

growing population pressure and depletion of natural resources more and more conflicts are bound to occur in Nepal in future. Therefore, there is a need to give urgent attention for conflict resolution policy, laws, procedures, operational guidelines, institutional arrangements and human resource development at national and community level.

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RESTORATION OF DEMOCRACY AND PEOPLE'S EMPOWERMENT IN NEPAL

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Political Economy -- A Quick Review

The process of planned economic development in Nepal was begun in 1956 with the inception of its first five-year plan (1956-1961). Nepal has now entered into its ninth plan period (1997-2002). A government document reveals that, despite the development of some physical infrastructure such as roads, schools and colleges, health centers, few industries and the like, achievements of these plans do not measure up to the expectations. No substantial improvements have been made in the agriculture sector, which is still the source of livelihood for the majority of the population (Panday, 1999). Internal savings have been low. External assistance has not been utilized gainfully. Nepal has a foreign trade deficit. Unemployment and economic inequality have not been reduced. As a consequence, the problem of poverty remains unresolved. Economic growth does not keep pace with population growth, and 42 percent of the total population of Nepal still falls below the poverty line.

Nepal had a long tradition of a feudalistic pattern of governance in which the entire state machinery was geared toward fulfilling the interests of a handful of upper caste ruling elite. Whether it was during the Gorkhali conquest (1768-1846) and the autocratic Rana regime (1846-1950), or after the overthrow of the Rana regime, the situation did not change much. Nepal was liberated from its own people in 1951, when a parliamentary democracy was declared. During this period, the king appointed several prime ministers who formed governments. These governments survived from 3 to several months. A general election was held in 1959 and the Nepali Congress Party obtained an absolute majority. A single-party government was formed. However, people at large did not experience any substantial

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change in the way the whole system operated - the state continued to be under the control of the king and the ruling class, who were not willing to relinquish the privilege they were enjoying. In 1961, this system was prematurely dismissed after being allowed to operate for nearly 18 months. This was followed by a partyless Panchayat system in which the king appointed the Prime Minister. The Panchayat system operated under the direct and absolute control of the king supported by the army and the established economic and political interests.

By 1990, the people of Nepal had become quite restive and totally disillusioned with the palliatives administered by the Panchayat rulers in the name of economic development and social justice. They rose against the repressive Panchayat regime and were able to restore a multiparty democracy. Yet the past nine years (1990-1999) remind us of almost the same number of years in the 1950s (1951-1959). During the 1950s, there were very few political leaders in each political party and also a very few conscious mass to propagate political ideology. Those who were in power were either mostly engaged in supporting their own party or the party members, and the majority of the people were left behind. More recently, during the 1990s, the Nepali people have tended to partition themselves into various political groups and factions, and the political parties and the leaders have clamored for power, oftentimes at any cost, even by indulgence in blatant violation of law and criminal activities. The significant difference is that the center of power shifted from the royal palace to political parties and their influential leaders.

Thus, Nepal remained isolated from the outside world, shackled with feudalistic modes of production and distribution until 1951. A handful of influential families and caste groups basically controlled the economy, and the majority of the people were deprived and alienated by the ruling classes. The dawn of democracy in 1951, democratic exercises during 1951-59, and the first parliamentary general election in 1959 had opened some opportunities for some progress. But the dismissal of the parliamentary system and introduction of a more stable but undemocratic Panchayat regime in 1961 had a setback on development. The restoration of the parliamentary system of democracy in 1990 has once again opened opportunities on several fronts for positive actions to raise the quality of life of the people. However, the continuation of power and influence of the established interest groups, coupled with political

uncertainty, has resulted in no noteworthy progress. As a result, Nepal has remained one of the poorest countries of the world.

Nepal's Development Needs

In the past, Nepal's needs were either identified by the rulers or the donors, or more recently, by the multinationals. The majority of the people have no say in shaping the destiny of the country, as always in the past. They have been treated merely as the objects.

In the name of development, the Rana rulers abolished slavery from Nepal and established one high school and a college in Nepal during their regime. As the people were utterly exploited, the Ranas thought that some kind of progressive activity might help them raise their profile among the people elsewhere and also it might be helpful in reducing some of the dissatisfaction inside the country. Thus these changes did not arise out of a real desire to help people get relief from their miseries.

Similarly, when Nepal was declared a democratic country, donors' interest in Nepal grew (Dahal, 1998). Each developed nation had its own path/stories of success, while the practice of development in Nepal looked like the story of the blind men and the elephant. Some donors thought Nepal needed assistance in health, others in education. Some assisted in roads and others in agriculture. In recent years, water resource has been perceived by the multinationals as one of the important areas that could raise Nepal's standard of living to a great extent, and several organizations and countries have expressed their intent to get involved in harnessing this resource. Who gets most of the benefit after these resources are exploited remains to be seen.

Nepal is one of the developing countries that suffer from poor development performance and an uncertain social future. In numeric terms, Nepal might have succeeded in achieving some physical targets, but development is about human beings, their habits and habitats. Those numbers have their values only when the members of the society graduate to become humane and resourceful to their families and ultimately the nation. When they are not, as definitely is the case of Nepal, the numbers can be deceptive. The social structure is still feudal. Property and wealth are in very few hands. Land, which the majority of the Nepali people need for their livelihood, has a very skewed distribution. Very few have most of the land and the majority of the farmers have very little. Unemployment and poverty are rampant, and they have become a key feature of Nepal's economy. Very few have access to safe drinking water, and the same is true of

health and education facilities. These are not accessible to the majority of the poor. Most of the farming is dependent on rain-fed agriculture. The yield rates of important crops have declined during the past three decades. Landslides, soil erosion and land degradation are other problems that need to be addressed immediately.

Nepal has been fortunate to receive foreign assistance very disproportionately to its size, as compared with some other countries. But its effectiveness has become questionable.

Hundreds of thousands of young people have emigrated (muscle drain) to other countries to look for jobs or to get better education. Skilled intellectuals, too, have been migrating in increasing numbers hunting for better job opportunities abroad and creating an acute brain drain in the country.

People need appropriate and relevant education. There is a need for a charismatic leader who could help hundreds of thousands of followers restore self-esteem, dignity and high morale. At present, there is not even a single leader, political or spiritual, who has credibility. The majority of the people have almost lost faith in the bureaucrats and politicians, and corruption and greed have become a big problem to Nepal's development.

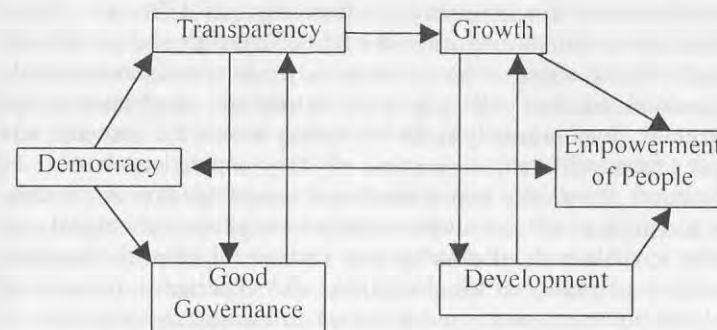
The prolonged economic and social stagnation is having its effect on the future of the society as a nation-state. The inability of Nepal to solve old problems and cope with new ones has resulted in a larger issue of ethnic tension, communal competition and other forms of social stress. The country is gradually losing the collective will to struggle earnestly. The unabashed subservience of the ruling classes to their selfish instincts, on one hand, and the external benefactors, on the other, may be only one indication (Chapagain, 1999). Can a democracy rooted in a fragile economy and a feudal social structure become sustainable? One needs to find out the development needs of Nepal in this context.

Conceptual Framework

Democracy. It is assumed, that democracy brings about transparency and good governance, which, in turn, facilitates growth and development. When growth and development take place, people are empowered. Thus democracy ultimately leads to empowerment of the people. Empowerment is viewed as an ability and right to make decisions. It encompasses the freedom of thought and action, access to information to develop one's potential and ability to earn a living.

Democracy is usually assumed to be a sufficient condition for empowerment.

Diagrammatically this is represented as follows:



People's Aspirations

The people of Nepal struggled hard to bring democracy in their country. Several of them achieved martyrdom. But the exploitative mechanism in the society did not change, and the majority of the people remained untouched by such political changes. The Rana rulers overshadowed the Shaha king's dynasty and captured power for 104 years. The people's revolution overthrew the Rana regime. This resulted in reinstating the king's power. Thus for nearly four decades, the country treaded on the path of a non-democratic partyless Panchayat system under the active leadership of the king of Nepal. Freedom fighters during this period operated their liberation movement with their lives at stake. Thousands of such nationalists were killed by the state, and many more were put in jail and tortured to death. Those who survived fought together with new vigor, motivated the people to get mobilized in the people's movement of 1990 and were successful in restoring multi-party democracy by toppling the Panchayat system and making the king a **constitutional monarch**.

The people of Nepal and the Nepalese abroad of all classes aspired to a changed situation where they will be able to improve their life situations. They trusted in the leadership, and in the integrity and competence of their political leaders. They believed that the leaders would be able to properly guide the bureaucracy, which then together will follow an uncorrupt path with all democratic norms. The leaders

were expected to become the **role models** to the society as they had preached ideals and political doctrines to their political cadres and ultimately the people during the underground period (Panchayat period, 1961-1990). The intellectuals who shouldered important responsibilities during the people's movement of 1990 and helped political parties in various ways during the underground period also aspired a Nepali society where very quickly a democratic norm would get established and all existing exploitative mechanisms and institutions from primarily a feudal society would be uprooted and people from different segments of the population would be empowered. It was also hoped that Nepal would develop as a nation-state and none would feel alienated. Nepal would very quickly take up a more suitable path of development that would help the Nepalese improve their quality of life. Nepal was also expected to preserve its good traditions and quickly move toward economic transformation.

Critical Assessment: Hopes and Despairs

Nepal has entered into the new millennium. But nearly half of Nepal's population still lives in absolute poverty and illiteracy. Basic amenities of life are still a luxury to most of the people of Nepal.

Nepal's GDP growth rate has steadily declined throughout the 1990's. Agriculture, which is the mainstay of the population, is growing at almost the same rate as population during this period. The performance of the non-agricultural sector has decelerated. The fiscal deficit is largely financed by foreign aid. Over the past several years, the current account deficit has been fully financed by foreign aid and miscellaneous capital inflows (Dahal, 1998; Economic Survey, 1996-97).

Under the umbrella of planned development, Nepal over the past four decades unsuccessfully tested a number of development models financed fully by foreign aid. The current package of economic reform programs dates back to 1986 and came into broader and deeper form in 1992 when it was introduced by the first elected government after the restoration of democracy under the broad banner of "liberalization and privatization". When the 1994 parliamentary election resulted in a hung parliament, political instability set in while further reforms slowed down. The third parliamentary election of 1999 has mandated a single party to run a majority government, and its assessment would be premature at this moment.

Poverty, unemployment and business slowdown, and political tension and unrest are on the rise. Criminal elements appear to have

gained influence. Corruption has gained higher grounds. There has been a sharp decline in social values and norms such as respect for honesty, competence, hard work, entrepreneurship and intellectual integrity are systematically being undermined.

Political change was thought to be the panacea to all kinds of human miseries in Nepal and the multiparty parliamentary democratic system an enabling factor to empower the Nepalese people. But to a great despair, the majority of the people have remained untouched -- i.e., they are still not the partners of development.

More and more people are becoming indifferent, and they see development as something alien to their own culture. So, development has meant something that relates to a notion to change and to be different. Can Nepal then be said as developed when it is different from what it used to be? Or, is it absolutely necessary for someone to behave very differently to be labeled as "developed"?. If so, then Nepal can be seen as already developed. I am saying this because the Nepalese used to be in harmonious relationship with one another in the past. But ethnic tensions have increased at present (there are 61 ethnic groups in Nepal as recently recognized by the government). The present mode of development has created this situation. There were few people to feed and Nepal used to export food grains until the mid-1980s. Now it imports food grains and crop yields have declined. Land has degraded and unscrupulous use of chemical fertilizers and insecticides and pesticides has increased. Similarly, organizations have grown and become more complex. These are only some examples. Hence if being simply different is development, then Nepal is already developed, but this is not true. Similarly, if getting a different political system that is labeled as one of the best systems would have been a sufficient condition to democracy, empowerment and development, we should certainly have by now experienced the fruits of democracy. ***I see corruption and greed as two of the most important factors that have hindered the Nepali society from moving ahead.***

In spite of an adorable degree of faith in the wisdom and integrity of their leaders, the Nepalese people generally were betrayed. During the period of hung parliament, the lawmakers were sold and bought for millions of rupees by political parties for defecting from or supporting the parties. These political parties had to collect this money from business houses or even smugglers. What would we then expect from such leaders or the parties that had no choice than to surrender to the investors? These lawmakers made business by passing a bill in the

parliament to get all tax exemption for the parliamentarians on imported vehicles. Businessmen and smugglers imported costly vehicles on the MPs' quota, and as commissions, those MPs either took cash or cheaper vehicles from their investors. Some others rented their vehicles to earn money. Several of the MPs who had their constituencies on the high hills where there were no motorable roads also imported vehicles for accumulating money.

Those MPs were not even ashamed of smuggling men and women to foreign countries by misusing their diplomatic (red) passports. They even handed over their diplomatic passports to the smugglers, who imported foreign goods and materials with all duty exempted at the airport custom. *Thus there was an utter misuse of authority, and those who misused most might have earned most, and they were the ones who succeeded in becoming more powerful.*

The election costs have reached a level beyond the reach of an ordinary Nepali. It is always a desire of an ordinary politician to compete and get elected again. This provides opportunities for various ways to illegally collect money, and the one with more money also becomes a darling to the party and has a higher chance to get a ticket for candidacy. This in Nepal is known as a "Pajero" culture, which is synonymous to a corrupt parliamentarian. But who taught the Nepali politicians all these dirty political games? Certainly their colleagues in Bihar and Uttar Pradesh in India were the role models and some diplomats in Kathmandu who in the name of supporting democracy in Nepal, got involved in financing these corrupt politicians and parties.

In bureaucracy, too, things are not much different. A foreign consultant with the same degree and similar experience (most of the time less experienced in the Nepali situation) gets usually a monthly house rent that may be equivalent to the annual salary of his/her Nepali counterpart. The consultant has all facilities and all costs of business promotion covered by his organization. The poor Nepali counterpart, on the other hand, can not spend/reciprocate in the same way. This is very humiliating to him. The foreign consultant makes an assessment of this situation and exploits him in many ways such as by extending his own visa or obtaining goodwill and other fringe benefits. If the consultant is smart enough, he may help one or two of the counterpart's children get admitted to one of the universities abroad. Nepalese culturally feel so much obligated with this kind of help by the consultant that the counterpart may then do any unethical thing for the consultant's benefit.

A very high ranking government officer in Nepal hardly gets a monthly salary of little more than US\$100.00 whereas an ordinary foreign consultant generally draws \$ 10,000 a month with additional benefits. If he goes to the field for seven days, his per diem may cover all the costs for the whole month. On the other hand, a Nepali official gets a per diem which is barely sufficient for a meal. If he has two school-going children (average family size in Nepal is six persons), he would like to send them to an English boarding school, and the monthly cost for the school for two children might generally be closer to \$ 90. He has only \$ 10 left for renting a house (an ordinary house in Kathmandu, which has three bedrooms and a living room, would cost nearly \$80), to cover the costs of food, medicine, telephone, water supply and the like. One could ask me why they need to send their children to an English boarding school. My answer would be because they must get good grades in the English examination (TOEFL) before they could be considered for admission in good universities abroad. But nobody seems ever have considered that efficiency in English may certainly facilitate the review of literature in English but may not be related to one's intelligence? If a foreign expert asked me to guess the weight of a lamb in bushels and I ask that foreigner to guess the same thing in dharni (Nepali unit for weight), I am sure both of us will be rated as dull.

The root cause of greed and corruption is not generic to Nepali culture and society, although there is a tendency amongst some of the foreign donors and collaborators to project it that way. It is an acquired syndrome nurtured very well mostly by the multi-nationals. The highest and ugliest corruption appears in any foreign-assisted mega project where international bidders (companies) secretly compete among themselves through their agents and motivate the local recipient organization to accept huge amounts of money illegally and make decisions in their favor. In most cases, the donors know this, and yet they support their own companies. To curb this, we need assistance from the countries of the north, too, though some international influence in Nepali politics will remain there, which is unavoidable and is equally true elsewhere.

What could we infer then? Is there still a hope to improve and strengthen democracy and liberate the Nepalese from the vicious circle of exploitation, poverty and loss of dignity? I strongly believe that Nepal could still be appropriately developed. Nepal is rich in natural resources. These could simultaneously be harnessed and conserved. Its

cultural heritage as a symbol of ancient civilization, its scenic beauty and the majestic Himalayas would still attract visitors, and its geopolitical situation will continue to be of interest to many. Nepal's terrain, rivers, plain and high hills all offer a situation where it should be successful in utilizing comparative advantages. It is interesting to note that Nepal already has a critical mass of well-trained human resources currently partitioned into various political ideologies but with a great potential to work together. Its people are hard working and well disciplined. The endemic anomalies can also be arrested, provided that there are sincere political will and leadership with good faith in the democratic ideals coupled with a civil society that directs the government to become more transparent and accountable to its people. Having achieved this, Nepal would certainly march towards the path of environment-friendly development through empowering its people and strengthening its democracy.

Epilogue

No one disagrees that the pace of development has been slow in Nepal. The elite, the intellectuals and the political activists all believed that political change -- i.e., restoration of democracy - was a sufficient condition to the empowerment of people and development. Free and fair elections would pave the path for better democracy.

Nepal had its third general election in May 1999 and on average, 66 percent of the voters cast their votes. Although this participation rate is promising, the voters had no say in the nomination of their candidates. It was the party president/the general secretary or his designate, who had the greater role to play in approving a party candidate for each constituency. The people's power and authority were indirectly stolen away by the parties and the party leaders.

The elected governments in the past passed a Human Rights Bill and the Local Autonomy Act (decentralization). These can be taken as positive steps toward making a transparent and accountable government. However, until now, these bills have been more talked about than practiced.

Nepal certainly has an open political system where we can agree to disagree. But the democratic culture and values must be allowed to flourish. People in Nepal are very cautiously optimistic about the success of democracy, which would ultimately lead toward empowerment of the people. Nepal's democracy must provide the Nepalese opportunities for mass participation in each step and the process of development. Democracy that ignores people's

empowerment can lead to anarchy, and over centralization might lead to self-destruction. A democracy that is founded in a very weak economy and fully dependent on foreign assistance is always in danger, and empowerment of people under such conditions always becomes a desired goal. Though democracy is a necessary condition to empowerment and development, it is not a sufficient condition. So Nepal must find ways to strengthen its nascent democracy by improving the quality of life of the majority of its people.

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