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# **Social Exclusion in Nepal**

## **- stronger or weaker?**

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Abstract: This paper looks at the challenges of social exclusion in Nepal and the interrelationship with recent political developments in the country. We argue that the poor record of addressing social exclusion among mainstream political parties of Nepal is a key factor in explaining the high level of support for the Maoists in the April 2008 Constituency Assembly (CA) elections. Finally, policy implications of social exclusion trends are discussed, with a focus on the role and potential contribution of the international community. We maintain that donors should support measures aimed at inclusion of marginalized and deprived groups, but at the same time be cautious about promoting interventions which reinforce or strengthen group boundaries.

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# Preface

Over the past two years NIBR has been involved in a 3-year collaboration project with Nepalese institutions on social exclusion and group mobilisation in Nepal. This project takes place during a period of rapid political and social change in the country. It is common to emphasise ethnicity, caste, religion, region and gender as dimensions along which social exclusion in Nepal takes place. The current paper discusses the present challenges of social exclusion along these dimensions and the interrelationship with recent political developments in the country.

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NIBR, September 2008

Marit Haug  
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# Summary

*Aadne Aasland and Marit Haug*

## **Social Exclusion in Nepal**

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Nepal is characterized by vast economic, social and political disparities between individuals and social groups. This paper looks at the challenges of social exclusion in Nepal and the interrelationship with recent political developments in the country. In Nepal this multidimensional phenomenon is usually associated with the categories of caste, ethnicity, religion, region and gender. The paper discusses the relevance of these and other characteristics in relation to social exclusion in the country. We argue that the poor record of addressing social exclusion among the mainstream political parties of Nepal is a key factor in explaining the high level of support for the Maoists in the April 2008 Constituency Assembly (CA) elections. Finally, policy implications of social exclusion trends are discussed, with a focus on the role and potential contributions of the international community. We maintain that donors should support measures aimed at inclusion of marginalized and deprived groups, but at the same time be cautious about promoting interventions which reinforce or strengthen group boundaries.

# 1 Social exclusion in Nepal and its political relevance

Social exclusion has been a prominent feature of Nepali history and is rooted in the traditional state and society of Nepal. The concept of social exclusion is here understood as a process through which individuals or groups are wholly or partly excluded from full participation in the society in which they live. It is a multidimensional phenomenon, implying that people may be excluded from different economic, social and political arenas at the same time. Social exclusion focuses attention on social relations and on the processes and institutions that are part and parcel of deprivation. The concept needs, however, to be operationalized and contextualized for different social settings.

In Nepal political and economic power has been consolidated by interlinking it with the Hindu caste system. 'Purity' is a factor which determines the status of people living in Hindu society, which traditionally is divided into four caste groups: Brahmin, Chettri, Vaishya and Shudra. In the Civil Code (*Muluki Ain*) of 1854 the many non-Hindu indigenous groups (Janajati) were placed in the middle to lower ranks. At the bottom were occupational groups considered to be 'impure' and 'untouchable', today usually referred to as Dalits (see Table 1 in the Appendix for population distribution).

Although caste-based discrimination was officially abolished in 1963, the caste-oriented society has continued to represent a strong foundation of social hierarchies and social division. In addition to the strong hierarchical order, the feudalistic orientation of society perpetuated and further strengthened the authoritarian nature of the state. The Brahmin-Chettri-Newar<sup>1</sup> caste groups of the hill region were accorded positions of power and privilege. In addition to being ruled by the hill people, the southern plains dwellers of the Tarai belt, referred to as the Madhesis, were encouraged to follow the hill cultural traits, which they have and continue to resent. Furthermore, women and girls have been ascribed a subordinate status in the social hierarchy, resulting in widespread gender-based discrimination. Thus, caste, ethnicity (and religion), region and gender are factors that determine access to assets, capabilities and voice based on socially defined identity.

With the new Constitution following the restoration of democracy in 1990, a more inclusive state was established. The Constitution described Nepal as a multi-ethnic, multilingual and democratic state, and declared all citizens as equal "irrespective of religion, race, gender, caste, tribe or ideology". However, it also retained some

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<sup>1</sup> Newar is a privileged ethnic group that traditionally occupies the Kathmandu valley.

ambiguities: Nepal was declared a Hindu kingdom, women were denied the right to pass their citizenship to their children, and “traditional practices” were explicitly protected. While before 1990 the movements for women, Dalit, Janajati and Madhesi rights had been subsumed within the larger struggle for democracy, the new political climate gave an opportunity for the excluded groups to place questions of gender equality and justice, challenges to the caste society, fair ethnic representation and regional grievances on the political agenda.

The mainstream political parties, dominated by Brahmins, Chettris and Newars of the hill region, apart from the constitutional measures mentioned, paid little attention to the injustices experienced by the marginalized and excluded groups. In fact, the economic liberalization reforms following the political democratization further increased social inequalities (see Human Development Index of various groups in Table 2 in the Appendix). Many previously public services were privatized, such as important health services, aggravating social conditions for many of the poorest segments of the population. The effect was widespread disillusionment and radicalization among the excluded groups. These groups were also dissatisfied with their disproportionate representation in the power structure and demanded reservation. Moreover, they protested against the cultural dominance of the high caste groups from the hills, demanded a secular state, regional autonomy, the introduction of languages other than Nepali to be recognized as official, and other forms of socio-political change.

The formation of political parties on religious and cultural bases was prohibited in the constitution of 1990. The excluded groups therefore had to align themselves with the represented political parties. Moreover, internal differences prevailed between and within the excluded communities. While the parties tried to exploit the organized strengths of the underprivileged for their own purposes and sought to patronize the ethnic leadership, it became clear that they were not significantly concerned with ethnic demands and largely continued to represent the interests of the Brahmin-Chettri-Newar hill groups.

Although there has been a general improvement in living conditions in Nepal measured by access to health services, education, infrastructure and income, such improvements have not benefited all segments of Nepalese society, and social and political inequality has in many cases even increased. On the other hand, democracy and a more open political climate have given opportunities for Dalits, Janajatis, Madhesis and women to voice their grievances about injustices, and many observers have noted their increased political awareness. Social exclusion has therefore become one of the issues that features highest on the political agenda of Nepal, with a high level of attention in media and political debates.

## 1.1 Caste, ethnicity, religion, region and gender – manifestations of exclusion

### 1.1.1 Dalits

Although the exact figures are contested, it is estimated that approximately 15 per cent of the total population of Nepal comes under the category of Dalits. They are not confined to one geographical area, but are scattered all over the country. Among Dalits there are several groups, and Dalits do not make up a socially cohesive group. However, on average Dalits – and especially those living in the Tarai region who are usually landless agricultural workers – have the highest illiteracy rates and poverty levels, and the poorest working conditions among the social groups of Nepal. For example, according to the Nepal Living Standards Survey 2003/4 close to half of the country's Dalits live in poverty, while the average for the whole country is 31 per cent. Average life expectancy for Dalits is far lower than the average for the male and female populations, 51 and 58 years respectively. Literacy rates are only 23 per cent among Dalits, compared to the national average of 54 per cent.

Being treated as impure and untouchable, Dalits have been victims of systematic abuses perpetuated by society. They experience religious (not being allowed to enter religious places), occupational and territorial discrimination. In addition Dalits have been forced to put up with institutionalized discrimination conducted by the state. Traditionally it was illegal for Dalits to obtain an education, use “public” resources and own land. Although the oppressive laws were abolished in 1963, in practice very little has been done by the state to improve their life situation. Although prohibitions were put on caste discrimination, such practices were not punishable. Moreover, Dalits until recently had virtually no representation in the bureaucracy, legislature or mainstream political parties.

Democratization, international presence and social change have awakened the Dalits and given rise to a stronger Dalit movement. The growing awareness among the Dalit communities has resulted in increased organization and unity of Dalits and demands for political measures to improve their social and economic conditions. The Dalit organizations have generally concentrated on demands such as action-oriented plans for the improvement of their living conditions; strong steps taken against social discrimination, banning of discrimination in religious places, legislation to preserve their separate identity; pro-active measures to improve their educational status; special funds for improvement of Dalit localities, the principle of reservation to secure an adequate representation in civil services and other government institutions; and the introduction of land reform measures to give them a share of land in proportion to their population size. In an interview with Tirtha Bishwakarma, the Executive Director of the Dalit NGO Federation, he claimed that redistribution of land has to take place in a just manner so that Dalits are not restricted to poor quality land, which is often the case today.



In April 2008 CA elections, Dalit communities for the first time obtained a significant number of representatives in the legislature. Of 575 deputies<sup>2</sup>, 49 (9 per cent) are Dalits, the majority of whom are representatives of either the Maoists (14) or the UML (Communist Party of Nepal - Unified Marxist-Leninists) (13). Some of the Dalits, mostly in the hills region, have improved their livelihood substantially during the last years, as the economic activity for some has been in high demand. Others have benefited from migration to India or the Middle East with remittances increasing their economic resources and thereby their status in the community despite their caste status.

Even with a stronger awareness among members of the Dalit community, they face severe obstacles to a general improvement of their social and economic conditions. Their widespread illiteracy, backwardness and menial job orientation is a hindrance for rapid improvement of their livelihood. Most Dalits themselves are entrenched in the Hindu caste system with hierarchy and internal discrimination that divide them. Moreover, Dalits are divided politically, and while the mainstream political parties have vested interests in associating Dalit organizations with them, if they are represented in the political parties, it is often in positions where they have little political influence or power. The strong foundation of social hierarchies and social divisions is, however, likely to be the most important hindrance for a rapid inclusion of Dalits in Nepali society. It is not sufficient to make constitutional and other legal provisions for their benefit if attitudes and behaviours are not changed. Such a social transformation is bound to be a more gradual and long-term process.

### 1.1.2 Ethnicity, language and religion

Nepal is a multi-ethnic, multilingual and multicultural society. The largest share of the population are Indo-Aryans who migrated from India to Nepal at different points in time and speak various languages and dialects of Indian origin. They are settled both in the hill areas and the Tarai region of the country. A considerable share (28 per cent) of the population is of Mongoloid origin, such as Rai, Limbu, Tamang, Gurung, Sherpa, Thakali, to mention a few. They are believed to have migrated to Nepal from the north, but are often considered as indigenous nationalities of Nepal. In the Tarai region there are also a number of separate ethnic groups with separate identities, some of which are considered indigenous to the Tarai region. Together the indigenous groups make up about 40 per cent of the population. This figure also includes the Newars who traditionally have been confined to the Kathmandu valley and have a separate cultural identity. For an overview, see Table 1 in the Appendix.

According to the 2001 census the majority (81 per cent) of the population of Nepal are Hindus, but most of the hill ethnic groups are Buddhists (11 per cent of the population), while a significant number are Muslims (4 per cent), predominantly in the Tarai region where they make up the majority in a few of the administrative districts. The religious categories and sizes of religious groups are, however, contested. For example, differences between Hindus and Buddhists in general have been very subtle in nature due to the intermingling of Hindu and Buddhist beliefs.

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<sup>2</sup> Twenty-six deputies are yet to be nominated by the Prime Minister and have not yet been announced.

More than 100 languages are spoken in Nepal, mostly Indo-Aryan or Tibeto-Burman, but other language groups are also present. With Nepali being the only official language, the issue of language discrimination has surfaced in political debates and issues of language use among the demands of excluded groups.

Compared to other ethnic groups, the hill ethnic groups of Mongolian origin have been the most vocal in expressing concerns about their social exclusion in Nepal. As a result of their low status in the Hindu caste system (which they adopted themselves to a considerable degree, at least towards the Dalits) their socio-economic position, although considerably better than that of Dalits, has been below average for most socio-economic indicators. It should be stressed, however, that the ethnic groups are far from homogeneous, and there is considerable variation both within and among the ethnic groups in terms of living conditions and political influence. Moreover, Janajatis from the hills and from the Tarai regions do not have a tradition of much collaboration, and the people of Mongolian origin dominate the Janajati movement.

Although there were tendencies of increased politicization of ethnicity as early as the 1970s, the establishment of democracy from 1990 gave a boost to the mobilization of ethnic identity in the country. Ethnically defined organizations began to surface, and nearly 44 ethnic associations had been established by the end of 1993.

Nevertheless, despite the increased significance of ethno-politics, social and economic inequalities and discrimination continued, and the economic backwardness of most of the ethnic groups remained virtually unchanged and, in relative terms, to some extent even deteriorated.

The demands of the ethnic organizations for some issues overlap with, but for others they diverge from, those of the Dalit communities. The cultural hegemony of the Hindus is a major concern of the ethnic organizations, which have also favoured a secular state. They are particularly critical of the domination of Brahmins and Chhetris in the political and administrative structures of the country, and demand reservation to secure political representation of the ethnic communities in these structures. In addition they are attentive to language issues and questions of their distinct cultural identity. The ethnic organizations have also been vocal in their demand for autonomy and favour federalism and the division of Nepal into autonomous regions according to ethno-cultural distinctions. The ethnically based organizations particularly stress their status as indigenous peoples of Nepal, giving them special rights. In this connection it is worth mentioning that in August 2007, as the first country in South Asia, Nepal ratified the ILO Convention 169 on Indigenous and Tribal Peoples' Rights.

The lack of concern shown by the ruling elite for the demands of the ethnic communities after democracy had been restored radicalized part of the Janajati movement. As the Maoists appeared to be more sympathetic to ethnic demands than the mainstream political parties, many saw a convergence of interests with the Maoist movement. Thus, young people of some of the Mongolian communities were highly represented in the movement. In the April 2008 elections to the CA, the ethnic groups increased their share of the legislature considerably with close to 35 per cent of the representatives. Their share among the Maoist candidates was particularly large with 93 elected representatives from the Janajati groups.

Of the religious groups in Nepal, the Muslims stand out as particularly vulnerable to social exclusion, especially in areas where they are living as minorities in a Hindu cultural environment. The Muslims comprise a socially and economically disadvantaged group. Although not as vocal as many of the Janajati groups, their demands include inclusion in decision-making processes and proportional representation at all levels (through reservation policy), legal provisions giving equal rights to Muslims, legal provisions for madarsa (Muslim schools) and other Muslim religious and cultural features, cultural and economic autonomy, provision of citizenship certificates (see below), and measures for alleviating poverty and low educational levels among Muslims. As can be seen from Table 2 in the Appendix, only Tarai Dalits score lower on the Human Development Index compared to Muslims.

### 1.1.3 Geography

Issues related to the regional identity of the Nepali population are high up on the political agenda at present. Political tension surrounds the divide between the populations of the hills and the Tarai populations. Historically there has been discrimination of the Madhesi groups, and lack of trust between those originating from the hills and the Tarai groups. The Madhesis have traditionally been underrepresented in the Nepali political structures, bureaucracy and army. While the Hindi language has been a lingua franca among the communities of the Tarai, it has not been recognized as an official language in Nepal. Moreover, citizenship rules have made it difficult for many Madhesis to obtain Nepali citizenship.

From the early 1960s there were attempts to encourage the Nepali language in the Tarai in place of Hindi. Hill people who migrated to the Tarai were given surplus land, they occupied many leading positions in local administration, police and the army, while Madhesis commonly were treated as second-class citizens. Few of the political parties in Nepal took these resentments into due consideration, and the hegemony of the hill people also continued after democracy was restored in 1990. This gave rise to a strong Madhesi movement. The Madhesi movement has been strengthened in number and influence. The three largest Madhesi parties won a total of 14% of the seats in the new CA. The programme of the Madhesi movement is centred around a resentment of the hill cultural hegemony in the country, and the demand for regional autonomy for the Tarai. Moreover, the Madhesi movement is united around the demand for Hindi to be declared an official language of Nepal, and insists that 50 per cent of the positions in the army and public administration should be reserved for Tarai people. Still, the Madhesi movement is diverse, and differences are particularly great when it concerns which strategies to apply to achieve the goals of the movement.

The citizenship issue deserves particular attention. A considerable section of the Madhesi population, including Dalits and Muslims, are still without a citizenship certificate. The certificate is crucial in the Nepali context, since it is required for acquiring land, which is usually the most significant economic resource of a Nepali household. Many of the farmers in the Tarai are tenants and landless, and they must have this certificate to buy land or register the title of the land they work in their names. Those without citizenship certificates are excluded from acquiring property

and services provided by the state. The landless hill migrants, on the other hand, may qualify for ownership of land since they have the required certificate. This easily becomes a Catch 22 situation for the landless Madhesi people: One needs a land registration document to prove belonging and thereby qualify for citizenship and a citizenship certificate to acquire land.

To what extent then are people living in Tarai socially excluded in the Nepali context? In the public discourse, they are frequently listed alongside the groups of Janajati, Dalits, religious minorities and women as excluded communities, and many Madhesi spokespersons hold the view that they should be treated as a disadvantaged group who deserve the same special privileges as those given to Dalits, Janajatis and women. Such a presentation of the Madhesi population as a socially excluded group, however, needs to be qualified. Indeed, one could say that according to certain indicators Madhesi people have been excluded from full participation in the Nepali mainstream, with low political representation and hill hegemony. However, in terms of socio-economic status, political awareness and for several other social exclusion characteristics, many people of Madhesi origin on average fare rather well, at least compared to the more marginalized groups such as Dalits and Muslims. It is therefore important to stress social exclusion as a multidimensional phenomenon, and that exclusion along one dimension does not necessarily go hand in hand with exclusion along others. This has policy implications which we will return to in the final section.

It is not only Tarai that can be considered a neglected region. Clearly the highest poverty incidence is, for example, found in the mountain districts in the Far-Western part of the country. Of the ten districts with a very high human poverty index, nine are in the west. This is also a region where the Maoist insurgency was particularly pronounced.

#### 1.1.4 Women

Women make up half the population of Nepal, and it would not be fair to claim that they are all socially excluded either. Still, in the Hindu patriarchal culture women are treated as subordinate to men. Moreover, although the constitution of Nepal guarantees “equality between all people irrespective of religion, caste, gender, race, ethnicity and ideology” and the 10<sup>th</sup> Five-Year Plan has specific goals and strategies for women’s empowerment, discrimination takes place both in the household and in the political and social life of Nepal. This can be observed in women’s lack of representation in different public spheres, their participation and authority in decision-making, both within and outside the household, their ownership of property and land, and their lack of access to education and other basic facilities. Even in rather affluent, high caste households, it is common to send the boys to private schools, while the girls are sent to less prestigious and lower quality public schools.

An indication of women’s inferior status is the fact that women on average have slightly lower life expectancy than men, which is very uncommon internationally, as women tend to outlive men in most other countries of the world. The literacy rate for women is only 43 per cent while it is 69 per cent for males. Nevertheless, the literacy rate has increased faster for women than for men over the past decade. More

women than men experience hardships in terms of obtaining a citizenship certificate, often due to opposition in their household or community.

Women's relative status in Nepal varies from one ethnic group to another. The status of women of Mongolian origin has tended to be better than that of Indo-Aryans, while low caste women on average have had more autonomy than the high caste groups and Newars. The senior female member has played a central role within the family by controlling resources, making decisions on planting and harvesting, and by determining the expenses and budget allocations. However, women's lives have tended to centre on their traditional roles, such as taking care of most household chores, fetching water and animal fodder, and doing farm work. Their husbands' and parents' social and economic position has been decisive for women's status in society. Women on average have limited access to markets, productive services, education, health care, and local government. Moreover, malnutrition and poverty have hit women harder than men. Girls are usually given less food than boys, and this is particularly the case when the family experiences food shortages. Furthermore, women usually work harder and longer than men. An additional area of concern regarding the risk of social exclusion of Nepalese women is the high prevalence of trafficking and prostitution.

There has been a political focus on gender equality and inclusion of women in the public life of Nepal. After democracy was restored in 1990, the government established a Ministry of Women and Social Welfare which has women's development as one of the primary tasks, as well as a National Women's Commission. However, the progress in terms of practical policy for inclusion of women has been slow. For example, the parliament was very late in drafting laws concerning parental property to the daughter, and only in 2002 was such a law passed.

While legislative change has been rather slow, some legislative acts have increased women's representation in the public and political spheres. The Constituent Assembly's Electoral Act of 2007 guaranteed 50 per cent representation of women under the Proportional Representation (PR) system. For the CA elections of April 2008 Nepal applied a mixed electoral system with First-Past-The-Post (FPTP) and closed-list Proportional Representation (PR) systems in the elections. The result is that women make up nearly 33 per cent of the CA, most of these among the 335 representatives elected through the PR system.

It should, however, be noted that the increased attention paid to gender equality in many cases may perpetuate other types of inequality. While women's representation in the public sphere is increasing, it is very often high caste Hindu women who are represented. There are many instances of men taking the leading positions and speaking on behalf of the women elected to the various political bodies. Women of more marginalized groups often experience double discrimination, first by belonging to a deprived community, and then through intra-household or intra-community gender discrimination. Nevertheless, there can be no doubt that the general awareness among women of all social groups in Nepal has been rising over the past two decades, and that their impact on public life has increased rapidly in the same period.

## 1.2 Other exclusion mechanisms

In the previous section we looked at forms of exclusion that are prevalent among different groups and communities in Nepal. We showed that social exclusion due to historical and cultural features of the Nepali society is more prevalent among certain groups and communities than others. One should, however, be cautious about linking the concept too strongly to specific groups according to their ethnicity, caste, religion, geography or gender. One may find individuals of all social groups who are excluded, and intra-group differences are significantly larger than differences between the groups. There are, for example, many instances of Dalits having increased their social status through migration (by sending remittances to the household) or engaging in profitable economic activity. Even at the group level, some of the Janajati and Madhesi groups have economic, social and political resources that are well above the average of the Nepali population. A one-sided group focus may blur the many other factors that are important for explaining exclusion or inclusion in Nepalese society. Let us therefore mention a few of the factors that increase the risk of social exclusion for individuals and households in Nepali society at present.

There are roughly a million landless, wage-earning labourers in Nepal. A significant proportion of them work as permanent labourers under a variety of terms and conditions. Due to low wages and poverty, debt bondage is common among them. The Kamaiya system is one such example of bonded labour, and has been prevalent within agriculture in the western lowlands of Nepal. It is almost solely confined to the Tharu low caste ethnic group. The Kamaiya system was abolished in 2000, but a large number of formerly bonded labourers are living with no means to support themselves or their families. Long working hours, low wages and the requirement of family labourers to work for the same employer constrain them and in practice make their way out of these systems virtually impossible. Democratically elected parties have not been able to hinder a growing proletarianization of marginal farmers.

Depending on the definition, at least 5 per cent of the Nepali population have disabilities which significantly affect their daily lives, and disability increases the risk of social exclusion considerably. According to a 2001 survey, while 44 per cent of the population of Nepal had no education, the same was true of 68 per cent among the disabled. The main reason for dropping out of school, which is much more common among the disabled, is financial constraints. Only three per cent of the disabled had received some form of skill-development training. Most of the disabled are financially dependent on their families, and according to the above-mentioned survey, only 20 per cent are financially independent, at least to a certain extent. The social stigma towards HIV-positive and AIDS patients places an extra burden on those affected by the HIV/AIDS epidemic, which has been spreading rather rapidly in the Nepalese society. Finally, due to a weakly developed welfare system, chronic health problems, drug and alcohol abuse, accidents and other health-related conditions may seriously affect households to the degree that their risk of falling into social exclusion increases dramatically with such incidents.

The effect of the Maoist insurgency on social exclusion is hard to estimate, but there can be no doubt that many of the households that were affected by the conflict experienced an increased risk of exclusion. Many such households lost their main breadwinner, in most cases since young men were compelled to leave their homes in

order not to be conscripted into the Maoist army. Even though many have returned, others have left their communities permanently. In 2000 the Home Ministry declared 32 districts as Maoist-affected, and six of those classified as the most affected formed a compact block of districts in the mid-west hills. The Tarai region has for the most part been considered unaffected by the insurgency. An analysis of income and expenditure data has shown a certain economic impact of the insurgency in the most affected districts. However, a larger puzzle being debated in Nepal at present is the parallel economic progress that took place in Nepal during the conflict in spite of the insurgency's obvious negative economic effects on affected households and individuals.

There are other characteristics of the Nepalese society that increase the risk of exclusion for various groups and segments of the population. Illiteracy, low educational levels, poverty, landlessness or poor access to land, are cross-cutting phenomena throughout groups and communities. The UNDP Human Development Report 2001 stated that 38 per cent of Nepal's population was extremely poor and was not in a position to meet its basic requirements. It also pointed to widespread uneven distributions of income and wealth. Although poverty rates have been reduced since then, the same cannot be said about income and wealth inequalities.

There are also features of the Nepali society that make it harder to combat the different forms of social exclusion. The country has a record of widespread institutionalized corruption, nepotism, and the supremacy of vested group interest toward professionalism and competence. According to the latest (2007) Corruption Perception Index conducted by Transparency International, the country was no. 131 of the 179 countries listed. The effect of such practices is enhanced arbitrariness when targeting excluded groups, and this creates obstacles to the implementation of government and donor-initiated interventions to combat exclusion.

### 1.3 The present political landscape and the prospects of policies for inclusion

Policies to combat social exclusion in the coming years will be designed to a large extent by the Maoist party, but since this party does not have a majority in the CA, they will need to seek compromises with other political forces. Some of the marginalized and deprived echelons of society found support for their demands in the Maoist ideology and programmes and therefore supported the Maoists in the CA elections. The Maoists raised many of the issues for which Dalits, Janajatis and women have tried to mobilize themselves in an organized manner. In a sense they represented the growing discontent in the Nepalese society. Although not only speaking up for the most deprived groups, the Maoists spoke for the establishment of a new, truly democratic order in the country, called the 'people's government'. Such a people's government would work for the elimination of social and economic hierarchies and discrimination.

The Maoist leadership belongs to the upper strata of society itself, but it nevertheless has support from all sections of society, especially in rural areas and among those opposed to the feudal structure of the Nepalese society and the exploitative nature of the political system. The Maoist ideology appears particularly to have attracted the

educated and unemployed youth, many of whom were from the Janajati communities, which were also recruitment bases for the Maoist army. By talking of gender and class equality, the Maoists have attracted a large number of women towards their movement. There is strong reason to believe that the lack of visible concern shown for ethnic, caste and socio-economic grievances among the mainstream political parties of Nepal was a major reason why the Maoists could gain such an unexpectedly large vote with 220 of 575 seats in the elections to the CA in April 2008.<sup>3</sup>

In all political parties inclusion of marginalized groups is at the forefront of their programmes. However, the record of the previous ruling parties has not been encouraging, and many voters have lost their faith in the political parties' ability to design policies to improve the living conditions of excluded groups. There are many complaints about the lack of internal democracy in the political parties, with elite groups making the important policy decisions. Representatives of smaller minority groups therefore maintain that no party represents their interests.

Affirmative action is high on the political agenda in Nepal, and it relates not only to the civil service and elected government, but also to education, employment and health sectors. That some form of affirmative action for excluded groups is needed is hardly contested by the political parties of Nepal. However, the modality is the source of heated debates, as is also the issue of which groups should be included.

Earlier democratic processes and reform programmes in Nepal have contributed very little to altering the dominant political, economic and social structures of the privileged class in the country. Excluded groups now expect the Maoists and other political parties to deliver according to their election promises. It remains to be seen whether the Maoists – who will need to reach political compromises with other political parties – will fulfil their election promises of inclusion of such marginalized and deprived individuals, households and communities.

## 1.4 Conclusions and Policy implications

A number of policy steps need to be taken in order to reduce social exclusion and adopt more inclusive policies in Nepal. A massive expansion of basic social services in education, health, nutrition, sanitation, etc., to meet the Millennium Development Goals is necessary to combat exclusion.

Whatever the outcome of proposals for a new federal structure, regionally targeted interventions will be needed to ensure better balanced regional development and to reduce ethnic, caste, and gender disparities and exclusion at the local level. As has been stressed in this paper, regions have different ethnic compositions, culture, resources, and conflict levels, and decentralization of decision-making needs to take place on a much larger scale in order to address the local inclusion challenges properly.

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<sup>3</sup> It was followed by the Nepali Congress with 110 seats and the Communist Party of Nepal (Unified Marxist-Leninist) with 103 seats.



General economic policies and developments of Nepal will also be important for increasing social inclusion. Social exclusion has more fertile ground in societies characterized by poverty and few employment opportunities. Nepal has a rapidly increasing population which to a large extent depends on subsistence farming. Ongoing climate changes and high dependency on a few agricultural crops make households vulnerable to large income fluctuations. A diversification of economic activity is therefore essential, and introduction of new and alternative forms of income generation is needed. In this connection employment generation and skills training among marginalized groups are particularly important.

The democratization of Nepali society has spurred increased political awareness among large segments of the population. Although trust in political parties is moderate, people have shown high activity levels during the past years. In general the Nepali people have higher levels of political awareness and public participation, and a richer civil society than most other countries at the same economic level. This has been accompanied by an education boom in the country. It is to be hoped that the political and organizational activities will be channelled into a vibrant NGO sector and civil society instead of spontaneous strikes, outbursts of violence or social disruption. This will require that the governing political parties and public authorities enter into a constructive dialogue with the civil society so that people realize that they can achieve more through organized activities than through spontaneous or violent means.

In the educational sector a large proportion of state subsidies goes to secondary and tertiary education in a situation where not all people have access to primary education. Public schools tend to be neglected, since parents of the elite can send their children to higher-quality private schools. To combat exclusion Nepal needs to put more resources into the education of young children, with a special focus on reducing drop-out rates among young girls.

The debate about affirmative action, 'reservations' and positive discrimination needs to continue. There are both advantages and disadvantages of policies targeted at specific groups of the population, and one should be particularly cautious when such measures are based on group identity. While reservation may increase access to resources and inclusion of certain disadvantaged groups, they may have side effects which are worth considering. One such side effect is the potential support of elite factions among the excluded groups, so that those most marginalized and deprived are not reached. On the other hand, it can be argued that with the systematic under-representation of a number of caste, religious, regional and ethnic groups, a special and informal reservation policy has existed in Nepalese society, and there are certainly strong arguments for some affirmative action, not only to compensate for past oppression and discrimination, but also to mitigate the influence of current biases and blindness of institutions and decision-makers. We maintain, however, that the best policy would be to support measures aimed at inclusion of marginalized and deprived groups, but at the same time be cautious about promoting interventions which reinforce or strengthen group boundaries. To promote nation-building and a civic society, one should seek to rectify injustices without excessively politicizing ethnicity, caste or regional identity. Some affirmative action will be necessary, but it will not be sufficient without a broader social and political commitment.

*This paper draws on 'Social exclusion and group mobilization', a research project funded by the Norwegian Embassy in Nepal and carried out by NIBR.*

# Appendix 1

## Tables

Table 1. *Proportion of population of Nepal belonging to groups based on ethnicity, caste and regional origin, and number of listed groups (2001 Census data).*

<b>Groups</b>	<b>Population %</b>	<b># of groups listed in census</b>
Hill caste groups	31	4
Hill Janajati	28	27
Hill Dalits	7	5
Tarai caste groups	15	34
Tarai Janajati	10	19
Tarai Dalits	5	10
Religious minority	4	2
<b>Total</b>	<b>100</b>	<b>101</b>

Note that the table is based on origin of the group and not present location. Thus, there is a large hill population currently residing in the Tarai region.

Table 2. *Human Development Index by selected groups 2003*

<b>Group</b>	<b>2003</b>			
	<b>Education Index</b>	<b>Income Index</b>	<b>Life Expectancy Index</b>	<b>HDI</b>
Hill Brahmin Chettri	0.5019	0.4720	0.5767	0.5169
Hill Janajati	0.4195	0.4737	0.5317	0.4749
Hill Dalit	0.3103	0.3653	0.5867	0.4208
Tarai middle caste	0.2974	0.4159	0.4850	0.3994
Tarai janajati	0.3348	0.4085	0.4817	0.4083
Tarai dalit	0.1067	0.3317	0.4200	0.2861
Muslim	0.1988	0.3636	0.5200	0.3608
<b>Total</b>	<b>0.3862</b>	<b>0.4428</b>	<b>0.5467</b>	<b>0.4586</b>

Source: Presented by Arun Das at NIBR 10 July 2008.