

# NEPAL

## A Country Report

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### Introduction

Nepal is a tiny Himalayan state situated in the northern part of South Asia. A land locked country, it is bounded by China (autonomous region of Tibet) in the north, and India in the east, west and south. It occupies about 56000 sq. miles of land and its population is about thirty million. Geographically, the country may be divided into three parts- Himalayan region, Hill areas (including Kathmandu Valley), and the Tarai (plain). Nepal was a monarchical country from the beginning of its history, but recently (2008), monarchy was abolished and now it is a republican state. Various ethnic groups reside in different parts of the country, and most of them have their own mother tongue. Nepali in Devanagari script is the official language, but all the languages spoken in the country as mother tongue are recognized as national language. Nepal is an independent state from the very beginning of its history, and it never came under the yoke of any foreign rule.

### History

The archaeological evidences indicate the beginning of civilization in Nepal before eleven million years, but the epigraphic history of the country starts only during the fifth century A.D., and the first royal dynasty about which we have concrete evidences was the Licchavi dynasty, which ruled over Nepal from second to ninth century A.D. The fall of Licchavi dynasty led to the political disintegration of Nepal, and by eleventh century, it was divided into three independent kingdoms. The Mallas ruled over the Kathmandu Valley (royal seat during ancient period) along with its adjoining areas, whereas the Karnat dynasty took control of eastern Tarai area. The Khasa rulers were all in all in western and far-western Nepal. By the end of fifteenth century, the situation further deteriorated, and the country was divided into more than fifty petty states. The main royal dynasties which ruled over these small states were the Mallas, Shahs, Senas, and few others.

The credit of unifying these petty states goes to King Prithvi Narayan Shah of Gorkha (western Nepal) and his successors, who during the second half of eighteenth century, conquered these states through military campaign, and one unified Nepal was created, whose boundary covered the vast additional areas in the east and the west. However, Nepal's defeat in Anglo-Nepal War (1814-16) substantially reduced the country's boundary, limiting it to Mechi in the east and Mahakali in the west- a boundary which is almost same till date, except the restoration of a few Tarai areas in far west in 1860.

After unification, the Shah rulers could not manage the state affairs in a proper way, and that is why, bloody factional politics among the nobility led the country to political instability which eventually resulted in the emergence of a little known group of nobility i.e. the Ranas as defacto rulers. They became the hereditary prime ministers and governed the country as dictators for more than a century (1846-1951) by making the kings politically weak and ineffective and totally suppressing the other groups of nobility. However, in 1951 a popular movement, participated by King Tribhuvan and actively supported by the Indian government, ended the absolute rule of the Ranas and laid foundation of a democratic system. But the democratic governments also failed, one after another, to solve the country's problems, and it led to the emergence of king as a powerful head of the state. In 1959, parliamentary system was adopted, but with a powerful monarch who was equipped with discretionary and emergency power. Exploiting those very powers, King Mahendra dismissed the duly elected government just after eighteen months of working (December 1960), and finally ended the parliamentary democracy for ever.

For the next thirty years (1960-90), the king was all in all in state affairs. The new constitution (1962) vested sovereignty on him with all power - executive, legislative and judicial. Political parties were banned, national legislature was turned into an advisory council, and democratic uprisings were ruthlessly suppressed. A party less panchayat system was adopted in which the king enjoyed supreme power in all fields. The climax reached in 1975 when King Birendra, through an amendment in the constitution, virtually ended the electoral practices, and the government made all nominations in local councils and national legislature. This move proved to be a disaster. Following the students' movement backed by the banned political parties, the king was compelled to announce for a referendum giving options to choose between the existing party less system and a multi-party system. It is alleged that the government rigged the referendum (1980), and it was declared that the people gave mandate to the existing party less panchayat system. Then began a period of suppression and repression in the name of peoples' mandate to the king's rule. But the democratic forces could not be suppressed for a long period. In 1990, a mass movement jointly launched by the banned Nepali Congress and United Left Front compelled the king to end his absolute rule and restore multi-party democracy. The new constitution (1990) unequivocally vested the sovereignty in the hands of the people, though the king was declared as a symbol of national unity.

The democratic experiences after 1990 also did not prove to be a happy one. The Nepali Congress, which won the first general election (1991) and formed the government, collapsed in three years not because of the parties in opposition, but by the political dissension within the ruling party itself. The second general election (1994) produced a hung parliament resulting in the formation and dissolution of seven different governments in four years. The third general election (1999) once again gave mandate to Nepali Congress to govern the country, but within two years, the situation took a serious turn, because of two political catastrophes. One was the royal massacre (2001) in which King Birendra along with his family was killed in an unimaginable way, and the second was the emergence of the Maoists as an aggressive communist force to capture power

through violent methods. In addition to that, the new king, Gyanendra, proved himself to be a most ambitious monarch. His attempt to impose his absolute rule by suppressing both the Maoists and the major political parties was firmly opposed by the people, and the major political parties with the active support of the Maoists launched a successful movement in 2006, which compelled the king to surrender his power and position. In April 2008 elections were held for a constituent assembly, which in its first meeting ended the centuries – old monarchy for ever. To-day Nepal is a republican state, and everyone is waiting for a new constitution to be framed by the constituent assembly by 2010.

### **Political System**

Pending the new constitution to be framed by the elected constituent assembly, Nepal today is governed by an interim constitution adopted by parliament in January 2007. It has declared Nepal a sovereign federal republican state (ratified by the first meeting of constituent assembly), with the sovereignty vested in the people. The president is the constitutional head of the state and elected by the legislative parliament, whereas the prime minister commanding majority of the house is the executive head of the government. The constituent assembly cum legislative parliament consists of 601 members, 240 directly elected by the people, 335 elected through proportional representation, and 26 nominated by the cabinet. It works partly as a constitution-making body, and partly as a national legislature. The judicial power is vested in the supreme court whose decision is final in all cases. Along with that, the fundamental rights of the people are duly recognized, and the state is duty bound to implement its principles and policies.

So far as the framing of a new constitution is concerned, it has proved to be a difficult task. The Maoists want a presidential system in which the executive power is vested in the president. But other major political parties are strict on parliamentary system with the prime minister as the executive head. Similarly, federalism also has become a subject of controversy. Some argue that the federal units should be created on the basis of language and caste, whereas some others want them to be formed purely on territorial basis. There are also parties which consider the federal system itself as detrimental to the country's unity and sovereignty. Amidst such controversies, people have raised strong doubts on the framing of constitution in time.

### **Foreign Relations**

Nepal is a land-locked country, bounded by two big nations, India and China. Up to 1947, Nepal had formal and informal relations only with these two countries, and till the independence of India, the diplomatic connections with that country were regulated by the British. In the case of China, Nepal had informal relations through quinquennial missions, and Nepal's trade with Tibet formed a significant part of Sino – Nepali relations, despite the fact that the diplomatic relations were established only in 1955. From 1947 onwards, Nepal contracted diplomatic relations with many countries

including United States and Soviet Union, and to-day she has formal relations with most of the countries of the world. Nepal was admitted in the United Nations in 1955, and since then she has played a significant role in preserving world peace, by involving herself in a number of UN agencies including the Security Council. She is a member of non – aligned movement, and also that of SAARC, a regional organization of South Asia.

Because of its 500-mile long open border with India, Nepal is confronted with some problems occasionally. Similarly, the Tibetan question sometimes puts both Nepal and China in an awkward position. But these problems are always settled amicably.

In recent years, Nepal has developed her relations with the countries of South East Asia and West Asia, especially in supplying industrial workers to those countries. She also has played a significant role in peace keeping missions in numerous countries.

### **Administrative Set-up**

Being a small country, Nepal was always a unitary state. Be it during the rule of Shah kings or Rana prime ministers, the centre was always strong and decisive in the formulation and implementation of policies and programs. Even after the introduction of democracy in 1951, the central authorities played crucial role in the supervision and control of district and local administration. The central administration consists of different ministries, and each ministry controls the activities of the departments and other offices under it. In 1961 the country was divided into fourteen zones and seventy-five districts. Later on, five regions are created to supervise the different zones and districts. The first decentralized plan was launched in 1965, and it was followed by several other schemes including Local Governance Act 1999. But the basic unitary structure remained the same, though the district officials were equipped with certain substantial power and authority.

With the abolition of monarchy, a strong voice is raised in favour of federalism, and most of the political parties are unanimous to support the concept and principles of a federal state. But its proposed structure is yet a subject of great controversy.

The appointment of a civil servant is made through merit basis, and his ability, experience, and qualification are duly considered at the time of promotion. The first civil service act was promulgated in 1956, which gave some privileges to the civil servants and also protected them against any illegal action. The retiring age is 58, but an official after twenty years service can go on voluntary retirement.

## Economy

Nepal is among the least developed countries in the world, with almost one third of its population living below the poverty line. Traditionally, the economy of Nepal has been dependent on agriculture, followed by trade and commerce, and industry. Even today about three-fourth of the population is engaged on agriculture for livelihood. Nepal's chief agricultural products are rice, maize, wheat, sugar cane, root crops, milk, domestic buffalo meat etc. Land lords are the owners of the land, but the tenants are the real cultivators. Up to the 1960s, the position of the tenants was miserable with the land lords suppressing them in every possible way. The Land Act of 1964, however, brought a big change to the situation and gave the tenants their rightful place in the land by protecting their tenancy rights. Still then, there is mounted pressure on the government to give the tenants their full rights on land under the principle "one who cultivates is the master of the land."

Up to 1960, Nepal's trade was limited only to India and Tibet. After that, she adopted a policy to diversify her trade by establishing trade relations with Japan and several western countries on the one hand, and Soviet Union and eastern European states on the other. This policy helped Nepal to improve its economy to some extent, but still then, India remains the greatest trading partner of Nepal. Carpet, textile, rice, jute, sugar, cigarettes, cement, brick production etc. are the main industries of Nepal. Nepal exports carpets, clothing, leather goods, jute goods, grains and herbs and imports petroleum products, gold, machinery etc. from outside.

Cottage industry served as a means of livelihood to Nepali people for hundreds of years in the past. It was only in the 1930s, some large scale industries were established which included several jute and sugar mills. To promote these industries, the first commercial bank was founded in 1937, but the state bank in Nepal started functioning only after twenty years.

Nepal is famous all over the world as a land of the Himalayas. Most of the highest mountain peaks of the world, including Mount Everest, are located in Nepal, and they have attracted hundreds of foreign mountaineers every season. The Ministry of Tourism deals with the mountaineering activities under some specific rules. Mountaineering as part of tourism plays a significant role in the national economy of the country. From the 1980s, tourism has been developed as a major industry of Nepal. A number of historical and cultural sites along with mountain peaks and natural scenery attracts thousands of foreign visitors to Nepal every year.

In the last few years, the Nepali youths have gone to various countries to seek employment, and their remittance has become an important source of Nepal's income in foreign currency. Similarly, pension from the British government to the retired Gurkha soldiers form another source of income in foreign currency.

Nepal receives substantial amounts of external assistance from India, China, United Kingdom, United States, Japan, Germany, and Scandinavian countries. Several organizations like World Bank, Asian Development Bank, and United Nation Development Program also provide financial assistance. Nepal is also a member of World Trade Organisation.

In a formal way, Nepal started her economic planning in 1956, and she has already prepared and implemented several five-year plans. At present, she is on her eleventh five year plan. The per capita GDP is about US \$ 1200, and the exchange rate for a US dollar is about 75 Nepali rupees.

### **Socio-cultural life:**

Nepal is a country inhabited by a number of ethnic and caste groups, with different culture, rituals, and religious beliefs. Unity in diversity is the main motto of her social and cultural policies.

The Himalayan region touches the border of Tibet (autonomous region of China). Its valleys and mountain slopes are inhabited by Himalayan people who speak various Tibetan dialects, and whose cultural and religious rituals are deeply connected with the Tibetans. The most famous among the Himalayan people are the Sherpas of Solo Khumbu-the Mount Everest region.

A number of different ethnic and caste groups reside in the hill region. The Kirati people, Rai and Limbu, live in the hilly region of eastern Nepal and have a distinct traditional culture. Magars have their abode in middle and western Nepal, whereas the Gurungs live in west-central Nepal. The Kathmandu Valley has been inhabited by the Newars, and its adjoining territories have been occupied by the Tamangs.

The Tarai (plain) region is inhabited by a number of ethnic groups which include Tharu, Danuwar, Majhi, Rajvamshi, Satar, Dhimal and many others, and most of them have cultural ties with the people of northern India.

Mention must be made of Kshetriyas and Brahmins who form two largest groups of Nepalis. But they are scattered in different hill and Tarai districts.

Linguistically, the people of Nepal can be divided into two categories, Indo-Aryan and Tibeto-Burmese, with two distinct group of language as their mother tongue. Regarding their religious affiliation, majority of them are Hindus, followed by the Buddhists. Muslims are also in a good number in Tarai districts, and a few Christians (mostly converted) are scattered in different parts of the country.

There has been no major religious clash in Nepal in any part of its history, and all the time, the rulers had adopted a policy of religious harmony. But when the 1962 Constitution declared Nepal a Hindu state, there developed an unseen rivalry between the

Hindus and non- Hindus. The Interim Constitution (2007) settled the issue by declaring Nepal a secular state with every citizen being free to profess and practice his/her religion in consonance with tradition and custom. However, religious conversion is prohibited.

Being a traditional society, Nepal suffered a lot in the past because of social inequality on the basis of caste. It was only in 1963, the civil code formally abolished caste discrimination, which the conservative society accepted after decades of silent resistance. Even today, a small section of Nepali society hesitate to accept the principles of social equality

The process of educational development is very slow. The western model schools were established in the second half of nineteenth century, and the higher education started only in 1918. The first university was founded in 1959, and technical subjects were introduced only in the 1970s. At present, there are six universities, hundreds of colleges, and thousands of schools. Despite this, thousands of students prefer to go to the foreign universities for higher education.

### Nepal at a Glance

Country Name:	Nepal
Capital City:	Kathmandu
Population:	29,519,114 (2008 Estimate)
Form of Government:	Republic
Administrative Divisions:	5 Regions, 14 Zones, and 75 Districts
Executive Branch:	President—Dr. Ram Varan Yadav (constitutional head of state, took office in July 2008) Prime Minister—Madhav Kumar Nepal (executive head, took office in May 2009)
Legislative Branch:	A 601-member Constituent Assembly, elected in April 2008 Also works as Legislative- Parliament
Judicial Branch:	Supreme Court, Appellate Courts, District Courts
Major political parties;	Unified Nepal Communist Party (Maoist) Nepali Congress Nepal Communist Party (Unified Marxist-Leninist) Madhesi Janadhikar Forum Tarai Madhes Loktantrik Party

Religion:	Hinduism, Buddhism, Islam, Christianity etc.
Languages:	Nepali (official), Maithili, Bhojpuri, Hindi, Newari (Nepal Bhasa), Tamang, Magar, Gurung etc.
Supreme Law:	Interim Constitution of Nepal (2007)
National Budget:	Approx. 3 billion US dollar
Life Expectancy:	Male- 61.1, Female-60.8
Literacy:	56.5 %

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