemony in politics. Such a polity marginalises low castes and ethnic groups in the economic sphere. Since most of them remain poor, they have less access to education and are trapped in vicious circle of poverty.

a. Political Inequity

The Muluki Ain devised by the Parbate elites has been the mainspring of political inequity. Its 212 signatories included 95.1 percent high castes and most of these were Chhetri and Bahun (Table 6). Since then, there has been very little change in the power structure in terms of social composition whatever the form of political system be it feudal, Panchayat or democratic. In fact, there is evidence of the entrenchment of traditional elite castes. As of 1999, 145 years after enactment of Muluki Ain, the caste composition of political and administrative elites showed only a slight shift. High castes still dominate with 91.2 percent among the prominent positions in politics and bureaucracy. Parbate high castes continue to dominate along with only a slight shift in favour of tarai high castes and few ethnic groups. The Dalit who constitute 12.8 percent of the total population have no representation in the higher echelons of power.

Table 6: Composition of State Elites, 1854 and 1999

Social Group	1854 ^a		1999 ^b	
	No.	%	No.	%
1. High caste (Hill)	166	78.3	1011	66.5
2. High caste (Newar)	32	15.9	231	15.2
3. High caste (Tarai)	2	0.9	170	11.2
4. Ethnic	6	2.8	108	7.1
5. Dalit caste	-	-	5	0.3
6. Others (Caste unidentifiable)	6	2.8	-	-
Total	212	100	1,525	100

^a Signatories of the Muluki Ain, 22 Dec. 1854

^b G. Neupane, *Nepalma Jatiya Prasna* (in Nepali), 2000, p. 82 (Integrated National Index of Governance)

A tabulation of social groups represented in select higher positions of politics, judiciary, bureaucracy, and civil society reveals the current situation of power structure (Table 7). Domination of hill high caste ranges from 76 to 78 percent in bureaucracy, judiciary and civil society. They have 58.4 percent share in political representation. The Newar comes next with 11 to 18 percent share in these institutions. The Madhesi come third ranging from 4 percent in bureaucracy to 16 percent in political representation. Hill ethnic share is less than 2 percent in bureaucracy, judiciary, and civil society and 13 percent in political representation. The Dalit presence is limited to very few nominated positions in the Upper House. The hill high castes are less than a third in total population but monopolise two-thirds of governance position (Table 7). Another advantageous group is the Newar with about six percent in population share and 13 percent share in governance. Conversely, the Madhesi are 31 percent in population but 12 percent in governance representation. The hill ethnic representation has similar situation: 22 percent in population and eight percent in governance. The Dalits are in the worst scenario case of their share in population vis-à-vis power.

Table 7: Representation in Governance, 1999

Institution	Hill High Caste	Newar	Madhesi	Hill Ethnic	Dalit	Total
1. Constitutional body	14	6	3	2	-	25
2. Council of Ministers	20	3	5	4	-	32
3. Judiciary	181	32	18	4	-	235
4. Legislature	158	20	46	36	4	265
5. Civil Administration	190	43	9	3	-	245
6. Political party leaders	97	18	26	25	-	166
7. DDC chair/Mayor	106	30	31	23	-	190
8. Civil society leaders	41	8	4	1	-	54
Total	808	160	142	98	4	1,212
A. Row %	66.6	13.2	11.7	8.1	0.3	100.0
B. As % of Total population	31.6	5.6	30.9	22.2	8.7	100.0
A-B	+35.0	+7.6	-19.2	-14.1	-8.4	-

Source: Adapted from Neupane, 2000, p.82

Since there is lack of policy intervention, the evidence is one of the entrenchment high caste in bureaucracy and authority. For example, the minimum qualification to apply for gazetted post in the civil service is the graduate level. Of the 472 candidates clearing for the above post in 1984/85, about 70 percent was high caste (Table 15). The Newar ranked second with 18.6 percent. Other indigenous nationality (Janajati) was only 3.0 percent with none among the Dalit. In 2000/2001, 87.0 percent was high caste out of 185 successful candidates (Fig. 16). All other caste/ethnic groups had lesser share and not a single Dalit was successful. It seems a case of circular causation. High castes have a larger pool of highly qualified to dominate the competition and monopolise bureaucracy. For the Janajati and the Dalit who have fewer graduates, the case is reverse. And the outcome is one of increasing ethnic/caste disparity in the administrative service. Such a state of monopoly cannot be ameliorated without affirmative measures in favour of disadvantaged social groups.

Table 8: Candidates Passing Gazetted Level (Grade III)

Caste/Ethnic Group	1984/85	1990/91	1994/95	2000/2001
Bahun/Brahman/Thakuri/Rajput/Chhetri	69.3	67.3	81.2	87.0
Newar	18.6	18.5	9.7	8.7
Madhesi (excluding Brahman, Rajput, Dalit)	8.5	10.2	5.5	3.2
Indigenous Nationalities (excluding Newar)	3.0	2.4	1.8	0.5
Muslim	0.6	0.9	0.4	0.5
Dalit	-	0.7	0.2	-
Total	100.0	100.0	100.0	100.0
Number	472	459	1,014	185

Source: Subba & others, 2002, based on Bulletins of Public Service Commission, Table 49.

b. Economic Deprivation

There is extreme paucity of economic data on the basis of ethnicity/caste. This was partly due to lack of caste/ethnic data in population censuses until 1991. However, most earlier household surveys did include social parameters but were not analysed owing to lack of social concern and economists' preoccupation with macro-level data. Therefore, Nepal Living Standard Survey 1995/96 is one primary source on the economic status by caste and ethnicity. The NLSS had a sample size of 3,373 households from 15 randomly selected districts and was able to cover only few social groups that were widely distributed. Despite this limitation, NLSS sample provides some indicative data on human and economic development status by social groups. Nepal Human Development Report 1998¹ did make use of these data but the comparison of ethnic and caste groups varied from 8 for human development status to 15 for that on poverty incidence although the data source was the same (Table 8 & 9).

Table 8 is related to human development aspects including per capita income that influences it. The aspects compared are life expectancy, adult literacy ratio, per capita income, and HDI. The listed social groups include four distinct and three associate groups which are not strictly comparable. However, there is some consistency of pattern in the status of human development according to these social groups. The Newar tops in life expectancy, per capita income, and HDI. Bahun ranks second in all these three indicators. The exception is Bahun on the top and Newar second in adult literacy ratio. Chhetri ranks third in adult literacy, income and HDI but fourth in life expectancy.

Table 9: Human Development by Ethnicity/Caste, 1996

Social Group	Life Expectancy	Adult Literacy Ratio	Per Capita Income Rs.	HDI	HDI Rank
A. Language Group					
1. Newar	62.2	54.8	11,953	0.457	I
B. Caste Group					
2. Bahun	60.8	58.0	9,921	0.441	II
3. Chhetri	56.3	42.0	7,744	0.348	III
4. Tarai castes*	58.4	27.5	6,911	0.333	IV
5. Artisan castes	50.3	23.8	4,940	0.239	VII
C. Hill Ethnic					
6. Gurung, Limbu, Magar, Rai, Sherpa	53.0	35.2	6,607	0.299	V
D. Religious Group					
7. Muslim	48.7	22.1	6,336	0.239	VI
E. Others	54.4	27.6	7,312	0.295	-
NEPAL	55.0	36.7	7,673	0.325	-

* Includes Tharu

Source: Adapted from NESAC, 1998, Annex 3.7

¹ NESAC, 1998.

Tarai castes which include a wide array of social status, rank third in life expectancy, fourth in income and HDI, and fifth in adult literacy. Hill ethnics rank fifth in life expectancy, income, and HDI but fourth in adult literacy rate owing to their army tradition. The artisan castes or the Dalit rank sixth in life expectancy, adult literacy and HDI, and seventh in income. The Muslim ranks seventh in life expectancy, literacy and HDI and sixth in per capita income.

It is not a matter of coincidence that those ranked low in the caste hierarchy (hill ethnic, Dalit, Muslim) are also placed in the bottom half of human development indicators. Table 9 shows the extent of poverty incidence for 14 ethnic/caste groups. Here also, there is strong evidence of convergence between social hierarchy and poverty level. The aberrations may be attributed to the small number of households and districts sampled by NLSS. This is particularly striking for Limbu with the highest proportion below poverty line which diverges from other hill ethnics. Otherwise, hill Dalit (Kami, Damai, Sarki) have the highest proportion below poverty line exceeding 64 percent Table 10. The next group with poverty level from 45 to 59 percent are hill ethnics. Those with less than half below the poverty line are the Yadav, Muslim, Bahun and Newar That only a quarter of Newar and a third of Bahun are below the poverty line is clear evidence of advantages of cerebral preoccupation of Sharma (Bahun) and bazar location of Shrestha (Newar)².

Table 10: Poverty Incidence by Ethnicity/Caste, 1996

Caste/Ethnicity	Proportion Below Poverty Line	Traditional Occupation
A. Language Group (Castse+ethnic)		
1. Newar	25	Commerce/industry
B. Caste Group (rank)		
2. Bahun (upper)	34	Priestly/bureaucracy/politics
3. Chhetri (upper)	50	Farming/soldiery
4. Yadav (middle)	40	Farming/herding
5. Sarki (Dalit)	65	Artisan (leather)
6. Damai (Dalit)	67	Artisan (music, tailoring)
7. Kami (Dalit)	68	Artisan (metal)
C. Religious Group		
8. Muslim	38	Various skills
D. Ethnic Groups		
9. Gurung	45	Farming/foreign army
10. Tharu	48	Farming/fishing
11. Rai	56	Farming/foreign army
12. Magar	58	Farming/foreign army
13. Tamang	59	Farming/pastoralism
14. Limbu	71	Farming/foreign army
E. Others (Over-reported tarai groups)	37	-
NEPAL	45	-

Adapted from NESAC, 1998, Table 7.24

² Gurung, 1998/2001, p. 106.

A recent analysis of 2001 population census data for poverty mapping reveals the level of disparity among social groups in major occupation and household characteristics³. The upper caste group constitutes 35.4 percent of total economically active population aged 10 years and above. Their dominance is 62.2 percent in professional/technical, 58.3 percent in legislative/administrative, and 53.6 percent in clerical occupation (Table 11). The Dalit castes with 11.9 percent of the total economically active have involvement of only 1 to 4 percent in the above occupations. Janajati group with 38.7 percent share in economically active population account for above one-third in such occupations. The situation is reverse in the case of production labour: 19.1 percent high caste, 20.3 percent Dalit and 38.1 percent Janajati.

Table 11: Major Occupation by Ethnicity/Caste, 2001

Ethnic/Caste Group	Total Economically Active	Prof/ Technical	Legislative/ Admin	Clerical	Sales/ Service	Forestry/ Farm/ Fishery	Production Labour	Of which Elementary
Upper caste	35.4	62.2	58.3	53.6	42.2	37.1	21.2	19.1
Middle caste (Tarai only)	10.0	6.6	5.1	7.2	12.8	8.8	8.8	14.9
Dalit	11.9	1.6	1.3	3.9	4.0	10.9	20.3	22.6
Janajati	38.7	27.6	33.2	33.3	35.5	40.5	38.1	36.1
- Hill Janajati	23.6	10.7	10.3	14.4	14.3	28.6	18.1	16.5
- Newar/Thakali	7.5	13.8	20.8	12.7	16.8	5.0	8.7	4.8
- Tarai Janajati	7.5	3.1	2.1	6.2	4.4	6.9	11.4	14.9
Muslim/Sikh	3.1	1.2	1.1	1.1	4.5	2.0	6.0	5.7
Others	0.9	0.8	1.1	0.9	1.1	0.7	1.3	1.5
All	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Acharya & others, 2004, Draft, Table 3.21.

Household characteristics derived from the 2001 census data provide some indication of the living standard by ethnicity and caste⁴. Accordingly, national average for pucca or well-built house was 36.6 percent. It ranged from 19.7 percent for the Dalit to 32.6 percent for Janajati and a 52.4 percent for high castes (Table 12). Houses with flush toilet varied from a low for Dalit (13.3%) to median for Janajati (20.8%) and high for upper castes (31.9%). Tapped water provision had a similar gradation of better access for the higher ranked social group: 43.3 percent for Dalit, 58.5 percent for Janajati, and 60.8 percent for high castes.

Table 12: Household Characteristics by Ethnicity/Caste, 2001

Water Source, Tap/Pipe	House Type		Flush Toilet Tap/Pipe	Water Source, Biogas	Lighting Facility		Cooking Fuel		
	Pucca	Kacha			Electrify/	Kerosene	Wood	Kerosene	Gas
Upper caste	52.4	18.1	31.9	60.8	52.1	43.2	65.3	16.0	16.1
Dalit	19.7	50.7	13.3	43.3	18.0	76.9	75.2	5.9	1.3
Janajati	32.6	34.7	20.8	58.5	38.1	59.8	70.1	14.4	8.2
Religious Minorities	27.3	49.0	7.9	34.1	35.4	62.8	52.1	13.6	3.9
All	36.6	33.5	22.7	52.9	39.6	57.2	65.6	13.5	9.4

Source: Acharya & others, 2004, Draft, Tables 3.6, 3.8, 3.9, 3.10 & 3.12.

³ Acharya & others, 2004.

⁴ Acharya & others, 2004.

In lighting facility, more high caste had electricity/biogas and more Dalit used kerosene. The Janajati were in-between the two in such lighting facilities. Similar was the pattern in the type of cooking fuel: more upper caste households used kerosene/gas while more Dalit and Janajati households used wood.

According to Nepal Living Standard Survey-II, the average capita income for all social groups is Rs.20,689. It is only the high caste (Brahman, Chhetri) whose per capita income of Rs.24,399 exceeds the national average (Table 13). There is also close parity between the income level of hill and tarai sub-groups of these high castes.

The Janajati, excluding Newar, comes next with a per capita income of Rs.15,630 but below the national average. Although classified as Janajati, the Newar sub-group has the highest per capita income, nearly twice the national average. This is attributed to their urban. Tarai middle caste and the Dalit rank third and fourth in average per capita income. The Muslim are ranked the last, worse off than the Dalit. Within all major groups, tarai sub-groups have lower income than their hill counterpart. In fact, the income level of tarai Janajati is lower than those of Hill Dalit. Such a poor ranking of tarai sub-groups along with the Muslim is indicative of the marginalisation of the tarai people on regional basis.

Table 13: Per Capita Income by Caste/Ethnic Group

Ethnic/Caste Groups	Average Per Capita Income (Rs.)
A. Hill/Tarai B/C	24,399
Hill B/C	24,427
Tarai B/C	24,370
B. Janajati	15,630
Hill Janajati	18,793
Tarai Janajati	12,467
C. Tarai Middle Caste	13,073
D. Dalit	12,114
Hill Dalit	13,073
Tarai Dalit	10,887
Newar	38,193
E. Religious Minority (Muslim)	11,015
Nepal	20,689

Source: Nepal Living Standard Survey, 2004, vide Bennett draft.

The above disparity in occupation, quality of life and income level provide a clear evidence of economic advantages of higher caste groups and vice versa. Those of high social status dominate in political power and, therefore, have better economic status. Such a monopoly in political economy is further reinforced by dominance in educational attainment based on their resource advantage.

c. Educational Inequality

Education is one of the basic indicators of the level of human development. Literacy provides access to information while educational attainment provides scope for new opportunities. The education level of Nepalese population is very low and most manpower is labour-oriented with a marginal output. Another problem is the pronounced discrepancy in access to education across the social groups. Two-thirds of ethnic groups have literacy rate below the national average. On the other hand, certain caste groups monopolise higher education.

Literacy: Literacy rate of Nepal's population aged six years and above increased from 39.0 in 1991 to 54.0 in 2001. Such a decadal improvement appears encouraging but there is still immense gap across caste and ethnic groups. Since the number of caste and ethnic groups reported in the censuses vary from 60 in 1991 to 100 in 2001, only those included in both census can be compared. The extremity in literacy rate ranged from 4.2 to 88.0 in 1991 and 7.3 to 93.9 in 2001⁵. The gain in average literacy rate during 1991-2001 for all ethnic/caste groups was 15.0. Only 21 groups exceeded this level of gain and those with high gain were Rajbhar, Jirel, Bangali and Sikh. Among those with low gain were Raji, Dusadh, Brahman (Tarai), Chamar, Musahar, and Marwari. These social groups with least gain, except Marwari and Brahman, also had very low literacy rate.

The 100 ethnic and caste groups reported in census 2001 include 44 ethnic, 35 higher caste, 15 Dalit caste and 6 others. According to the caste/ethnic frequency of literacy rate, 32 exceed the average rate of 54.0, another 56 range from 25.4 to 53.3, and 12 are below 23.2. The cohort with above average literacy rate includes 16 ethnics, 12 higher castes, 4 others, and none among the Dalit. The highest literacy rate is 93.9 for others (Jaine), 82.1 for higher caste (Kayastha) and 75.7 for ethnic (Thakali). The next cohort of 25.4 to 53.3 literacy rate is

⁵ Gurung, 2003, Annex F

composed of 28 ethnic, 19 higher caste, 7 Dalit and 2 others. The highest literacy rate among Dalit is 46.9 (Gaine) and ranked 44th in frequency. The bottom cohort (below 24) includes seven Dalit, four higher castes and one ethnic. The lowest literacy rate by social group is 14.8 for higher caste (Bin), 13.2 for ethnic (Kuswadiya), and 7.3 for Dalit (Musahar).

The various ethnic/caste groups reported in the 2001 census can be placed into regional and status categories. The status division applies only to the caste people as being higher and lower (Dalit). The ethnic groups can be assigned by their native area as mountain, hill, Kathmandu Valley (Newar), inner tarai, and the tarai. The range of literacy rate by such grouping is given in Table 14. Hill high castes have a range of 59.0 to 74.9 as compared to 33.5 to 46.9 for hill Dalit castes. The higher range of the Dalit is lower than that of bottom range of high castes. In the case of the tarai, the range varies from 14.8 to 82.1 for higher caste and 9.4 to 34.8 for lower castes. Tarai high caste have a very wide range in literacy rate while that of tarai Dalits is worse-off than of hill Dalits.

Table 14: Literacy Rate by Social Groups, 2001

Social Group	Rate Range
A. Hill Castes	
1. Higher	59.0 – 74.9
2. Dalit	33.5 – 46.9
B. Tarai Castes	
1. Higher	14.8 – 82.1
2. Dalit	9.4 – 34.8
C. Ethnic Group	
1. Mountain	27.2 – 75.7
2. Hill	29.2 – 70.7
3. Inner	32.0 – 55.4
4. Tarai	13.2 – 54.4
D. Others	34.7 – 93.9
NEPAL	53.7

Source: Census 2001.

The literacy rate of ethnic groups shows increase progressive from the lower to higher elevation zone. It is 27.2 to 75.7 for mountain ethnics and 29.2 to 70.7 for hill ethnics. In contrast, the range for tarai ethnics is only 13.2 to 54.4. Inner tarai ethnics have a low range of 32.0 to 55.4. Although their low rate is above ethnics of highlands zones, their high rate is close to tarai ethnics. Overall, high caste groups of the hill lead in the literacy rate. The Dalit castes, particularly those of the tarai, have the lowest literacy rate.

Educational Attainment: Of Nepal's total population of 19.2 million aged six years and above in 2001, 48.6 percent had educational attainment of various levels. The pyramid of such attainment was school level 80.5 percent, SLC/Certificate 15.7 percent and graduate and above 3.8 percent (Annex D). Among the 7.4 million with school level attainment, 57.5 percent was from the caste group. Those from ethnic group was 38.4 percent and others made up 0.9 percent. The school level educational attainment by sub-groups range from one percent of inner tarai ethnic to 36.4 percent of hill high caste. The caste group dominance in educational attainment becomes more evident at the tertiary level. The population with SLC/Certificate level educational attainment was 1.4 million. Of these, 68.7 percent was from the caste group. The share of ethnic group of this education level was 28.2 percent. More than half of this level of attainment was of hill high caste. The next sub-groups were tarai higher caste (14.0%) and Newar (12.4%).

The 2001 census reported a total of 352,241 having graduate and above educational attainment (Annex D). Of these, 73.8 percent was from caste group, 22 percent from ethnic group and 2.9 percent from others. Newar graduates and above (47,577) were more than double that of other 44 ethnic groups put together (21,596). Hill high caste constituted 59.7 percent of those with such high educational attainment. The next sub-group was around 13 percent for tarai high caste and the Newar. There were only a few such highly educated among the Dalit: 0.5 percent for hill and 0.2 for tarai. Among those ranked top ten with most numerous graduates (4,800+), majority were caste group with only three ethnics (Box 2). Conversely, out of the caste and ethnic groups without a single graduate, 11 were ethnic, 4 Dalit, and 2 lower caste groups.

Box 2: Disparity Among Highly Educated, 2001

THE TOP TEN

Social Group	Number
1. Bahun (Hill)	146,093
2. Chhetri	54,976
3. Newar	47,577
4. Yadav	9,941
5. Magar	7,624
6. Brahman (Tarai)	6,896
7. Thakuri	6,550
8. Tharu	5,954
9. Marwari	5,206
10. Kayastha	4,800

NONE WITH GRADUATE

1. Badi (D)	10. Meche (E)
2. Brahmū (E)	11. Musahar (D)
3. Dhunia (C)	12. Patharkata (E)
4. Dom (D)	13. Raji (E)
5. Halkhor (D)	14. Raute (E)
6. Kamar (C)	15. Thami (E)
7. Kisan (E)	16. Walung (E)
8. Koche (E)	17. Yolmo (E)
9. Kusunda (E)	

C = Caste (2)D= Dalit (4)E= Ethnic (11)

Of the total population of over 19 million, 56.7 percent was caste group, 37.8 percent ethnic, and 4.3 percent other. School and certificate level educational attainment of these three broad social groups as to the proportion of their respective population is positive for caste and negative for ethnic and other groups. But the discrepancy becomes accentuated at higher levels as follows:

Group	Population Share	SLC/Certificate	Graduate & Above
Caste	57.7	68.7	73.8
Ethnic	37.8	28.2	22.0
Others	4.3	2.2	2.9

The number with educational attainment as proportion of the groups' respective population is more than half for the caste, a quarter for the ethnic, and a third for others (Annex D), last column). The Newar lead with 64.7 percent with educational attainment out of its population aged six years and above. Hill high caste come next with 60.4 percent. The tarai ethnics (37.3%) trail the hill Dalit (38.8%) and tarai Dalit have a dismal 16.8 percent.

Population census 1991 reported 94,240 with educational attainment of graduate level and above (Table 15). These were reported from 60 caste and ethnic groups including seven among Musahar whose literacy rate then was 4.2⁶. Census 2001 reported 351,059 with such high educational attainment from 83 ethnic/caste groups. Although census 1991 reported 38 graduate and above from Kuswah but this caste was not reported in census 2001. Thus, the total number of graduates and above of 2001 comparable to the 59 caste and ethnic groups of 1991 comes to 338,348 (Table 15). This means an increase of 3.6 time of such highly educated population during the 1991-2001 decade. In 1991, nearly two-thirds of those with graduate and above qualification was of the caste group. Ethnic group constituted 30.8 percent and others 4.0 percent. The bulk included among ethnics was the Newar with 23,000 (24.4%) graduates. The proportion by sub-group was hill high caste 50.8 percent, tarai high caste 14.5 percent and hill ethnic 4.7 percent. The Dalit of hill and tarai together were only 0.7 percent.

⁶ Gurung, 2001, Annex-L

Table 15: Graduate and Above by Ethnicity/Caste, 1991-2001

Social Group	1991		2001		Times Increase
	Number	%	Number	%	
I. Caste Group	61,438	65.2	251,951	74.5	4.1
A. Hill Caste	47,814	50.8	212,185	62.7	4.4
1. Higher	47,424	50.3	210,371	62.2	4.4
2. Dalit	390	0.4	1,814	0.5	4.7
B. Tarai Caste	13,624	14.5	39,764	11.8	2.9
1. Higher	13,387	14.1	39,200	11.6	3.0
2. Dalit	237	0.3	564	0.2	2.4
II. Ethnic Group	29,057	30.8	76,447	22.6	4.8
1. Mountain	516	0.5	1,110	0.3	2.2
2. Hill	4,441	4.7	21,121	6.2	4.8
3. Kathmandu (Newar)	23,000	24.4	47,577	14.1	2.1
4. Inner Tarai	91	0.1	343	0.1	3.8
5. Tarai	1,009	1.1	6,296	1.8	6.2
III. Others	3,745	4.0	9,950	2.9	2.2
Total	94,240	100.0	338,348*	100.0	3.6

* Only for 59 caste/ethnics also reported in 1991 census.

Source: Annex E.

Despite the absolute increase in number of such highly educated, the pattern of disparity by ethnicity/caste remains unchanged. A comparison of the two census data even shows a decline for some caste/ethnic groups. Census 2001 data shows no graduates among Badi, Musahar, Chepang, Raji, and Raute that together had 46 reported in 1991. The share of caste group among graduates and above has increased from 65.2 percent in 1999 to 74.5 percent in 2001 (Table 13). The share of hill high caste increased from 50.8 percent to 62.7 percent while that of tarai high caste declined marginally. The share of tarai Dalit also declined. Those of hill ethnics improved slightly and tarai ethnics made some gain. The share of 'others' category declined. In 1991, the top three groups with most numerous highly educated were Bahun (33,040), Newar (23,000), and Chhetri (11,984) that constituted 70.4 percent of all such educational attainment. By 2001, Bahun increased to 146,093 (4.4 time), Chhetri increased to 54,976 (4.6 time) while the Newar only doubled from 23,000 to 47,577. These three groups (BCN) together now constitute 76.6 percent of the total graduate population.

TOWARDS INCLUSION

Section 2 above relates to spatial differentiation or disparity and Section 3 to social exclusion. Horizontal differentiation is a geographic reality that cannot be eradicated but only reduced through spatial development strategy. On the other hand, vertical inequality is a cultural construct and social inclusion should be the core agenda of nation building through multi-cultural democracy. HDR 2004¹ makes the following observations to demolish some prevailing fallacies: (i) multi-cultural policies are a way to build diverse and unified states; (ii) identity politics need to be managed so that they don't turn violent; (iii) development process should involve wider participation for human rights and value shifts; (iv) there is no evidence of relationship between cultural diversity and development; and (v) 'clash of civilizations' concept exaggerates differences between cultural groups and ignores similarities between them. The above UNDP report with the theme "cultural liberty in today's diverse world" goes on to elaborate some policies to be adopted to ensure social inclusion (Chapter 3). These are related to secularism in religion, recognition of minority languages, affirmation of traditional rights, affirmative action to uplift disadvantaged groups, and power-sharing through proportional representation and asymmetric federalism. Social transformation is a slow process since the establishment itself is the beneficiary of prevailing system. In order to change the situation, "empowerment from below needs to be supported by complimentary efforts at the system level to make institutions and policies more inclusive"².

Recent emphasis on poverty reduction in Nepal's development strategy is not a new idea as the very purpose of development is economic advancement and social welfare of the people. What is novel is the late realization of social exclusion as both an impediment to human development and also the cause of insurgency. Social exclusion is said to occur when a group is excluded "from rights or entitlements

¹ UNDP, 2004, pp. 2-5

² Bennett, 2003, pp.15

as a citizen, where rights include the social right to a certain standard of living and to participation in society"³. Nepal's recent development plans include pronouncements on the empowerment of disadvantaged and marginalised groups. However, the identification and equating of such groups as (i) women, (ii) Indigenous Peoples, (iii) Dalit, (iv) Sukumvasi (squatter), (v) Kamaiya (bonded laborer), (vi) physically handicapped, (vii) children, and (viii) senior citizens is misleading⁴. This is so because they vary in the condition of exclusion as well as intervention mechanisms. Some are discriminated on the basis of sex (i), others are victims of poverty (iv, v), morbidity (vi) and age-specific (vii, viii). It is only the Indigenous Peoples (ii) and the Dalit (iii) that constitute distinct social groups marginalised by the cultural policy of a Hindu polity. The following section reviews the existing Nepalese Constitution, policies and proposes some intervention measures for social inclusion.

a. Polity

The political ideology of the Nepalese State is enshrined in the Constitution of Nepal 1990 and its legislative provisions. The social code of Mulki Ain (1854) had long been in practice in parts of Hinduised Nepal and it had an enduring impact on the people as the 'law of land' or political manifesto of a theocratic state. This has been affirmed by the Constitution of Nepal (1990) promulgated after the establishment of democratic dispensation that still defines the country as a 'Hindu' kingdom (Article 4.1). Therefore, current Constitution has certain contradictions on social equality. Article 11.3 on the right to equality states:

- The State shall not discriminate the citizens on the basis of religion, colour, sex, caste, ethnicity or conviction or any of these.

At the same time, Article 19.1 on the right to religion states as follows:

- Each individual will have the right to follow and practice one's ancient (sanatan) religion by maintaining the dignity of prevailing tradition.

³ HRD, 1997

⁴ UNDP, 2004, HDR, 1993 (pp. 24-27) similarly listed (i), poorest people (ii), women (iii), minorities/indigenous people (iv), rural people, and (v) the disabled as disadvantaged groups.

Based on the spirit of above Article 19.1, the Tenth Amendment of Naya Muluki Ain (1993) includes a proviso that traditional practices at religious places shall not be deemed as discriminatory. By implication, 'maintaining the dignity of traditional practices' means perpetuation of the past or inequality and exclusion of a section of the population.

Constitution of Nepal 1990 also includes some provisions that sanctifies cultural discrimination, particularly with reference to language. Article 6.1 elevates Nepali as the 'national language' (rastra bhasa) as the only official one. Article 6.2 relegates others as 'languages of nationalities' (rastriya bhasa). The imposition of spurious parity between a noun (rastra) and an adjective (rastriya) is exposed by Article 18.2 whereby teaching of non-Nepali languages is restricted only to the primary level as well as the Supreme Court decision of 1998 that invalidated the use of Maithili and Newari languages in local administration.

The above citations exemplify discrimination embedded in the Constitutional and legal framework that deny minority groups equality of cultural rights. These in turn constrict the formulation of progressive policies on social inclusion in political and social development. Therefore, the main agenda for inclusive development in Nepal should be the amendment of the Constitution 1990⁵. The first one would be to make the State a secular one that will eliminate domination of a particular religion which discriminates the Dalit as untouchable, and Janajati and women* as inferior beings. Second would be to accord national treatment to indigenous languages since the status of Nepali as the lingua franca is well-established. The third would be to replace majoritarian election system with one of proportional representation. The fourth measure for inclusive governance would be devolution of power towards local autonomy.

b. Policy

Constitution of Nepal 1990, Article 11.3 on the right to equality has the following qualification:

- However, special legal provisions may be made (emphasis added) for the protection and development of women, children, aged, physically or mentally handicapped, or economically, socially or educationally backward communities.

⁵ Gurung, 2003d

* Women's inferior status may be attributed to "patriarchy" but gender bias is more pronounced in orthodox societies be it Hindu or Muslim than among the indigenous people.

Being an optional provision, the State has taken no initiative to enact comprehensive laws pertaining to social inclusion. Even in the case of a few such initiatives, State commitment has remained cosmetic. In 1997, Committee for Upliftment of Downtrodden, Oppressed and Dalit Classes (CUDODC)* was formed. In 2002, National Dalit Commission (NDC) was established with no clarity on its relationship with the earlier committee (CUDODC) whose functions overlap. The CUDODC was formed by an executive order of the government and does not have a legislative basis. In the case of NDC, the parliamentary bill drafted in 2003 still remains pending. In 1997, National Committee for Development of Nationalities (NCDN) was established with an executive order. In 2002, this Committee was upgraded to National Foundation for Development of Indigenous Nationalities (NFDIN)⁺ through parliamentary enactment⁶. Although this Foundation has a firmer legal basis than the National Dalit Commission, its composition is cumbersome and its functioning hampered with limited budget.

Article 26.10 of Constitution of Nepal 1990 on policies of the State has the following reference on affirmative action:

- The State shall adopt a policy to make special provisions in education, health and employment for the upliftment of Janajati and communities that are economically and socially backward.

The above Constitutional provision has been the basis of some government pronouncements in support of backward communities. The first such initiative was taken by UML government in the budget speech of July 1994. It referred to 16 backward and deprived groups of which 11 were Dalit castes for special provision⁷. The Congress government budget speech of July 1995 followed suit with identification of 12 such groups of which eight were Dalit castes. The budget speech of July 2003 was more explicit with reservation provisions in education and employment for women, Janajati and Dalit. But all these measures had no legislative foundation and inherently unstable. For example, a high level committee on reservation for Janajati, Dalit and women formed in April 2004 has been in limbo since change in the government.

* Upechhit, Utpidit ra Dalit Vikash Samiti

⁺ Adibasi Janajati Uthan Rastriya Pratisthan

⁶ Nepal Gazette, Vol.51, No. 67, March 2002

⁷ Gurung

Since mid-1990's, social exclusion has become an agenda of development due to increasing insurgency. The Ninth Plan (1997-2002) was the first periodic plan to include sections on Indigenous Groups (Section 13.7.1) and Downtrodden and Oppressed Community (Section 13.7.2) in the chapter on Social Security⁸. But very little was done in terms of implementation. The Tenth Plan (2002-2007) has separate chapters on Indigenous and Nationalities (Chap. 29) and Downtrodden and Oppressed Community (Chap. 28)⁹. The policy components are elimination of inequality through socio-economic development, skill mobilization of such communities, and emphasis on social upliftment by allocation of resources and opportunities. These programme components, however, have not been assigned any quantitative targets. Thus, there is no way to assess the implementation progress and least of all their impact on upliftment of Janajati and Dalit communities. In sum, development policies adopted for these disadvantaged groups have been merely welfare-oriented without addressing the structural problems that marginalise and impoverish them.

In Nepal, Janajati and Dalit together constitute about half of the total population. They are marginalized on the basis of culture with ramifications in social, economic and political arenas. In addition, there is the Madhesi community being discriminated on regional basis. Table 16 below is an attempt to encapsulate the agenda of inclusion to enable the excluded social groups a rightful participation in a fully democratic set-up.

⁸ NPC, 1997, pp. 702-706 & pp.707-712

⁹ NPC, 2002

Table 16: Agenda for Inclusion

Social Group	Problem of Exclusion	Agenda for Inclusion
DALIT	Social 1. Caste discrimination	1. Secular state
	Economic 2. Poor literacy 3. Unemployment 4. Landlessness	2. Free education 3. Seat reservation 4. Alternative livelihood
	Political 5. Poor representation	5. Collegiate election
JANAJATI	Cultural 1. Religious 2. Linguistic discrimination	1. Secular state 2. Official status of Janajati language
	Economic 3. Low literacy 4. Unemployment	3. Education targeting 4. Affirmative action
	Political 5. Poor representation 6. Subjugated in governance	5. Proportional representation 6. Ethnic autonomy
MADHESI	Cultural 1. Linguistic discrimination	1. Official status to tarai languages
	Economic 2. Employment bar	2. Recruitment in army
	Political 3. Hill dominance 4. Citizenship problem	3. Regional autonomy 4. Ascertain long-term residents vis-à-vis recent immigrants

Source: Gurung, 2003a, p.8.

Socio-Cultural: State advocacy of Hindu religion relegates the Janajati, ethnics and other non-Hindus as peripheral subjects. Caste system perpetuates untouchability that inhibits the right to equality of Dalit. A secular Nepal or neutrality of the State towards religion would eliminate such discrimination. One language policy is antagonistic to the cultural right of the Janajati and other culture groups whose mother tongue is not Nepali. All languages of the country should be given the national status with special measures to promote endangered languages of the ethnic minorities. Most Janajati and Dalit have low literacy rate due to the language barrier of the former and abject poverty of the latter. Backward ethnic groups and Dalits should be prioritised in literacy and education programmes.

Economic: There has been much encroachment on the land belonging to the indigenous people by other communities¹⁰. Traditional right of ownership and usage of land and resources should be given legal protection with due share in their exploitation. Unemployment and landlessness is more pervasive among the Dalit and some minority ethnic groups. Affirmative action should be taken in favour of these groups in employment, particularly in the State sector. The landless among these marginalized groups should be provided alternative livelihood through targeted programmes.

Political: In terms of political representation, the Janajati have a limited clout at the policy level while the Dalit have been virtually excluded. The solution of this problem of being subjugated in governance would be to change in the electoral system and some power-sharing arrangement. The first requirement would mean proportional and representative electoral arrangements for the Janajati and collegiate election within the Dalit constituency. Proportionality provides justice to various socio-cultural groups according to their population size and which also influence distribution of resources¹¹. The second requirement would mean more authority to the local governments. Such an autonomy should go beyond delegation of authority and indeed be for the devolution of power. This would imply land rights and control over natural resources along with executive authority in all aspects of local governance¹².

In conclusion, Nepal's structural problems relate to the exclusionary ideology of the State which dissipates all progressive initiatives. Therefore, the Nepal Constitution 1990 need to be changed to a truly democratic one with equality in all spheres of life. There are three rationales why inclusive human development deserves serious consideration¹³. First, social exclusion is not the problem of Janajati and Dalit alone. Since these communities constitute half of the total population, it is a national problem as the country's intrinsic human resource is emasculated. Second, targeting development towards such marginalised groups would directly contribute to poverty reduction as most of them are poor. Thirdly, it is essential to demolish cultural dominance of a particular group in order to establish fundamental human rights for all under a multi-cultural democratic set-up.

¹⁰ Gurung & Others, 2000/2004, pp. 11-12

¹¹ Lawoti, 2003, p. 24

¹² Bhattachan, 2003, p. 13

¹³ Gurung, 2003b, p. 20

REFERENCE

- Acharya, Meena & others, 2004. 'Analysis of Caste, Ethnicity and Gender Data from 2001 Population Census in Preparation for Poverty Mapping and Wider PRSP Monitoring'. Report to DFID by Tanka Prasad Acharya Memorial Foundation, Kathmandu.
- Bennett, Lynn, 2003. 'Towards an Inclusive Society: Agency, Structure and Diversity in Nepal,' Paper presented at the Agenda of Transformation: Inclusion in Nepali Democracy, Lalitpur: Social Science Baha, 24-26 April, 36 pages.
- Bhattachan, K. B., 2003. 'Expected Model & Process of Inclusive Democracy in Nepal,' Paper presented at the Agenda of Transformation: Inclusion in Nepali Democracy, Lalitpur: Social Science Baha, 24-26 April, 21 pages.
- Central Bureau of Statistics, 2002. 'Population Census of Nepal 2001,' Data file, Kathmandu.
- Dahal, Dilli Ram & others, April 2002. 'National Dalit Strategy Report' (Preparatory report for Tenth Plan (2002-2007), Kathmandu: National Planning Commission.
- Enabling State Programme, June 2002, 'A Strategy to Empower Nepal's Disadvantaged Groups. Background Issues,' Kathmandu: DFID.
- Fukuda-Parr, Sakiko & A.K. Shiva Kumar (Editors), 2003. *Readings in Human Development*, New Delhi: Oxford University Press.
- Gurung, Harka, 1984/1989. *Nepal: Dimensions of Development*, Kathmandu: Sahayogi Press, foreword.
- 1997. "State and society in Nepal," *Nationalism and Ethnicity in a Hindu Kingdom: The Politics of Culture in Contemporary Nepal* edited by D.N. Gellner, J. Pfaff-Czarnecka & J. Whelpton, Amsterdam: Harwood Academic Publishers, 1997, pp. 495-532.

- _____, 1998/2001. *Nepal: Social Demography and Expressions*, Kathmandu: New ERA.
- _____, 2003a. "Janajati and Dalit: The subjugated in governance," *Readings on Governance and Development*, Vol. II, pp. 1-13.
- _____, 2003b. *Trident and Thunderbolt: Culture Dynamics in Nepalese Politics*, Lalitpur: Himal Books.
- _____, 2003c. *Social Demography of Nepal: Census 2001*, Lalitpur: Himal Books.
- _____, 2003d. "Samanatoko kasima Nepalko sambidhan," *Mulyangkan* (monthly), December 2003, pp. 36-37.
- _____, 2004. *Janajati Serophero*. Kathmandu: Nepal Federation of Indigenous Nationalities.
- Gurung, Harka & others, 2000. *Janajati Bikashko Jukti*, Kathmandu: Nationalities Development Coordination Centre. Translated as *Development of Nationalities: A Strategy Paper* (2004).
- Haq, Mahbub ul, 1995. *Reflections on Human Development*, Delhi: Oxford University Press.
- Hofer, Andras, 1979. *The Caste Hierarchy and the State in Nepal: A Study of the Muluki Ain of 1854*, Innsbruck: Universitatsverlag Wagner.
- Lawati, Mahendra, 2003. 'Inclusive Democratic Political Institutions for Nepal', Paper presented at The Agenda of Transformation: Inclusion in Nepali Democracy, Lalitpur: Social Science Baha, 24-26 April, 45 pages.
- Levi, Robert I., 1990. *Mesocosm : Hinduism and the Organization of Traditional Newar City in Nepal*, Barkeley: University of California Press "Appendix Two: Bhaktapur's Newar Hindu Thars Ranked by Macrosocial Status," pp 625 – 629.
- Ministry of Law, 1991. *Constitution of the Kingdom of Nepal 1990.*, Kathmandu: Law Books Management Committee.

Moscow State University & UNDP, 2002. *Human Development: A Textbook*, Moscow: Human Rights Publishers.

National Planning Commission, 1998. *The Ninth Plan (1997-2002)*, Kathmandu.

_____, 2003. *The Tenth Plan (2002-2007)*, Kathmandu.

Nepal South Asia Centre, 1998. *Nepal Human Development Report, 1998*, Kathmandu: UNDP.

Neupane, Govind, 2002. *Nepalko Jatiya Prasna: Samajik Banot Ra Sajhedariko Sambhavana* (Ethnic Issues in Nepal: Social make-up and prospect for commonality), Kathmandu: Centre for Development Studies.

Rosser, Colin, 1966. "Social mobility in the Newar caste system," in *Caste & Kin in Nepal, India & Ceylon* edited by Christoph von Furer-Haimendorf, New Delhi: Asia Publishing House pp. 68-139.

Schultz, Theodore, 1971. *Investment in Human Capital*, New York: Free Press.

Subba, Chaitanya & others, November 2002. 'Adivasis/Janajatis in National Development: Major Issues, Constraints and Opportunities' (Plan of Action Proposed for the Tenth Plan, 2003-2007), Kathmandu: IIDS. .

UNDP, 1993. *Human Development Report 1993*, New York.

_____, 1997. *Human Development Report 1997*, New York.

_____, 2002. *Human Development Report 2002*, New York.

_____, 2004. *Human Development Report 2004*, New York.

ANNEX – A
District Per Capita Income, 2001

Zone	Region/District	US \$	Region/District	US \$	Region/District	US \$
MOUNTAIN	WEST		CENTRAL		EAST	
	I. Western Mountain	179	II. Central Mountain	381	III. Eastern Mountain	216
	2. Bajhang	152	10. Manang	504	13. Solukhumbu	267
	3. Bajura	167	11. Rasuwa	331	14. Sankhuwasabha	231
	4. Humla	186	V. Central Hill	223	15. Taplejung	215
	5. Mugu	203	26. Myagdi	222	VII. Eastern Hill	215
	6. Kalikot	142	27. Baglung	210	42. Kabhrepalanchwok	288
	7. Jumla	203	28. Gulari	139	43. Sindhupalanchwok	219
	8. Dolpo	235	29. Arghakhanchi	207	44. Ramechhap	185
	IV. Western Hill	159	30. Palpa	214	45. Okhaldhunga	175
HILL	16. Baitadi	163	31. Syangja	245	46. Khotang	175
	17. Dadeladhura	242	32. Parbat	224	47. Bhojpur	184
	18. Doti	173	33. Kaski	313	48. Dhankuta	202
	19. Achham	141	34. Tanahu	218	49. Terathum	229
	20. Daitikh	125	35. Lamjung	235	50. Panchthar	197
	21. Jajarkot	154	36. Gorkha	224	51. Ilam	223
	22. Rukum	184	37. Dhading	197	X. Eastern Inner Tarai	188
	23. Salyan	145	38. Nuwakot	227	56. Sindhuli	198
	24. Rolpa	161	VI. Kathmandu Valley	539	57. Udayapur	179
	25. Pyuthan	138	39. Kathmandu	631	XIII. Eastern Tarai	221
	VIII. Western Inner Tarai	197	40. Lalitpur	378	65. Parsa	258
	52. Surkhet	200	41. Bhaktapur	342	66. Bara	396
	53. Dang-Deukhuri	195	IX. Central Inner Tarai	325	67. Rautahat	160
	XI. Western Tarai	222	54. Chitwan	315	68. Sarlahi	147
	38. Kanchanpur	246	55. Makwanpur	337	69. Mahottari	145
	59. Kailali	217	XII. Central Tarai	234	70. Dhamusha	182
60. Bardiya	178	62. Kapilvastu	206	71. Sitaha	161	
61. Banke	232	63. Rupandehi	249	72. Saptari	172	
		64. Nawalparasi	240	73. Sunsari	253	
				74. Morang	297	
				75. Jhapa	239	
			NEPAL	240		

Source: NPC/UNDP, Nepal Human Development Report 2004, Annex 1.3 Table 9, Draft.

ANNEX – B
District Human Development Index, 2001

Zone	WEST		CENTRAL		EAST				
	Region/District	HDI	Rank	Region/District	HDI	Rank	Region/District	HDI	Rank
MOUNTAIN	I. Western Mountain	0.347		II. Central Mountain	0.461		III. Eastern Mountain	0.461	
	1. Dardicmla	0.424	40	9. Mustang	0.459	20	12. Dolakta	0.434	35
	2. Bajhang	0.332	60	10. Manang	0.482	12	13. Solukhumbu	0.479	22
	3. Bajura	0.310	62	11. Rasuwa	0.502	48	14. Sankhuwasabha	0.469	26
	4. Humla	0.367	55	V. Central Hill	0.482		15. Taplejung	0.467	27
	5. Mugu	0.304	63	26. Nyagdi	0.498	14	VII. Eastern Hill	0.475	
	6. Kalkot	0.321	61	27. Baglung	0.472	24	42. Kabhrepanchhok	0.510	9
	7. Jumla	0.348	58	28. Gulmi	0.467	27	43. Sindhupalanchhok	0.414	44
	8. Dolpa	0.371	54	29. Arghakhanchi	0.471	25	44. Ramechhap	0.434	35
	IV. Western Hill	0.383		30. Palpa	0.465	28	45. Okhaldhunga	0.481	21
16. Baitadi	0.374	53	31. Syangja	0.525	5	46. Khotang	0.442	32	
17. Dadedhura	0.421	41	32. Parbat	0.504	11	47. Bhojpur	0.472	24	
18. Doti	0.389	49	33. Kaski	0.566	3	48. Dhankuta	0.486	17	
19. Achham	0.350	57	34. Tanahu	0.515	8	49. Terathum	0.523	6	
20. Dailekh	0.366	56	35. Lamjung	0.492	16	50. Panchthar	0.484	18	
21. Jagarkot	0.344	59	36. Gorkha	0.440	33	51. Ilam	0.506	10	
22. Rukum	0.386	50	37. Dhadling	0.410	45	X. Eastern Inner Terai	0.460		
23. Salyan	0.399	47	38. Nuwakot	0.440	33	56. Sindhuli	0.446	31	
24. Rojpa	0.384	52	VI. Kathmandu Valley	0.592		57. Udayapur	0.474	33	
25. Pyuthan	0.416	43	39. Kathmandu	0.626	1	XIII. Eastern Terai	0.436		
VIII. Western Inner Terai	0.422		40. Lalitpur	0.563	4	65. Parsa	0.429	38	
32. Sirkhet	0.459	29	41. Bhaktapur	0.588	2	66. Bara	0.450	30	
53. Dang/Deukhuri	0.385	51	IX. Central Inner Terai	0.462		67. Rautahat	0.399	47	
XI. Western Terai	0.431		54. Chitwan	0.493	15	68. Sirahi	0.399	47	
56. Kanchanpur	0.436	34	55. Makwanpur	0.431	37	69. Mahottari	0.399	47	
59. Kalaili	0.418	42	XII. Central Terai	0.470		70. Dharmasha	0.408	46	
60. Bardiyaya	0.433	36	62. Kapilbastu	0.429	38	71. Siraha	0.410	45	
61. Banke	0.436	34	63. Rupandehi	0.500	13	72. Saptari	0.428	39	
			64. Nawalparasi	0.481	21	73. Sunsari	0.469	26	
						74. Morang	0.522	7	
						75. Jhapa	0.483	19	
						NEPAL	0.461		

Source: NPC/UNDP, Nepal Human Development Report, 2004, Annex 1.3, Table 2, Draft.

ANNEX – C
Caste Hierarchy of Muluki Ain, 1854

Hierarchy	Caste Status (Attribute)
A. Wearers of Holy Cord (Tagadhari)	1. Upadhyaya Bahun (Parbate) 2. Rajput (Parbate Thakuri) 3. Jaisi (Parbate Bahun) 4. Chhetri (Parbate) 5. Deo Bhaju (Newar Brahman) 6. Brahman (Tarai) 7. Sanyasi (Parbate) 8. Jaisi, lower (progeny of widow) 9. Newar castes (Shrestha & equivalent etc.)
B. Non-enslavable Alcohol-Drinkers (Namasinya matwali)	* Magar (Gorkha army) * Gurung (Gorkha army) * Sunuwar (Hinduised) * Newar castes (Jyapu, equivalent etc.)
C. Enslavable Alcohol-Drinkers (Masinya matawali)	* Bhote (Buddhist) * Chepang (Animist) * Kumal (Animist) * Hayu (Animist) * Tharu (Animist) * Gharti (Progeny of freed slave)
D. Impure, but Touchable (Pani nachalnya, Chhoi chhito halnu naparnya)	* Kasain (Newar butcher) * Kusule (Newar tailor) * Dhobi (Newar washerman) * Kulu (Newar drum-maker) * Musalman (Indian) * Mlech (European)
E. Untouchable Castes (Pani nachalnya, Chhoi chhito halnu parnya)	1. Kami | Equal status 1. Sarki | (Parbate blacksmith, Leather-worker) 2. Kadara (cross of Kami & Sarki) 3. Damai (Parbate tailor/musician) 4. Gaine (Parbate bard) 5. Badi (Parbate entertainer) * Poda (Newar scavenger) * Chyame (Newar scavenger)

Source: Andras Hofer. *The Caste Hierarchy and the State in Nepal: A Study of the Muluki Ain of 1854*. Innsbruck: Universitat, Verlag Wagner, 1979, p. 45

* Caste status undefined

ANNEX - D
Educational Attainment by Ethnicity/Case, 2001

	School Level		SLC & Certificate		Graduate & Above		Total		Population Number (B)	A as % of B
	Number	%	Number	%	Number	%	Number	%		
							(A)			
I. CASTE GROUP	4,310,149	57.5	1,005,000	68.7	259,931	73.8	5,575,080	59.9	10,871,601	51.3
A. Hill Caste	3,204,994	42.7	793,206	54.2	212,185	60.2	4,210,385	45.2	7,448,739	56.5
1. Higher	2,730,441	36.4	776,295	53.0	210,371	59.7	3,717,107	39.9	6,152,058	60.4
2. Dalit	474,553	6.3	16,911	1.2	1,814	0.5	493,278	5.3	1,296,681	38.0
B. Tarai Caste	1,062,547	14.2	209,864	14.3	47,450	13.5	1,319,861	14.2	3,405,522	38.8
1. Higher	952,707	12.7	203,484	13.9	46,651	13.2	1,202,842	12.9	2,708,203	44.4
2. Dalit	109,840	1.5	6,380	0.4	799	0.2	117,019	1.3	697,319	16.8
C. Unidentified Dalit	42,608	0.6	1,930	0.1	296	0.1	44,834	0.5	173,401	25.6
II. ETHNIC GROUP	2,880,484	38.4	413,401	28.2	77,341	22.0	3,371,226	36.2	7,244,333	46.5
A. Mountain	57,994	0.8	6,936	0.5	1,183	0.3	66,113	0.7	163,592	40.4
B. Hill	1,702,897	22.7	168,412	11.5	21,598	6.1	1,892,907	20.3	4,246,783	44.6
C. Newar	498,346	6.6	181,232	12.4	47,577	13.5	727,155	7.8	1,123,138	64.7
D. Inner Tarai	72,214	1.0	4,358	0.3	343	0.1	76,915	0.8	206,359	37.3
E. Tarai	547,369	7.3	52,429	3.6	6,640	1.9	606,438	6.5	1,499,202	40.5
F. Unidentified Adibasi/Janajati	1,664	0.0	34	0.0	0	0.0	1,698	0.0	5,259	32.3
III. OTHERS	238,898	3.2	31,719	2.2	10,185	2.9	280,802	3.0	826,807	34.0
IV. UNIDENTIFIED	68,715	0.9	13,693	0.9	4,784	1.4	87,192	0.9	231,641	37.6
TOTAL	7,498,246	100.0	1,463,813	100.0	352,241	100.0	9,314,300	100.0	19,174,382	48.6
ROW %	80.5		15.7		3.8		100.0		48.6	

Source: Population census, 2001

ANNEX – E
Graduates and Above by Ethnicity/Caste, 1991-2001

Caste/Ethnicity		1991	2001	Increase	
				Number	%
A. Hill Caste		47,814	212,185	164,371	343.8
1	Chhetri	11,984	54,976	42,992	358.7
2	Bahun	33,040	146,093	113,053	342.2
3	Thakuri	1,784	6,550	4,766	267.2
4	Sanyasi	616	2,752	2,136	346.8
	Upper (1-4)	47,424	210,371	162,947	343.6
5	Kami	266	1,111	845	317.7
6	Damai/Dholi	72	438	366	508.3
7	Sarki	48	254	206	429.2
8	Gaine	1	11	10	1,000.0
9	Badi	3	-	-3	(100.0)
	Dalit (5-9)	390	1814	1,424	365.1
B. Tarai Caste		13,624	39,764	26,140	191.9
10	Yadav	2,354	9,941	7,587	322.3
11	Teli	1,006	4,674	3,668	364.6
12	Kurmi	303	1,111	808	266.7
13	Dhanuk	176	1,122	946	537.5
14	Kewat	127	626	499	392.9
15	Brahman	4,032	6,896	2,864	71.0
16	Baniya	704	2,675	1,971	280.0
17	Mallah	35	186	151	431.4
18	Kalwar	1,048	2,031	983	93.8
19	Kanu	159	814	655	411.9
20	Kumhar	192	314	122	63.5
21	Haluwai	113	642	529	468.1
22	Rajput	1,173	3,297	2,124	181.1
23	Kayastha	1,899	4,800	2,901	152.8
24	Rajbhar	66	71	5	7.6
	Upper (10-24)	13,387	39,200	25,813	192.8
25	Chamar	31	116	85	274.2
26	Musahar	7	-	-7	(100.0)
27	Dusadh/Paswan	24	47	23	95.8
28	Khatwe	13	53	40	307.7
29	Dhobi	162	348	186	114.8
	Dalit (25-29)	237	564	327	138.0
C. Mountain Janajati		516	1,110	594	115.1
30	Sherpa	306	733	427	139.5
31	Bhote	21	88	67	319.0
32	Thakali	189	289	100	52.9

Caste/Ethnicity		1991	2001	Increase	
				Number	%
D. 33. Newar		23,000	47,577	24,577	106.9
D. Hill Janajati		4,441	21,121	16,680	375.6
34	Magar	885	7,624	6,739	761.5
35	Tamang	703	2,650	1,947	277.0
36	Rai	1,031	4,417	3,386	328.4
37	Gurung	1,203	3,784	2,581	214.5
38	Limbu	528	2,382	1,854	351.1
39	Sunuwar	36	224	188	522.2
40	Chepang	1	15	14	1,400.0
41	Thami	18	-	-18	(100.0)
42	Jirel	3	13	10	333.3
43	Lepcha	33	12	-21	(63.6)
E. Inner Tarai Janajati		91	343	252	276.9
44	Kumal	20	148	128	640.0
45	Majhi	4	39	35	875.0
46	Danuwar	38	113	75	197.4
47	Darai	9	33	24	266.7
48	Bote	2	10	8	400.0
49	Raji	2	-	-2	(100.0)
50	Raute	16	-	-16	(100.0)
F. Tarai Janajati		1009	6,296	5,287	524.0
51	Tharu	901	5,954	5,053	560.8
52	Rajbansi	63	222	159	252.4
53	Gangai	40	75	35	87.5
54	Dhimal	5	45	40	800.0
G. Others		3,745	9,950	6,205	165.7
55	Muslim	1,468	4,067	2,599	177.0
56	Marwadi	2,018	5,206	3,188	158.0
57	Bangali	164	425	261	159.1
58	Churaute	8	112	104	1,300.0
59	Sikh	87	140	53	60.9
TOTAL		94,240	338,346	244,106	259.0

Source: Census 1991 and Census 2001.

SOCIAL INCLUSION AND NATION BUILDING IN NEPAL*

-Harka Gurung

1. Nation Building

The terms 'state' and 'nation' are not completely synonymous concepts. A state is a political organisation of territory and a section of people. Nation denotes a community of race, language and religion. A political State may include various such nationalities. National integration is a political ideal. Since power structure is maintained by fear as well as love, national integration is an important aspect in the relationship between the ruler and the ruled¹.

Discourses on nationalism and ethnicity tend to contrast between the primordialist and the instrumentalist positions². The former, viewed as essentialist, assumes ethnic identity as given social characteristics that persist over time. The latter, labelled as modernism, considers ethnic/national identity as creation of elite groups to gain economic or political advantage. This distinction between the two perspectives need not be absolute. Ethnic identities do persist and are maintained without political motivation simply for a sense of group solidarity, e.g; the ethnicity that searches for identity (symbolic identity)³. Since ethnicity/nationality notion pertains to politically induced cultural change, it is secondary whether the symbols involved are ancient or recent.

Nation building involves deliberate manipulation of identities at a different level in which the State plays the key role. "For individuals to be able to cultivate national feelings, it is important that the story the nation tells itself about its past should be generally believed,

* Keynote address, Civil Society Forum Workshop for Research Programme on Social Inclusion and Nation Building in Nepal, 12 February 2006

¹ Harka Gurung. "Making of a nation," in *Nature and Culture* by H. Gurung, Kathmandu, 1979, pp.133-148.

² David Gellner. "Ethnicity and nationalism in the world's only Hindu state," in *Nationalism and Ethnicity in a Hindu Kingdom* edited by D. Gellner & others, Amsterdam, 1997, pp. 3-31

³ T.K. Oommen. "Race, ethnicity and class: An analysis of relations," *International Social Science Journal*, No. 134, February 1994, pp.83-93

but need not be historically accurate.”⁴ This also involves conflict management among the contending groups that may vary from imposition in despotic rule to dialogic in democratic ones. The assertion of ethnic identities in today’s Nepal is not the emergence of a new phenomenon but rather the expression of what was latent in the earlier regimes. The enabling factor was the new democratic polity with pluralistic pretensions.

The word ‘pretensions’ here has been evoked deliberately. Because nation building in Nepal is encumbered by the long shadow of the Muluki Ain. This Hindu social model was a compulsion of Nepal’s state formation in the context of first Mughal (Muslim) menace and later, British (Christian) hegemony in the south⁵. The caste stratified conquistadors imposed their culture, religion and language on the indigenous people. This process has been described as the empire model of the Shah-Rana period and the homogenisation model of the Panchayat period⁶. The post 1990 model of “patchwork of minorities” although based on multi-culturalism has not been fully endorsed by the Constitution of Nepal 1990 that perpetuates the hegemony of a particular religion (Hinduism) and language (Nepali).

The stultifying effect of Nepal’s social structure becomes obvious by comparing the societies across her borders in the immediate west and east⁷. In west Nepal, Hindu orthodoxy and Dalit exploitation is a living replica of the situation in Kumaon and Garhwal a century ago. That is the reality of the past persisting in theocratic Nepal. But the future is also very much evident in the social dynamism of Nepali-speaking population in Darjeeling and Sikkim. While the learned under the Muluki Ain regime busied themselves in rituals and sycophancy, those east of Mechi river created visions of Nepalese nationalism in historiography and linguistics. In contrast to Nepal, the politics of Darjeeling and Sikkim is not the monopoly of high caste Hindus.

⁴ Yael Tamir. “The enigma of nationalism,” *World Politics*, Vol. 47, No.3, April 1995, pp 418-440

⁵ Harka Gurung. “State and society in Nepal,” in *Nationalism and Ethnicity in Hindu Kingdom* edited by D. Gallner & others, Amsterdam, 1997, pp. 495-532

⁶ Johanna Pfaff-Czarnecka. “Vestiges and visions: Cultural change in the process of nation-building in Nepal”, in *Nationalism and Ethnicity in a Hindu Kingdom* edited by D. Gellner & others, Amsterdam, 1997, pp. 419-470

⁷ Harka Gurung. “Nepalese nationalism,” in *Nepal: Social Demography and Expressions* by H. Gurung, Kathmandu, 2001, pp.187-198

2. Extent of Exclusion⁸

The consequence of primacy given to Hindu ethos has been the entrenchment of the high caste in the power structure. They constitute over 90 percent of the governing elite, of which 66.2% is of hill origin. Their dominance is reflected well in education, administration, and economy. Among those with higher education, 73.8% is higher caste, 22.0% Janajati and 2.9% Dalit. Owing to their larger pool of the educated, high caste monopolise the bureaucracy. The number of candidates passing for gazetted post in recent years shows even increasing disparity. In 1984/85, the proportion of such successful ones was 69.3% high caste, 18.6%, Newar, 8.5% Madhesi and 3% Janajati. By 2000/2001, high caste share increased to 87% while those of Newar, Madhesi and Janajati declined to 8.7%, 3.2% and 0.5 % respectively.

According to the population census 2001, upper castes constitute 35.4% of total economically active population. By major occupation, they dominate in professional/technical (62.2%), legislative/administrative (58.3%) and clerical (53.6%). On the reverse, Dalit who constitute 11.9% of economically active population have only a nominal representation in such occupations: 1.6 % in professional/ technical, 1.3% in legislative/administrative, 3.9% in clerical. Among those engaged in elementary occupation 36.1% are Janajati, 22.6% Dalit and 19.1% upper caste.

Nepal Living Standard Survey – II provides the latest data on per capita income by caste/ethnic groups. The Newar ranks highest with an average per capita income of Rs.38,193. High castes come next with an average income of Rs.24,399. Janajati (excluding Newar) rank third with an average income of Rs.15,630. Then follow the Dalit with an average income of Rs.12,114. The Muslim rank the lowest at Rs.11,014. However, some tarai social groups are worse off than others. Tarai Janajati (Rs.12,467) have lower average per capita income than Hill Dalit (Rs.13,340) and tarai Dalit (Rs.10,889) are worse off than the Muslim. This is an obvious evidence of regional marginalisation of the terai.

⁸ Harka Gurung, "Inclusive human development", in Readings in Human Development, UNDP, forthcoming, Chapter 3 (pp. 73-83).

3. Social Inclusion

Nepal as the patrimony of high caste has always remained averse to progressive measures on equality. The preamble of Nepal Constitution 1990 on social, economic, and political justice for all citizens has been constricted by lack of legal provisions. The State has been reluctant to enact comprehensive laws pertaining to social justice⁹. Even in the case of a few initiatives, State commitment has remained cosmetic. Some of those may be enumerated as follows:

1. Sixth Plan (1980-85): Incorporation of women's development
2. July 1994: UML govt. identification of 16 deprived groups
3. July 1995: Congress govt. identification of 12 deprived groups
4. Ninth Plan (1997-2002): Sections on Indigenous Groups and Downtrodden Community without identification
5. 1997: National Committee for Development of Nationalities (NCDN)
6. 1997: Committee for Upliftment of Downtrodden, Oppressed and Dalit Classes (CUDODC)
7. 2002: Upgrading of NCDN to National Foundation for Development of Indigenous Nationalities (NFDIN)
8. 2002: National Women Commission (NWC)
9. 2002: National Dalit Commission (NDC)
10. August 2003: Road map policies on economic and social transformation
11. January 2004: Committee on Reservation Recommendation
12. October 2004: Policy announcement on job reservation

⁹ Harka Gurung, "Affirmative action in Nepalese context," *Readings on Governance & Development*, Vol. IV, 2005, pp1-14

All these measures except item no.7 (NFDIN) had no legislative foundation and are inherently ad hoc and unstable. Moreover, there is no clarity on the difference between item no. 6 (CUDODC) and item no. 9 (NDC). Some of these reluctant initiatives were as a response of increasing insurgency. Foundation of Nationalities, commissions for Dalit and Women and affirmative action were outcome of the 8-point Government declaration (16 August 2001) while negotiating with the Maoist. It is to be noted that among the 40-point Maoist demands, 11 are related to social inclusion¹⁰. The fall-out of the second round of negotiations with the Maoist was the 'road map of progressive reform'. However, the above government pronouncement has been in limbo since October 2002. In sum, official measures regarding social inclusion lack commitment and the extant programmes do not address the structural problems that marginalise and impoverish them.

¹⁰ Harka Gurung, "Social exclusion and Maoist insurgency", *ILO Convention No. 169 and Peace Building in Nepal*, edited by Sarah Webster & Om Gurung, Kathmandu, 2005, pp. 141-168

4. Towards Definition

Social inclusion is a political agenda. It is not surprising that there should be contest among social groups for eligibility. This is further compounded by plethora of words that refer to those considered excluded: disadvantaged, marginalised, downtrodden, and oppressed. 'Disadvantaged groups' is widely referred in development literature and the earlier prescription of 'mainstreaming' them has been superseded by 'empowerment'. It was under such rubric that women development was included in the Sixth Plan (1985 – 90) and subsequently 'indigenous peoples' and 'downtrodden community' in the Ninth Plan (1997-2002). But the periodic plans do not define nor designate which groups are indigenous or downtrodden.

Since 2001, donor agencies have shown interest in programmes/projects to empower the disadvantaged and marginalised groups. However, there is wide divergence in the identification of the concerned groups. Asian Development Bank's country strategy paper on poverty reduction (2001) identified four disadvantaged groups as being poor due to historical, social or cultural reasons. These were Dalit, Janajati, Sukumbasi and Kamaiya. But while former two are socially disadvantaged, the latter two as land squatters and bonded labourers are economic destitute.

DFID's Enabling State Programme endorsed the Dalit schedule of 22 castes and devised a list of 19 as disadvantaged Janajati¹¹. More problematic is the UNDP identification and equating of such groups: (i) women; (ii) Dalit; (iii) indigenous people; (iv) people with disabilities; (v) children; and (vi) senior citizens¹². This is so because they vary in the condition of being disadvantaged as well as intervention mechanism (ameliorative vs structural). Some are disadvantaged due to sex (i), others due to untouchability (ii) and culture (iii), still others owing to morbidity (iv) or age specific (v & viii). Among these, it is the women, Dalit and indigenous people that are marginalised by the Hindu polity of the state.

¹¹ ESP. A Strategy to Empower Nepal's Disadvantaged Groups, Documents 1,2 & 3, Kathmandu, 2002.

¹² UNDP. *Nepal Human Development Report 2004*. Kathmandu, 2004, Chapter 4 (pp.51-68)

I would like to make one clarification and brief observations on research priorities. The clarification is about including four social groups (Woman, Janajati, Dalit, Madhesi) in the mandate of Social Science Research Fund.

It was simply a matter of precedent to include the same groups as considered by Reservation System Recommendation Committee (2004). There has been some debate about the inclusion of Madhesi as a group. In India, Other Backward Classes (OBC)¹³ are those excluded from the list of Scheduled Tribes and Scheduled Castes. In Nepal, the official schedules include from among the Madhesi 11 as Janajati and 12 as Dalit. The Madhesi inclusion is based on the history of geographic marginalisation by the State¹⁴ as evidenced by the comparative poverty of Muslim, Janajati and Dalit of the tarai. The identification of particular Madhesi caste/ethnic groups to be considered for social inclusion should be one of the research agenda. Research themes to be considered for other social groups are as follows:

Women: There have been voluminous reports on women and development since the Year of Women 1976. One significant study as a benchmark was the *The Status of Women* series by Lynn Bennett & others done by CEDA (1979). Another is the landmark study on the progress review on woman's status and gender mainstreaming in Nepal¹⁵. The need is for synthesis of extant research and impact evaluation of past efforts.

Janajati: Teaching of social anthropology and research on indigenous languages started in Nepal only in 1973¹⁶. Moreover, census data on caste/ethnic groups were not available until 1991.

¹³ Mandal Commission Report. *Reservations for Backward Classes*, New Delhi; 1980.

¹⁴ Harka Gurung. *Trident and Thunderbolt: Cultural Dynamics in Nepalese Politics*, Kathmandu, 2003, pp 10-14.

¹⁵ Sapana Pradhan Malla (Coordinator). *Special Measures for Women and Their Impact*, Kathmandu, 2003.

¹⁶ Prayag Raj Sharma (Editor). *Social Science in Nepal*, Kathmandu, 1973.

Therefore, there is inadequate knowledge about the indigenous people and their languages. This is evident from the improvised official schedule of Janajati groups which has promoted fracturing of ethnics with a common language. There is need for scientific classification of indigenous people and analysis of relationship between their languages and dialects.

Dalit: In contrast to the emerging identity assertion among the Janajati, the problem of the Dalit is identity aversion. That is, disowning their caste owing to the stigma attached to the surname. Therefore, the contradiction in census return versus Dalit claim on their population. Such an anomaly is evident from the fact that 13 Dalit castes out of 28 in the official schedule are not reported in the census. This seems a necessary research problem to refine the Dalit schedule.

Finally, social inclusion in Nepal has become an agenda for State transformation. The pace will be very much determined by the political process. Social science research has an important role in facilitating this process for change. Such researches should aim to be relevant to influence the policy debate.

FROM EXCLUSION TO INCLUSION

Socio-Political Agenda for Nepal

By
Harka Gurung

Social Inclusion Research Fund
May 2006

TABLE OF CONTENTS

	Page
List of Tables	ii
List of Figures	iii
List of Boxes	iii
List of Annexes	iii
1. HUMAN DEVELOPMENT	1
2. SPATIAL DISPARITY	4
3. STATE IDEOLOGY OF CLASS	11
4. EFFECT OF EXCLUSION	15
a. Political Inequity	15
b. Economic Deprivation	18
c. Educational Inequality	22
5. TOWARDS INCLUSION	28
a. Polity	29
b. Policy	30
REFERENCE	35
ANNEXES	38-42
APPENDIX : SOCIAL INCLUSION AND NATION BUILDING	44

LIST OF TABLES

	Page
Table 1: HDI Trend, SAARC Countries	3
Table 2: Districts by Per Capita Income, 2001	7
Table 3: Districts by HDI Status, 2001	9
Table 4: Income and HDI by Region, 2001	10
Table 5: Caste Category of <u>Muluki Ain</u>	11
Table 6: Composition of State Elites, 1854 and 1999	16
Table 7: Representation in Governance, 1999	17
Table 8: Candidates Passing Gazetted Level (Grade III)	17
Table 9: Human Development by Ethnicity/Caste, 1996	18
Table 10: Poverty Incidence by Ethnicity/Caste, 1996	19
Table 11: Major Occupations by Ethnicity/Caste, 2001	20
Table 12: Household Characteristics by Ethnicity/Caste, 2001	20
Table 13: Per Capita by Caste Ethnic Group	21
Table 14: Literacy Rate by Social Groups, 2001	23
Table 15: Graduates and Above by Ethnicity/Caste, 1991-2001	27
Table 16: Agenda of Inclusion	33

LIST OF FIGURES

	Page
1. District per Capita Income, 2001	6
2. District HDI, 2001	8

LIST OF BOXES

1. Defining Jat, Jati, and Dalit	12
2. Disparity Among Highly Educated	25

LIST OF ANNEXES

Annex A: District Per Capita Income, 2001	38
Annex B: Human Development Index, 2001	39
Annex C: Caste Hierarchy of <u>Muluki Ain</u> , 1854	40
Annex D: Educational Attainment by Ethnicity/Caste, 1991 & 2001	41
Annex E: Graduates and Above by Ethnicity/Caste, 2001	42

Published by

Social Inclusion Research Fund
Bakhundole, Lalitpur
P.O. Box 1966, Kathmandu, Nepal
Telephone: + 977-[0]1-5523444
Telefax: + 977-[0]1-5523155
Email: snv@snv.org.np
Website: www.snvworld.org

First Published: May 2006

Price: Rs.100

ISBN No. 99946-968-6-6

Design: Yeti Enterprises

Tel: 4238095

Printed at:

Hisi Offset Printers

Tel: 4226416

Harka Gurung graduated with B.A. Hons. (1959) from Patna College, Patna; Post Graduate Dip. Geog. (1961) and Ph. D. (1965) from the University of Edinburgh. Academic assignments include Demonstrator, University of Edinburgh (1963-64); Research Fellow, School of Oriental and African Studies, University of London (1964-66); Lecturer, Tribhuvan University, Kathmandu (1966-68), and Visiting Fellow, Population Institute, East-West Center, Honolulu (1984-85). He served Nepal Government as Member and Vice-Chairman, National Planning Commission (1968-75); Minister of State for Education, Industry & Commerce (1975-77); Minister of State for Tourism, and Public Works & Transport (1977-78). He has done consultancy work for HMG/Nepal, ADB, ESCAP, IDRC, IFAD, IUCN, UNICEF, UNDP, UNESCO, UNRISD, USAID and The World Bank. Dr. Gurung is author of numerous books and papers. Main areas of professional interest include demography, planning, environment, geography and tourism. He has been Board Member of Lumbini Development Trust, International Center for Integrated Mountain Development (ICIMOD) and International Institute of Educational Planning (IIEP/UNESCO). His last assignment (1993/98) was as the Director of Asia and Pacific Development Center, an inter-governmental organization based in Kuala Lumpur, Malaysia. He is associated with New ERA consultants, Kathmandu, and President of Transparency International-Nepal.