



Structures of Marginalization: Examining Nepal's Class, Caste, Gender, and Regional Inequalities

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Abstract

Nepal's development trajectory remains deeply uneven, shaped by enduring structural inequalities and the persistent marginalization of peripheral regions and vulnerable social groups. This article examines Nepal's persistent underdevelopment by analyzing the intersecting dynamics of class, caste, gender, and geography. It critiques the Kathmandu-centric model of development, arguing that it has deepened regional disparities, particularly in marginalized areas such as Karnali and Sudurpaschim. Drawing on world-systems theory, internal colonialism, and feminist standpoint theory, the study reveals how entrenched structural inequalities manifest in unequal infrastructure, inadequate service delivery, labor exploitation, and political exclusion. Dalits, women, and other marginalized groups continue to face intersecting barriers, including systemic discrimination and limited access to education, healthcare, land, and financial services. Despite the introduction of decentralization and inclusive policies, elite dominance and bureaucratic resistance hinder the realization of equitable development. Using secondary sources and thematic analysis, the article highlights that reliance on remittances, tokenistic political inclusion, and uneven access to services reflect deeper systemic failures. It calls for a transformative, justice-oriented development approach that amplifies marginalized voices and ensures the redistribution of power, resources, and representation to address Nepal's socio-spatial inequalities.

Keywords: underdevelopment, class, caste, gender equality, center-periphery dynamics

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1. Introduction

Nepal's development trajectory is profoundly shaped by entrenched spatial and social hierarchies. The long-standing Kathmandu-centric model has systematically marginalized peripheral regions such as Karnali, the Far West, and the rural Terai, creating stark inequalities in infrastructure, services, and economic opportunities. These geographic disparities are compounded by structural inequalities rooted in class, caste, and gender, as the concentration of resources and state capacity in select urban centers reinforces the privileges of the center while limiting development in the periphery (Lord et al., 2016).

The contrast between urban Kathmandu and Nepal's marginalized regions is evident across multiple dimensions, including education, healthcare, livelihoods, public and private services, infrastructure, and political representation. These disparities are not merely spatial; they are underpinned by systems of class exploitation, caste-based exclusion, and gendered marginalization.

From the perspective of internal colonialism theory, the central elite extracts labor, resources, and political legitimacy from peripheral regions without extending equitable access or rights, thereby entrenching structural inequalities. This perspective aligns with world-systems theory, as articulated by Wallerstein and Gunder Frank, and extended to the South Asian context by Bahl (2023), emphasizing that development and underdevelopment are interdependent processes operating both within and across national borders. Feminist standpoint theory further emphasizes the need to center the lived experiences of Dalits, Janajatis, and poor women, whose everyday struggles illuminate the deep-rooted injustices and structural violence embedded in Nepal's socio-political fabric (Chatterjee, 2024). By combining these theoretical perspectives, a more nuanced understanding emerges of how structural hierarchies perpetuate underdevelopment across Nepal's center-periphery divide.

Despite existing studies on Nepal's center-periphery disparities, there is limited research examining how class, caste, and gender intersect to drive persistent underdevelopment across multiple regions. This study addresses the gap by combining qualitative insights and quantitative data to provide an integrated understanding of the structural mechanisms sustaining marginalization.

2. Objective and Methodology

This article aims to examine the patterns of underdevelopment in Nepal by exploring the intersecting dimensions of class, caste, gender, and geography. It focuses on addressing three core questions:

1. In what ways does the center-periphery dynamic in Nepal shape disparities in infrastructure, access to services, and political representation?

2. How do class, caste, and gender intersect to sustain and deepen structural inequalities?
3. What are the underlying mechanisms that perpetuate these inequalities, and what potential pathways exist for transformative change?

This study used secondary data sources (Perez-Sindin, 2017), applying the library method, in which all the data and information were sourced from related academic articles, NGO reports, ethnographic accounts, and policy papers. The reviewed articles were analyzed thematically on the basis of three core theoretical frameworks: world-systems theory to understand global and internal hierarchies (Bahl, 2023); internal colonialism theory to trace the state's role in extracting from the periphery (Baruah, 2020); and feminist standpoint theory to prioritize the voices and experiences of the most marginalized (Chatterjee, 2024; KC, 2022).

The next section presents the findings under headings: **Center-Periphery Relations, Class Structure, Caste Hierarchies, and Gender Inequality**.

3. Findings

3.1 Center-Periphery Manifestation: Geography of Disparity

Development of infrastructure, market access, and service delivery in Nepal's peripheral areas is very poor in comparison to the central areas. Roads, electricity, healthcare, and schools are mostly concentrated in the center, mainly Kathmandu Valley. Historical negligence and lack of political influence have resulted in an immense gap in the development of mid-hills, far-western hills, and the Terai region of the country (Lord et al., 2016).

Markets in these areas are poorly connected with internal market actors and with larger national and international markets. As a result, producers in these areas are compelled to sell their produce at low prices. These regions also have weak value chains, which limits the producers from getting full benefit from their work. This has ended up restricting economic opportunities to informal labor or subsistence farming. In addition, these regions lack representation in key decision-making bodies, further reinforcing exclusion (Silva-Tapia, 2016). Table 1 shows the center-periphery disparity in Nepal.

Table 1 Center-periphery disparity in Nepal

Indicator	National Average	Center (eg. Bagmati)	Periphery (eg. Karnali, Sudurpaschim)	Class/Caste/Gender Implication
GDP Contribution by Province	—	Bagmati: 36.4%	Karnali: 4.3%, Sudurpaschim: 7.1%	Inequality in economic output reinforcing periphery underdevelopment.
Poverty Rate	20.3%	Bagmati: 12.6%	Karnali: 26.7%, Sudurpaschim: 34.2%	Poverty excessively affects Dalits, women-headed households, and rural caste minorities.
Remittance Inflow	NPR 1,445.3 billion	N/A (Not disaggregated)	High dependence in peripheral regions	Migration reflects lack of local employment; women face additional vulnerabilities in foreign labor markets.
Federal Expenditure Allocation (2022/23)	NPR 1,421.3 billion	Higher infrastructure spending in center	Lower and slower implementation in periphery	Budget inequity affects service access; periphery lacks bargaining power in planning.
Agricultural Share of GDP	24.09%	Bagmati: 17.1%	Karnali: 5.2%, Sudurpaschim: 9.7%	Agriculture-dependent populations are poorer, less diversified, and often lower caste or indigenous.
No. of School	35,876	Bagmati: 6,837	Karnali: 3,233 Sudurpaschim: 4,194	Higher quality and density in center Sparse in remote areas like Karnali, Far West
Literacy Rate	76.2%	Bagmati: 82.1%	Karnali: 76.1% Sudurpaschim: 76.2%	Women, Dalits, and Madhesi groups face systemic exclusion

Indicator	National Average	Center (eg. Bagmati)	Periphery (eg. Karnali, Sudurpaschim)	Class/Caste/Gender Implication
No. of Public Hospitals	234	Bagmati: 56	Karnali: 33 Sudurpaschim: 19	from quality services.
No. of Non-Public Hospitals	2,178	Bagmati: 1,426	Karnali: 55 Sudurpaschim: 65	
Basic Health Centers within 30 Minutes	70.6%	Bagmati: 78%	Karnali: 43.1% Sudurpaschim: %	
Access to Electricity	94%	Bagmati: 98.1%	Karnali: 58% Sudurpaschim: 85%	
Capital Formation (as % of GDP)	Dropped to 24.5% (2023/24)	N/A	N/A	

(Source: Center for Education and Human Resource Development, MoEST, 2024; Economic Survey, 2023/24; Ministry of Health and Population, 2024; Nepal Living Standard Survey, 2023; Statistics, Policy and Research Division, MoEST, 2024)

Table 1 reveals a scrutinized comparative overview of socio-economic indicators in Nepal, reflecting disparities among the national average, core provinces like Bagmati, and peripheral provinces, i.e., Karnali and Sudurpaschim. Bagmati province, as a central area, aggregates a large number of schools (6,837), public hospitals (56), and non-public hospitals (1,426), with a remarkable contribution to GDP of 36.4%. Conversely, peripheral regions like Karnali and Sudurpaschim lag in such amenities, with GDP contributions of 4.3% and 7.1%, respectively. As a result of low economic output in these peripheral regions, the poverty rates of Karnali and Sudurpaschim are markedly higher than the national average (20.3%), which explicitly affects marginalized groups, including women-headed households, Dalits, and caste minorities in these regions.

Despite substantial national remittance inflows, it is evident that peripheral regions' human resources tend to rely heavily on external labor markets due to limited local economic opportunities. The low number of schools in peripheral regions compared to core regions clearly indicates educational disparities, thereby contributing to systemic exclusion, particularly among women, Dalits, and caste minorities. With capital formation falling to 24.5% of GDP and investment skewed toward urban hubs, spatial and structural inequalities are exacerbated, resulting in low capital formation and agricultural dependence in peripheral regions. This limits economic diversification and further exaggerates deeper class-, caste-, and gender-based exclusion.

3.2 Class Structure: Labor and Capital Accumulation in the Center

Land ownership, labor relations, and capital flow are areas where class disparities are reflected, particularly in peripheral areas. Impoverished groups in rural areas frequently work as seasonal laborers or tenant farmers under abusive circumstances. Landowners, who are often urban upper-caste elites, extract surplus while providing little in return, resulting in a highly skewed agricultural economy (Dalzell, 2015).

For many people, remittances are now their main source of income, but they also conceal the lack of structural economic reform (KC, 2022). The high rate of labor migration from peripheral areas is driven by uneven development, lack of opportunities, and discrimination in those areas. This results in households being left without sufficient resources or assistance. According to the Nepal Living Standard Survey, 2023, internal migration of males has decreased, while that of females has increased. This change reflects a significant transformation in the demographic profile of migrants, with women making up an increasing proportion of the internal migrant population by 2022/23. In 2023/24, Nepal received NPR 1,445 billion in remittances, which amounts to 25 percent of GDP (Ghimire, 2024). Table 2 shows the class structure disparity in Nepal.

Table 2 *Class structure disparity in Nepal*

Indicator	National Average	Center (eg. Bagmati)	Periphery (eg. Karnali, Sudurpaschim)	Class/Caste/Gender Implication
Land ownership of agricultural land	63.6%	Bagmati: 52.0% Kathmandu valley urban: 32.1%	Karnali: 84.5% Sudurpaschim: 84.3% Karnali (rural): 94.5% Sudurpaschim (rural): 91.7%	Land ownership is more prevalent in rural areas than in urban areas. Land ownership is concentrated among higher castes while women and Dalits have limited access to land, reinforcing socio-economic disparities.
Renting out of land	17.9%	Bagmati: 23.3% Kathmandu valley urban: 38.8%	Karnali: 8.8% Sudurpaschim: 14.2% Karnali (rural): 7.9% Sudurpaschim (rural): 6.8%	
Labor force participation rate (15 years and above)	37.1%	Bagmati: 45.1%	Karnali: 28.9% Sudurpaschim: 27.9%	Emphasizes the unequal opportunities in the labor market and the close link between poverty levels and labor market outcomes.
Unemployment rate	12.6% Poor: 17.3% Non-poor: 11.7%	Bagmati: 9.4%	Karnali: 23.8% Sudurpaschim: 12.5% Karnali (poor): 41.5% Karnali (non-poor): 19.8%	
% of population Employed	32.4%	Bagmati: 40.9% Kathmandu Valley: 48.3%	Karnali: 25.6% Sudurpaschim: 24.4%	It is observed, as expected, that urban areas have higher employment rates and greater labor

Indicator	National Average	Center (eg. Bagmati)	Periphery (eg. Karnali, Sudurpaschim)	Class/Caste/Gender Implication
Employment in Agriculture Sector	13.3%	Bagmati: 8.2%	Karnali: 11.1% Sudurpaschim: 8.3%	force participation across all provinces. In contrast, rural areas generally show lower employment levels and higher rates of unemployment compared to urban regions.
Labor migration	Internal migration: 38.1% Male: 25% Female: 49.6%	Bagmati: 49.8%	Karnali (rural): 16.8% Sudurpaschim: 32.4%	Migration driven by lack of local employment; higher rates among Dalits and marginalized communities
Share of remittance in total income	33.7%	Bagmati: 32.1%	Karnali: 31% Sudurpaschim: 38.2%	Remittances are crucial for peripheral regions but often used for consumption rather than investment, limiting long-term economic growth.
% of HH received remittance	76.8%	Bagmati: 69.8%	Karnali: 83.9% Sudurpaschim: 69.8%	
Average amount of remittance among recipient HHs	NPR. 145,093	Bagmati: NPR. 138,927	Karnali: NPR. 95,062 Sudurpaschim: 108,698	
Access to Cooperatives	83.3%	Bagmati: 89.1%	Karnali: 56.1%	Women and disadvantaged groups in the peripheral areas have less access to finance.
Access to Banks	74.2%	Bagmati: 79.8%	Karnali: 39.3%	

(Source: Nepal Living Standard Survey, 2023)

Table 2 clearly illustrates regional, class, caste, and gender inequalities between central (e.g., Bagmati) and peripheral (e.g., Karnali, Sudurpaschim) provinces of Nepal. Ownership of agricultural land is higher in rural peripheries such as Karnali (84.5%) and Sudurpaschim (84.3%) compared to Bagmati (52%) and urban Kathmandu Valley (32.1%), yet ownership remains concentrated among higher castes, with Dalits and women having limited access. In contrast, renting out land is more common in urban centers (Bagmati: 23.3%, Kathmandu: 38.8%) than in Karnali (8.8%) or Sudurpaschim (14.2%), as most of the land in peripheral areas is used by the landowners themselves, especially for agricultural purposes.

Labor market indicators such as participation, employment, and unemployment clearly depict center-periphery divides, with peripheral regions experiencing lower participation and employment but higher unemployment, especially among the poor. Urban areas like Kathmandu Valley have higher employment rates (48.3%) than Karnali (25.6%) and Sudurpaschim (24.4%) due to abundant economic activities. Agriculture offers employment to 13.3% nationally, indicating a declining but still crucial sector in poorer regions. Labor migration is driven by the lack of local employment opportunities, with peripheral regions highly dependent on remittances (Sudurpaschim: 38.2%). However, remittance usage is mostly for consumption rather than investment.

Access to financial institutions reflects inequality as well. Only 56.1% of households in Karnali have access to cooperatives and 39.3% to banks, compared to 89.1% and 79.8% in Bagmati, respectively, further marginalizing women and lower-caste groups in the periphery. These intersecting disparities emphasize persistent structural inequalities across class, caste, gender, and geography.

3.3 Caste Hierarchies: Access, Dignity, and Opportunity

Caste is a systemic mechanism that controls access to resources, social mobility, political representation, public dignity, and recognition. As it is deeply rooted in societal structures, it influences access to education, healthcare, and employment. Dalit communities are still excluded from land ownership, face segregation in public spaces, and are overrepresented in menial, stigmatized work (Baruah, 2020). Despite constitutional protections and progressive laws, caste-based discrimination continues to be evident.

Dalits and other marginalized communities often face systemic barriers that limit their opportunities and undermine their dignity. Government policies promoting inclusion often fail at implementation due to bureaucratic resistance and elite capture (Bloch, 2021). State bureaucracies are often staffed and dominated by upper-caste and elite groups, and selective enforcement of inclusion mandates leads to delays in quota enforcement and discriminatory behavior by officials. In Nepal, reserved seats in government or local bodies usually go to relatively privileged Dalit or Janajati

individuals, excluding those most in need. Social stigma and institutional discrimination combine to produce a system in which Dalits are citizens in name but marginalized in practice (Silva-Tapia, 2016).

Nepal’s Constitution (2015) formally outlaws caste-based discrimination and guarantees affirmative action for Dalits. However, untouchability practices persist in over 30 districts. Dalit representation in high-level politics and bureaucracy is negligible, and the implementation of inclusive policies remains weak due to elite capture and bureaucratic apathy. Table 3 shows the effects of caste hierarchies on access, dignity, and opportunities in Nepal.

Table 3 *Effect of caste hierarchies in access, dignity and opportunities in Nepal*

Indicator	Dalit Population	National Average / Other Groups	Class/Caste/Gender Implications
Poverty Rate	41%	25% *	Structural caste discrimination limits economic mobility; Dalits remain economically marginalized.
Per Capita Income	US\$ 977	US\$ 1,597	Reflects both caste-based exclusion from high-paying jobs and systemic underemployment.
Land Ownership	90% landless	Much lower landlessness in upper castes	Historical land alienation; economic class tied to caste status—key factor in rural Dalit poverty.
Literacy Rate	33%	65.9% *	Educational deprivation due to caste-based neglect and gendered barriers for Dalit girls.
Education above SLC	3.8%	Much higher for upper castes	Caste hierarchy restricts access; early dropout linked to poverty.
Bachelor’s Degree or Higher	0.4%	N/A	Elite education remains inaccessible due to class and caste gate keeping.

Indicator	Dalit Population	National Average / Other Groups	Class/Caste/Gender Implications
Life Expectancy	61 years	68.7 years	Poor healthcare access rooted in caste status and class location; worse for Dalit women.
Under-5 Mortality Rate	90 per 1,000 live births	68 per 1,000	Reflects intergenerational neglect and malnutrition.
Political Representation	~1% of mayoral positions	Dalits are 13% of the population	Political underrepresentation due to caste power structure.
Representation in Parliament (Dalit Quota)	8% (reserved)	N/A	Reservation addresses structural caste exclusion but lacks real empowerment mechanisms.
Local Election Outcomes	1 mayor, 2 deputy mayors in Madhes (2022)	1,271 wards in total	Symbolic wins; real political power remains caste-concentrated and male-dominated.
Bonded Labor (Haruwa–Charuwa)	66% of bonded laborers are Dalits	N/A	Modern slavery rooted in caste-class intersection; Dalit women face highest risk.
Caste-Based Killings (2015–2020)	52 reported cases	N/A	Extreme violence as caste control mechanism; (e.g., inter-caste marriage punishments).
Discrimination Cases (COVID-19 Lockdown)	753 cases, incl. 34 murders	N/A	Crises amplify caste-based violence; women often face compounded threats (e.g., abuse in quarantine).
Illiteracy (Dalit Women – Terai)	90%	Lower in men and non-Dalits	Dalit girls face multiple barriers: poverty, early marriage, caste bias.

Indicator	Dalit Population	National Average / Other Groups	Class/Caste/Gender Implications
Exploitation (Dalit Women)	High risk of trafficking and sexual abuse	N/A	Dalit women highly vulnerable to trafficking, sexual violence, and servitude.
Reported Cases of Untouchability (2023)	300+	N/A	Reflects deep-rooted caste ideology; Dalit women often subjected to public humiliation or violence.
Access to Clean Water	~60%	~85%	Discriminatory access to infrastructure; caste dictates spatial exclusion (e.g., taps for Dalits).

(Source: DWO, 2023; ResearchGate, 2023; Record Nepal, 2022; Constitution of Nepal, 2015; Annapurna Express, 2022; UN Digital Library Nepal, 2024; UNDP, 2022a, 2022b; Academia.edu, 2020; IDSN, 2023; NHRC Nepal, 2024)

**(the data varies as no new report after 2023 has been published by DWO)*

Table 3 highlights the persistent and structural underdevelopment of Dalit communities in Nepal, revealing stark disparities in poverty, education, health, political representation, and exposure to violence. It reveals the widespread economic disadvantages due to caste hierarchies, as Dalits have a poverty rate of 41%, substantially higher than the national average, indicating deep-rooted economic exclusion. The average Dalit income is US\$ 977, compared to the national average of US\$ 1,597, demonstrating clear income disparity. A staggering 90% of Dalits are landless, reflecting their historical exclusion from land ownership and agrarian reforms. This severely limits their economic mobility.

Similarly, caste hierarchies cause severe educational disparities. Only 33% of Dalits are literate, compared to the national rate of 65.9%, showing a large education gap. Just 3.8% of Dalits have passed above the School Leaving Certificate (SLC), and a mere 0.4% have a degree above bachelor’s level—indicating near-complete exclusion from tertiary education. These educational disparities hinder long-term development and employment opportunities.

Table 3 also reveals comparative life expectancy, as Dalits live, on average, 7.7 years less than the national population (61 vs. 68.7 years). Similarly, under-5 mortality among Dalit children is 90 per 1,000, significantly above the national average of 68, revealing a lack of access to healthcare and nutrition. Although Dalits make up 13% of the population, they hold only ~1% of mayoral positions. In the 2022 local elections in Madhes Province, only one Dalit mayor and two deputy mayors were elected out of 1,271 wards—highlighting extreme political underrepresentation.

The Haruwa–Charuwa system, a form of bonded labor, continues to affect Dalits disproportionately, with two-thirds of these laborers being Dalits. This reflects the persistence of feudal, caste-based labor practices and economic dependency. Violence and discrimination also persist, with 52 caste-based killings documented from 2015–2020. During the COVID-19 lockdown, 753 discrimination cases, including 34 murders, were reported—illustrating systemic caste-based violence and lack of legal protection. In the Terai region, 90% of Dalit women are illiterate—far worse than Dalit men or women from other castes. Dalit women face double discrimination (gender + caste), and some communities (e.g., the Badi) experience high rates of sexual exploitation and trafficking. Collectively, these patterns demonstrate a chain of underdevelopment sustained by entrenched caste hierarchies.

3.4 Gender Inequality: Education, Health, and Migration Impacts

Gender inequality is acutely felt in peripheral regions, especially among lower-caste and poor women. Education levels remain low, and early marriage and domestic responsibilities reduce school attendance for girls (Jaffrey & Slater, 2017). Healthcare access is limited, with reproductive services particularly inadequate. Male out-migration burdens women with additional labor while leaving them vulnerable to violence and financial insecurity. As KC (2022) notes, female labor migrants often face abuse abroad and stigma at home. Violence against women, including domestic violence, remains prevalent but underreported due to cultural taboos and weak enforcement mechanisms. Table 4 shows the impact of gender inequalities on education, health, and migration.

Table 4 *Impact of gender inequalities in education, health and migration*

Category	Indicator	Women	Men / General	Key Findings
Education	National Literacy Rate (2021)	69.4%	83.6%	Persistent gender gap in literacy
	Lumbini Province Literacy Rate	71.7%	85.2%	Regional gender disparities
Health	Maternal Mortality Ratio	151 per 100,000 live births	N/A	Improved from 281; still high
	Neonatal Mortality Rate	16.6 per 1,000 live births	N/A	Significant reduction; still concerning
Migration	Female Labor Migrants (since 2008)	176,000+	N/A (men majority)	Mostly in informal/domestic sectors
	Risks Abroad	High	N/A	Legal protection and healthcare access limited

Economic Survey, 2023/24

Table 4 presents key findings from Nepal’s Economic Survey 2023/24, highlighting persistent gender inequality across education, health, and migration. In education, female literacy remains significantly lower (69.4%) than male literacy (83.6%), with similar disparities seen regionally—such as in Lumbini Province, where female literacy is 71.7% compared to 85.2% for males—indicating enduring gender gaps in access to education. In health, although the maternal mortality ratio has declined to 151 per 100,000 live births and neonatal mortality to 16.6 per 1,000 live births, these figures still reflect ongoing challenges in maternal and child health services for women. In migration, over 176,000 women have migrated for labor since 2008, predominantly into informal domestic sectors, where they face heightened vulnerability due to limited legal protection and healthcare access abroad. Overall, the data illustrate a chain of underdevelopment where gendered disadvantages in one domain compound vulnerabilities in others, reinforcing structural inequality for women in Nepal.

In summary, the findings demonstrate how Nepal's center-periphery dynamic shapes persistent disparities in infrastructure, access to services, and political representation, with Bagmati Province concentrating schools, hospitals, financial institutions, and GDP contributions, while peripheral regions such as Karnali and Sudurpaschim lag markedly, reinforcing spatial inequalities. It further reveals how class, caste, and gender intersect to sustain structural disadvantages: land ownership and economic opportunities favor higher castes and urban elites, Dalits face systemic exclusion from education, land, and political participation, and women—especially in marginalized communities—experience compounded burdens from limited literacy, health access, and migration pressures. The underlying mechanisms perpetuating these inequalities include elite capture, bureaucratic resistance, historical neglect of peripheral regions, reliance on remittances, and social norms that reinforce discrimination. Potential pathways for transformative change emerge from participatory, equity-driven approaches that center marginalized voices, strengthen inclusive governance, support grassroots organizations such as Dalit-led NGOs and women's cooperatives, and prioritize redistribution of resources and political power to historically excluded groups, highlighting actionable strategies to address entrenched socio-spatial inequities in Nepal.

4. Discussions of Findings

The study reveals a deeply entrenched center-periphery divide in Nepal, where economic output, infrastructure, and federal investment remain concentrated in Bagmati Province, reflecting the persistence of centralized capital accumulation. As Lord et al. (2016) argue, such decentralization without substantive redistribution of fiscal and political power reproduces historical inequalities under a new administrative guise. Through the lens of World-Systems Theory, we observe how Nepal's internal regions replicate global core-periphery dynamics. Bagmati Province, representing the "core," concentrates capital, infrastructure, and institutional power (36.4% of GDP share), while peripheral regions like Karnali and Sudurpaschim (4.3% and 7.1%) resemble "semi-peripheral" or "peripheral zones" within the national system. These internal hierarchies mirror global economic divisions, wherein the periphery supplies labor, natural resources, and remittance inflows while receiving less in terms of investment, infrastructure, and institutional presence.

As Bahl (2023) argues, internal stratification within developing countries is increasingly shaped by unequal incorporation into the global capitalist economy—a dynamic that is clearly visible in Nepal's dependency on labor out-migration and remittances (NPR 1,445.3 billion), especially from rural and marginalized castes. The heavy dependence on remittances in peripheral regions underscores this dynamic; while they provide short-term relief, they fail to transform local economies or address class immobility, echoing Silva-Tapia's (2016) critique of remittance-led development as a mechanism for reproducing marginality. From the perspective of Internal Colonialism Theory (Baruah, 2020), the state emerges not as a neutral arbiter of development but as an active agent in

the extraction and marginalization of its own periphery. This is evident in the federal expenditure patterns—while NPR 1,421.3 billion was allocated in 2022/23, implementation remains skewed toward central regions where elite bureaucratic and political institutions are concentrated. Peripheral zones remain underdeveloped not due to lack of resources, but because development itself is wielded as a political instrument—used to consolidate the dominance of dominant caste and class groups. Agricultural regions with high caste and ethnic diversity remain locked in low-return subsistence economies (~24% share of GDP), with minimal capital formation and poor service delivery. This extractive logic is further reinforced ideologically—through official discourse that frames rural, indigenous, and Dalit communities as "backward" or "unproductive," echoing colonial justifications for neglect (Bloch, 2021).

The findings further reinforce the entrenched center–periphery divide in Nepal's socio-economic structure, revealing how class, caste, gender, and geography intersect to perpetuate inequality. Labor force participation and employment rates are significantly lower in peripheral regions, with Karnali exhibiting particularly high unemployment (23.8%), especially among the poor (41.5%), illustrating the spatial manifestation of class exclusion. As Dalzel (2015) argues, such labor migration reflects a form of “managed displacement,” where the state’s failure to invest in productive sectors in the periphery pushes workers toward mobility, primarily to support urban and global centers of accumulation. Limited access to cooperatives and banks in regions like Karnali further compounds exclusion, restricting financial participation for disadvantaged groups.

Empirical evidence shows that Dalit and Janajati women face the greatest disadvantages in education, health, and migration—exemplifying what Baruah (2020) calls “layered marginality,” where gender oppression is magnified by caste and ethnicity. Crucially, Feminist Standpoint Theory (Chatterjee, 2024; KC, 2022) urges us to recenter the voices and experiences of women, Dalits, and other systematically excluded groups. The data on education, health, and remittances highlight how gender intersects with geography and caste to deepen marginalization. Women in peripheral areas bear the brunt of male migration—not just in terms of emotional and economic strain, but also through increased unpaid labor and social vulnerability. The migration patterns further affirm these dynamics: lower-caste women often migrate under informal, exploitative conditions with little state protection, reflecting Silva-Tapia’s (2016) critique of “intersecting vulnerabilities” shaped by class, caste, and gender. Health and education services remain sparse in regions like Karnali and Far West, where women, Dalits, and Madhesi face systemic neglect. Feminist standpoint epistemologies suggest that true development cannot be top-down. It must be reimagined from the margins—drawing on the lived knowledge and resistance strategies of the most affected. Encouragingly, the post-2015 federal restructuring has opened fragmented but meaningful spaces for this reimagination: Dalit-led NGOs, women’s cooperatives, and youth collectives are

emerging as alternative development actors, working against institutional odds to build just and inclusive futures.

Together, these frameworks help us understand that Nepal's underdevelopment is not just economic, but also deeply social, spatial, and epistemological. These analyses show that caste and gender are not merely additive, but co-constitutive systems that together restrict access to opportunity, voice, and dignity. It is held in place by chains of exclusion—material and discursive—that bind the periphery in dependence. Breaking these chains requires not just redistribution of resources, but a restructuring of power, representation, and knowledge production. Addressing these structural inequalities demands an intersectional, equity-driven approach in policy design that prioritizes historically excluded communities. Development must no longer be what is done to the margins—it must emerge from them.

5. Conclusion

Nepal's persistent underdevelopment is rooted in systemic neglect and the interplay of center-periphery dynamics, class, caste, and gender hierarchies, which trap peripheral regions like Karnali and Sudurpaschim in cycles of poverty, limited employment, weak infrastructure, and heavy reliance on remittances. While Bagmati Province concentrates capital, investment, and services, peripheral populations—particularly Dalits, women, and indigenous groups—face structural exclusion from economic, political, and social opportunities. True transformation requires more than expanding infrastructure; it demands redistributing power, resources, and agency through inclusive local governance, grassroots mobilization, and alternative livelihoods. Policies must address the co-constitutive nature of caste, class, gender, and geography, prioritizing intersectional justice and decentralizing development decision-making. Future research should focus on participatory development strategies, the long-term impacts of remittance dependency, and effective interventions to enhance education, health, financial inclusion, and empowerment in marginalized communities, ensuring development emerges from, rather than imposes upon, the periphery.

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