



The European Union's Role in Democracy Building in Nepal

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The European Union's Role in Democracy Building in Nepal

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Abstract

Nepal, a poor, land-locked country with multiple languages, castes and religions, is trying desperately to make a go at democracy – its third attempt since 1951. Heavily dependent on foreign aid, which apparently doesn't reach all 23 million of its citizens, Nepal has been wracked by insurgencies, political instability and poverty. Yet in recent surveys, Nepalis say they support the current government's goals of restructuring the Nepali state via social transformation, economic development, and shifting the political power structure.

In its 2007–13 strategy, the European Commission (EC) identifies peace building and education as the two key areas for its support. The support for poverty reduction and for integration of Nepal into the international community – two of three major areas the EC supported in the past – has been dropped but the third component, consolidation of democracy, is retained in substance if not in words. Support for education and peace building ultimately serves Nepal's national goal of restructuring the country as a federal democratic and inclusive republic.

Summary of Recommendations

The political system that Nepal is creating through its new constitution has four attributes: republicanism, federalism, secularism and inclusive democracy. None of these attributes has historical roots in the country.

- Components of this programme would include:
- Supporting constitution making
- Capacity building of state organizations vis-à-vis executive dominance
- Promoting an inclusive system
- Producing social sciences knowledge

- Empowering dalit (lower caste group)
- Empowering marginalized tiny minority groups
- Developing the most underdeveloped and remote areas

1. A Brief Look at the Trajectory of Democracy in Nepal

Democracy was introduced to Nepal in 1951 after an armed revolution against the century-long Rana oligarchy (1846–1950). This new experiment was, however, short-lived as King Mahendra, in a royal coup in December 1960, introduced the Panchayat system with its twin characteristics – active monarchy and a party-less system. In 1990, a mass movement launched jointly by the liberal Nepali Congress Party (NC) and several splinter communist groups restored democracy. This second democracy experiment was derailed by the royal takeover of October 2002, which culminated in another coup d'état in February 2005 by King Gyanendra. Democracy was restored once again after a mass uprising in April 2006, in which up to 4 million people in a country of 23 million participated.

The restoration of multiparty system in 1990 was detailed in a new constitution in November 1990, which laid out a political system based on constitutional monarchy and parliamentary democracy. The transition to democracy was smooth as Panchayat structures were demolished. Majority rule governed three succeeding parliamentary elections, held in 1991, 1994 and 1999, and two local elections in 1992 and 1997 (Baral 2005). These elections produced a system dominated by two parties – the NC and the Communist Party of Nepal – Unified Marxist-Leninist (UML).

Box 1. The Nepal Constituent Assembly

The Nepal Constituent Assembly (the parliament) is more inclusive than any past legislatures. The distribution of the Members of Parliament is:

- hill Hindu high castes (Brahmin and Chhetri) 33 per cent
- *madheshis* (people of plains origin, including dalit and ethnic groups) 34 per cent
- *janajatis* (ethnic groups of both hills and plains) 35 per cent
- dalits (of both hills and plains) 8 per cent
- Women constitute 33 per cent

However, due to intra- and inter-party conflicts, bad governance, rampant corruption and unemployment, constitutional loopholes, abuse of power and other issues, democracy eroded rapidly (Hoftun et al 1999; Kumar 2000; Hachhethu 2002). Consequently, political instability became the order of the day. A frequent change of government – 15 times during 1990 to 2005 – highlighted the prevalence of chaos, anarchy and disorder. The post-1990 political arrangement of constitutional monarchy and parliamentary democracy was effectively and successfully challenged by two opposite forces. One, the Communist Party of Nepal–Maoist (CPN-M), with its avowed objective of dismantling the monarchy and parliamentary democracy, launched an armed insurgency beginning

in February 1996 (Hutt 2004; Baral 2006). The other, King Gyanendra (who succeeded the throne after the murder of King Birendra in June 2001), assumed executive power in October 2002 and seized all powers in a coup on 1 February 2005 (Hachhethu 2007).

After the successful mass uprising in April 2006, known as Jana Andolan II, democracy has now been reinvented in a more radical form. King Gyanendra relinquished his authority and the monarchy was abolished, changing Nepal into a republic. Nepal also converted from a Hindu kingdom into a secular state and established a federal form of government. The CPN-M abandoned its decade-long armed insurgency and agreed to a peaceful multiparty competitive system (Hachhethu 2009), eventually joining the parliament. In the April 2008 elections, the CPN-M gained 229 out of 601 seats and the longstanding main parties – NC and UML – dropped to second and third place with 115 and 108 seats, respectively.

Nepal is heading towards a new destination: restructuring the Nepali state via social transformation, economic development, and shifting the political power structure. Its major issues are secularism, federalism and bi/multi-language policy. People's endorsement of the state's restructuring efforts is evident by the findings of three national surveys conducted between 2004 and 2008 (Table 1).

Table 1: People's Endorsement for Restructuring Nepali State

	Figure in percentage (‘don't know’ is treated as missing variable)		
	2004	2007	2008
Democracy	62	67	69
Republic	15	59	–
Secular	34	39	83
Federal	33	42	77
Bi/multilanguage	47	52	83

Source: Krishna Hachhethu, *State of Democracy in Nepal: Survey Report* (Kathmandu: SDSA/N and International IDEA, 2004); Krishna Hachhethu, et al, *Nepal in Transition: A Study on the State of Democracy* (Stockholm: International IDEA, 2009); Nepal Centre for Contemporary Studies, ‘National Opinion Survey’ (unpublished, September 2008).

2. Foreign Aid in Nepal

In the past 50-odd years, since Nepal received its first foreign aid from the United States via the Marshall Plan, ‘the total contribution of foreign aid to the national expenditure has amounted to [Nepal rupees, NPR] 268 billion’, including an NPR 159 billion loan and NPR 109 billion grant (Pyakurel et al 2008: 16). Foreign aid accounts for 27 per cent in total national expenditure and exceeds 50 per cent in development expenditure. The grants have helped spread education, constructed roads and bridges, established industries, and, over the last decade, reduced the percentage of people living below the poverty line from 42 per cent to 31 per cent. In the 1960s and 1970s, Nepal received

more aid from bilateral assistance than from multilateral donors and the 'share of grants used to be around three-fourths of total aid' (Pyakuryal et al 2008: 13-14).

The end of Cold War brought changes in aid policy; donors began to express their concerns about human rights situations in recipient countries. The restoration of democracy in Nepal in 1990 coincided with the third wave of democracy.

EU countries, like other donors, have a distinct image as development partners of Nepal. In addition, donors extended their outreach beyond government agencies to non-state actors, collaborating in three major areas: (1) democracy and human rights; (2) empowerment of marginalized groups like women and dalit; and (3) the identity movement for collective rights of the excluded groups. Few organizations could survive without the donors' strategic, technical and financial support.

Box 2. EC development projects in Nepal

Some major development projects undertaken in Nepal by the EC are:

- Strengthening of Veterinary Service for Livestock Disease Control (1996-2001)
- Gulmi-Argakhanchi Rural Development Project (1998-2002)
- Mid-Western Irrigation Development Project (1999-2003)
- Bagmati Integrated Watershed Management Programme (1999-2003)
- Basic and Primary Education Programme II (2000-2004)
- EU/UNFPA Joint Initiative to Improve Reproductive Health (1999-2007)
- EC-Nepal South Asia Civil Aviation Project (2002-06)
- Renewable Energy Product (2004-08)
- Conflict Mitigation Package (2006)
- Education and Conflict Mitigation/Peace Building (2007-13)

The international community has been tempted to involve itself more on soft projects like democracy building and empowering marginalized groups than costly hardware economic developments (such as building roads and bridges and harnessing hydro electricity) for several reasons. Frustrated by political instability, the poor state of accountability and responsibility of the political society (i.e., political parties, parliament and government) and more so the absence of local elected bodies since 2002, donors have diverted the fund for capacity building of non-state/government organizations and their activities. Areas in which the international community provides continuous support are democracy, human rights, women and dalit empowerment.

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3. European Support of Democracy and Development in Nepal

Many EU member states are long-standing development partners with Nepal. Though formal diplomatic relations between the European Commission and Nepal were

established in 1975, the presence of the EC as a multilateral donor began only in 1992, followed by the EC-Nepal Cooperation Agreement in 1996, which states 'Respect for human rights and democratic principles is the basis for cooperation' (1996: 2). Since opening the office of the Delegation of European Commission in Kathmandu in March 2002, the EC has actively promoted democracy in Nepal.

In its 2002–06 aid package of EUR 70 million, the EC earmarked EUR 56 million for poverty reduction, EUR 10 million for democracy programmes, and EUR 4 million for integration into the international economy. Its country strategy paper (2002-06) noted: 'Because of the complex matrix of socio-economic factors related to poverty, political instability and insurgency, the concept of Conflict Mitigation will be central to EC initiatives. A common denominator of the EC strategy will be close integration of poverty reduction and conflict mitigation activities to be implemented over a long-, medium- and short-term period' (2003: 25). The shift of the EC's interest and strategy from providing support to democracy through economic cooperation to promoting democracy through conflict mitigation was to minimize the impact of the armed insurgency. Some 14,000 Nepalis died during the Maoist insurgency (1996–2005) and the numbers of victims of armed conflicts are in the several hundred thousands.

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The EU's concern over Nepal's domestic affairs intensified after King Gyanendra's royal coup in February 2005. To pressure the king to restore democracy, the EU and its member countries suspended many development projects. They also joined with India and other bilateral and multilateral donors to bring the two popular forces – mainstream parties and the CPN-M – together to launch the mass movement to reinstate democracy. 'An ad hoc commitment of Euro 10 million was made to support the people's movement and Nepal's return to democracy' (Jain 2009: 8). Recently, on behalf of the EU presidency in Nepal, the diplomatic missions expressed concern over tensions between the government led by the CPN-M and the Nepal Army regarding the new recruitment in the Nepal Army and the Maoist People's Liberation Army (PLA). As a result, further recruitment in the Nepal Army has been prohibited, and the PLA has withdrawn its recruitment process.

In its 2007–13 strategy, the EC identifies **peace building** and **education** as the two key areas for its support. The support for **poverty reduction** and for **integration of Nepal into the international community** – two of three major areas the EC supported in the past (2002-06) – has been dropped but the third component, **consolidation of democracy**, is retained in substance if not in words. Support for education and peace building ultimately serves Nepal's national goal of restructuring the country as a federal, democratic and inclusive republic.

The European Initiative for Democracy and Human Rights (EIDHR) has funded community-based awareness campaigns and conflict mediation; radio and TV campaigns on anti-discrimination; national human rights education; legal aid (provided by the Nepal Bar Association); and capacity building of the National Human Rights Commission. The EIDHR has allocated EUR 5.1 million for 35 projects in such areas as human rights, dalit awareness/empowerment, conflict transformation, inclusion of indigenous people and *madheshi*, women awareness/empowerment,

and others. ‘The EIDHR supports objectives such as conflict dialogue, freedom of expression, strengthening of human rights organizations and the rule of law’ (*Nepal: Country Strategy Paper 2003: 32*).

Also, Nepali institutions involved in peace and conflict research, business, tourism, health and education benefited from EU-Asia-wide, Asia Invest and Asia Link projects, all EC/EU supported.

The EU has constructively intervened on four major areas: (a) conflict resolution and peace building; (b) strengthening democratic process; (c) rule of law; and (d) human rights. For the Constituent Assembly (CA) election in 2008, the EU deployed 120 observers in 62 out of total 75 districts of Nepal (EU-Nepal News 2008: 7). For the post-CA election transition period, the EU has prioritized three areas: constitution making, peace building and inclusive democracy.

Taking into account the great interest, vast resources and high potential of the EU to contribute to democracy building in Nepal, the following sections explore the areas in which the EU could assist significantly. The areas are divided into two parts: democracy building from above and democracy building from below.

4. How the EU Can Help: Democracy Building from Above

The political system that Nepal is creating through the new constitution has four attributes: republicanism, federalism, secularism and inclusive democracy. None of these attributes has historical roots in the country. It is, therefore, necessary to support political- system building as a priority area in the EU’s forthcoming programme in Nepal. Such a programme could assist with constitution making, capacity building of state organizations vis-à-vis executive dominance, promoting an inclusive system, and producing social science knowledge.

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Supporting Constitution Building

The main task at present is to write and implement a new constitution. The April 2008 elections produced a hung assembly. None of the political parties has the required two-thirds majority to pass the provisions of the new constitution. Additionally, the divergence of the CA members, both ideologically and on caste/ethnic composition, makes the task complex. Some key contentious issues among the political parties and among the social groups are: nature of government (parliamentary or presidential), criteria of federal units (on the basis of ethnicity or other factors like geographical proximity, economic viability and administrative convenience), electoral system (first past the post (FPTP) or proportional representative (PR) or a mix of both) and adjustment of the PLA (integration into Nepal Army or disperse into another sector of employment). As the new constitution will be a major political settlement between different ideologies and priorities, and between the positions of various political parties, diverse social groups and different classes, the national priority obviously should be to build the political/legal structures of the new Nepal in a way that accommodates all conflicting interests. This obviously demands a consensus politics. Taking into account the receptivity of international community’s role, advice and suggestions, the EU

can support consensus building among different political forces and social groups of Nepal.

Capacity Building of State Organizations vis-à-vis Executive Dominance

The combined strength of several Left parties in the CA is more than 60 per cent. The Left is likely to be a force in Nepali politics at least for next few years. The executive branch of the government controls the power and consequently other state organizations are subservient to the government rather than providing a counterweight to the executive branch's dominance. The EU can provide support to make the parliament, bureaucracy, court, army, local government, and election commission independent and effective state organizations. This would ensure a system of proper checks and balances between the state/government organizations.

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Promoting an Inclusive System

Nepal is home to 101 caste/ethnic groups that could be broadly categorized into (a) hill Hindu high castes Brahmin/Chhetri; (b) *janajatis* (indigenous nationalities); (c) *madhesi* (people of plains origin); and (d) dalits (untouchable caste). Except for the hill Hindu high caste, all other social groups, including women, are excluded. The dominant position of hill Hindu high castes is just not a by-product of contemporary affairs; it is rather an intended and unintended consequence of the historical process of national integration into the fold of Hindu *pahadi* culture. Following Nepal's unification in the mid-18th century, the rulers had tried to develop Nepal as a homogeneous and monolithic state by providing protection to one language (Nepali), one caste group (hill Bahun-Chhetri), and one religion (Hindu), ignoring the reality of the diversified and pluralistic character of the Nepali society. The state-designed 'Nepalization' process – through Hinduization, spread of the *parbatiya's* culture, institutionalization of a caste system converting the separate identity of ethnic groups into caste structures, and centralization of politics and administration – led to increased disparity between social groups. Tables 2 and 3 show the position of different social groups.

Restructuring the Nepali state into an inclusive democracy should be a cross-cutting issue of the EU's support in all sectors.

The ethnic landscape of the emerging political scene suggests that the course of state and nation building be reversed from the past practice of assimilation to the accommodation of social diversity. It is good news for those championing an inclusive system that 'The rights of indigenous people have been identified as a thematic funding priority for the EIDHR in 2007-2013' (Nepali 2009: 7). Restructuring the Nepali state into an inclusive democracy should be a cross-cutting issue of the EU's support in all sectors.

Producing Social Sciences Knowledge

The contemporary debate on key political issues lacks social science research. The discourse on key attributes of a new political system (republican, secular, federal and inclusive) is overshadowed by populism, activism and controversy. There is plenty of lobbying. What is missing is the lack of social science research-based knowledge. The EU can share the experiences of other countries of the world to demonstrate how the attributes of the

The EU can share the experiences of other countries of the world to demonstrate how the attributes of the new Nepali political system could function well.

Table 2: Human Development by Caste and Ethnicity, 2006

		Dominant Groups			Marginal Groups			Nepal
		Bahun	Chhetri	Newar	Madhesi	Janajati	Dalit	
1	Life Expectancy	68.1	60.6	68.0	61.6	62.9	61.0	63.7
2	Adult Literacy Rate %	69.9	58.4	68.2	42.3	51.7	38.0	52.4
3	Means Years of Schooling	5.4	3.7	4.7	2.4	3.0	1.7	3.2
4	Per Capita PPP Income US\$	2395	1736	3097	1094	1405	977	1597
5	Life Expectancy Index	0.718	0.594	0.717	0.610	0.632	0.601	0.645
6	Educational Attainment Index	0.586	0.471	0.558	0.335	0.410	0.292	0.421
7	Income Index	0.5301	0.4763	0.5730	0.3993	0.4410	0.3804	0.4624
8	Human Development Index	0.612	0.514	0.616	0.448	0.494	0.424	0.509
9	Ration to HDI Nepal = 100	120.1	100.8	120.9	88.0	97.1	88.3	100.0

Source: NDPP/Nepal.2009. Human Development Report 2009. Kathmandu: UNDP/Nepal

Table 3: Integrated National Index of Governance, 1999

		Dominant Groups		Marginalized Groups				Total
		Bahun/Chhetri	Newar	Madhesi	Janajati	Dalit	Other	
1	Court	77.0	13.6	7.6	1.7	0	0	235
2	Constitutional Bodies	56.0	24.0	12.0	2.8	0	0	25
3	Cabinet	62.5	9.4	15.6	12.5	0	0	32
4	Parliament	60.0	7.6	17.4	13.6	1.5	0	265
5	Public Administration	77.6	17.6	3.7	1.2	0	0	245
6	Party Leadership	58.8	10.9	15.8	15.2	0	0	165
7	Leadership: Local Elected Bodies	55.5	15.7	16.2	12.0	0	0	191
8	Leadership: Commerce and Industry	16.7	47.6	35.7	0	0	0	42
9	Leadership: Educational Arena	77.3	11.3	7.2	2.1	1	1	97
10	Leadership: Cultural Arena	69.1	17.9	0	4.9	0	0	123
11	Science/Technology	58.1	29.0	9.7	3.2	0	0	62
12	Civil Society Leadership	75.9	14.8	7.4	1.9	0	0	54
	Total	66.5	15.2	11.2	7.1	0.3	1	
	Population %	31.6	5.6	30.9	22.2	8.7	1	
	Difference With Population %	+34.9	+9.6	-19.7	-15.1	-8.4	-1	

Source: Govinda Neupane, *Nepalko Jatiya Prasana* [Question of Caste/Ethnicity in Nepal] (Kathmandu: Centre for Development Studies, 2000)

new Nepali political system could function well. The EU can mobilize international expertise and produce national experts to help establish and support Nepal's new political system.

5. How the EU Can Help: Democracy Building from Below

The international community has been heavily involved with soft projects (democracy building, empowering marginalized groups and inclusion) more than with the costly hard economic development projects (road building, bridge building, harnessing hydro electricity).

Development assistance needs to continue supporting poverty reduction programmes, but the beneficiaries should be disadvantaged groups and the most underdeveloped places. The logic of fixing such targeted groups and areas can be explained on two grounds. One is the past experience of uneven development. A wide spatial variation existed in the poverty rate, ranging from as low as 3 per cent in urban Kathmandu to as high as 45 per cent in the Mid-Western Development Region; between urban and rural areas the variation ranged from 10 per cent to 35 per cent; by development region it varied from 27 per cent in the Western Development Region to 45 per cent in the Mid-West Development Region. By caste/ethnicity, poverty rates varied from 14 per cent among Newars to 46 per cent among dalits (UNDP 2009). This clearly shows that those who benefited from donor funds are the same predominate castes (Brahmin, Chhetri and Newar) and privileged urban dwellers.

What, then, is the implication for democracy? This question demands a look at the second factor, which explains why donors need to reorient their development assistance so that the disadvantaged groups would benefit. Extreme poverty has always been a threat to democracy. As was revealed by the 2007 Nepal democracy survey, 28 per cent of respondents put themselves in a category of people who are indifferent on the question of desirability of democracy or dictatorship. Who are they? Most of them are the downtrodden strata of society – the poor, the backward, the illiterate, the less educated, and those who have no or little exposure to media (Hachhethu et al 2008: 42). Given the past experience of uneven development, which produces economic disparity and inequality among the people of different groups and areas, and taking into account that the marginalized poor are indifferent to democracy or dictatorship, the EU must reorient its poverty reduction programme so that marginalized groups and areas will benefit from the donors' development assistance. For this purpose, some specific programmes are suggested below.

Empowering Dalit

Class and caste overlap in Nepal. Dalit is the most marginalized group. Dalits constitute 14 per cent of the total population of Nepal and they are broadly divided into two larger categories – hill dalit and *madheshi* dalit – and 21 specific groups (see Table 4). The pathetic position of dalits is clearly reflected in their lowest rank in the national human development index and integrated index of governance (see

The EU could play a lead role in bringing the international community back to the economic development donor track, but without losing interest on soft projects.

It is strongly recommended that the EU continue and increase its programme related to dalit awareness and empowerment. Promotion of democracy through empowering dalits will ensure that democracy is a system to deliver social justice to the poor and backward section of society.

Tables 2 and 3). The EIDHR has disbursed less than a million euros for nine dalit-specific projects. It is strongly recommended that the EU continue and increase its programme related to dalit awareness and empowerment. Promotion of democracy through empowering dalits will ensure that democracy is a system to deliver social justice to the poor and backward section of society (see Table 4).

Table 4: Dalits of Nepal

No.	Hill dalit	No. of Population	% of total population
1	Kami	895,954	3.94
2	Damai	390,305	1.72
3	Sarki	318,989	1.40
4	Gaine	5,887	0.03
5	Badi	4,442	0.02
Plains dalit			
6	Chamar	269,661	1.19
7	Musahar	172,434	0.76
8	Dusandh/Pawan	158,525	0.70
9	Tatma	76,512	0.34
10	Khatwe	74,972	0.33
11	Dhobi	73,414	0.32
12	Bantar	35,839	0.16
13	Dom	8,931	0.04
14	Badi	4,442	0.02
15	Halkhor	3,621	0.02
16	Patharkatta	552	0.00
17	Unidentified dalit	173,401	0.76
Newar dalits like Kasai, Kusule, Poda and Chyame are not listed separately.			

Source: Nepali Central Bureau of Statistics, *Population Census 2001* (Kathmandu: 2002).

Empowering Small, Marginalized Minority Groups

Of 101 caste/ethnic groups of Nepal, 70 have a population of less than 100,000. Out of these 70 tiny minority groups, 63 belong to the most marginalized groups among the excluded groups: dalit, *janajati* and *madheshi*. Their interests and concerns are generally ignored by not only the state and government but also by the numerically dominant groups of the excluded sections. The donors are no exception as they don't have specific programmes and projects for these marginalized tiny minority groups. It would, therefore, be sensible to make the most marginalized tiny minority groups beneficiaries of the EU's support to democracy and development in Nepal (see Table 5).

Table 5: Tiny Marginalized Groups of Nepal

Hill Ethnic		Plains Ethnic		Plains low castes		Dalits	
Name	Number	Name	Number	Name	Number	Name	Number
Kusunda	164	Koche	1,429	Munda	660	Patharkatta	552
Yelhmo	679	Kisan	2,876	Dhunia	1231	Halkhor	3,621
Raute	658	Meche	3,763	Churaute	4,893	Badi	4,442
Walung	1,148	Kamar	8,761	Bhediyar	17,729	Gaine	5,887
Hayu	1,821	Chidimar	12,296	Binda	18,720	Dom	8,931
Byangsi	2,103	Tajpuriya	13,250	Rajhbhar	24,263	Bantar	35,839
Raji	2,399	Dhimal	19,537	Lodha	24,738	Dhobi	73,414
Lepcha	3,660	Gangai	31,318	Kahar	34,531	Khatwe	74,972
Dura	5,169	Jhagar	41,764	Barae	35,434	Tatma	76,512
Jirel	5,316	Satar	42,698	Lohar	82,637		
Baramu	7,383	Badhe	45,975	Sudhi	89,846		
Bote	7,969	Kumhar	54,413	Kanu	95,826		
Chhantel	9,814	Nuniya	66,873	Hajam	98,169		
Mali	11,390	Rajbanshi	95,812				
Pahari	11,505						
Darai	14,859						
Yakkha	17,003						
Nurung	17,522						
Bhote	19,261						
Thami	22,999						
Chepang	52,237						
Danuwar	53,229						
Majhi	72,614						
Sunwar	95,254						
Kumal	99,389						

Source: Nepali Central Bureau of Statistics, *Population Census 2001* (Kathmandu: 2002).

Developing the Most Underdeveloped and Remote Areas

The current discourse of inclusion and exclusion and development and underdevelopment is heavily dominated by caste/ethnic line. This has led to ignoring the pathetic position of five Himalayan districts of the Karnali zone (Humla, Zhumle, Dolpa, Mugu and Kalikot) and another 13 hill districts of mid- and far-western development regions. Except Surkhet, all these districts rank in the lowest position in the national human development index (see Table 6).

**Table 6: Mid- and Far-West Mountain/Hill Districts
Position on National Human Development Index, 1996**

No.	Name of district	No. of HDI	Largest population
	National	(0.325)	
1	Mugu	0.147	Chhetri
2	Bajura	0.173	Chhetri
3	Kalikot	0.177	Chhetri
4	Bajhang	0.201	Chhetri
5	Jajarkot	0.210	Chhetri
6	Dolpa	0.218	Chhetri
7	Jumla	0.218	Chhetri
8	Achham	0.235	Chhetri
9	Humla	0.224	Chhetri
10	Dailekh	0.246	Chhetri
11	Doti	0.249	Chhetri
12	Salyan	0.250	Chhetri
13	Baitadi	0.256	Chhetri
14	Rolpa	0.264	Magar
15	Dadeldhura	0.265	Chhetri
16	Rukum	0.270	Chhetri
17	Darchula	0.286	Chhetri
18	Surkhet	0.357	Chhetri

Source: Nepal South Asia Centre, *Nepal: Human Development Report 1998* (Kathmandu: NESAC, 1998).

These districts are far behind in sectors like life expectancy, adult literacy, and per capita income. Chhetri is the largest population in 17 out of these 18 districts. This explains why the economic conditions of the Chhetri, the largest group with 18 per cent population, is worse than many groups belonging to the excluded *madhesi* and *janajatis*, despite its status in social ranking next to Brahmin and its influence in politics, military and bureaucracy. Sensing this, the EU launched the Mid-Western Irrigation Development Project, which ran from 1999 to 2003. The EU should consider the remoteness and backward position of the mid- and far-west development regions while formulating its policy of development assistance to Nepal.

Nepal's ambition and its national goal of restructuring the state through social change, economic development and democratization beg for a greater and meaningful collaboration between national initiatives and international support. For the next few years, the EU is expected to concentrate its support to Nepal on following three key areas: peace building, poverty reduction and political system building. Implementing some or all of the proposed recommendations mentioned here may help the EU, and indeed, Nepal, reach these goals.

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