

# NEPAL: IDENTITY POLITICS IN A TURBULENT TRANSITION

CASE STUDY OVERVIEW



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This report presents case study findings from a two-year research and policy-dialogue initiative that explores how international peacemakers and development aid providers affect social cohesion in conflict-affected countries. Field research conducted by leading international scholars and global South researchers yields in-depth analyses of social cohesion and related peacebuilding efforts in Guatemala, Kenya, Lebanon, Myanmar, Nepal, Nigeria, and Sri Lanka. Principal case study specialists for Nepal include Subindra Bogati, Fletcher Cox, Sachchi Ghmire Karki, and Timothy D. Sisk. The project was coordinated by the Sié Chéou Kang Center for International Security and Diplomacy at the University of Denver from 2012 - 2014, and supported by a generous grant from Henry Luce Foundation's Initiative on Religion and International Affairs.

# 1. INTRODUCTION: SOCIAL COHESION IN NEPAL'S TURBULENT TRANSITION

Following the departure of the UNMIN that facilitated the initial steps of transition from war-to-peace, in early 2011, Nepal is a case of mostly endogenous development after civil war, with an essentially locally led peace process. This context leaves the UN Resident Representative to coordinate UN efforts. Nepal has received significant and longstanding attention from international development partners, some of whom come with an agenda based on the premise that remediation of Nepal's historically deep "horizontal inequalities" is an essential step for the consolidation of peace. Overall, the case has three key findings:

- Analysis of social cohesion in contemporary Nepal charts the rise of ethnic awareness and the politicization of identity, often attributed to the Maoist ideological mobilization. Ethnic awareness also brought to the surface the issue of the exclusion of the hill-based indigenous people, terai-based people and the dalits, from key national processes.
- Rising ethnic awareness generated resentment towards the deeply entrenched caste system and the political system that consolidated power structures within the caste system and propagated norms of superiority or inferiority by birth with a complete absence of social mobility. As such, conflict analyses of the Nepal case tend to conclude that the four major drivers of the escalation of civil conflict in the country were poverty, power relations, inequality, and violence. Decades of caste- and ethnicity-based discrimination, denial of opportunities and passive acceptance of a hierarchical religious social structure, and a shared sense of fatalism, were also identified as key root causes of conflict.
- The promotion of social cohesion in Nepal has created a dilemma for international development partners, between fostering a locally-owned process while advocating for international norms and conducting projects that have a more transformation or interventionist orientation associated with the goals of empowerment of historically disadvantaged and vulnerable groups.

## 2. SOCIAL, ECONOMIC, AND GOVERNANCE ANALYSIS: EMERGING FROM A "RANKED SOCIETY"

Nepal is a complex society, governed by the value system of a Hindu social order. Dissolution of the old monarchy exposed extreme diversity in the country and made identity highly contested and social cohesion fragile. Nepal's historical context is critical for understanding the contemporary nature of social cohesion in a country in which indigenous, minority, and disadvantaged caste groups claim that they have long been denied a voice in what has been a historically "ranked" society. Thus, critical to the analysis of social cohesion are the ways in which politics is transforming in the context of Nepal's political transition.

When the civil war ended with a Comprehensive Peace Agreement (CPA) in November 2006, Nepal showed promise of structural change as the vicious cycle of structural discrimination and development deficit were identified as the root of the insurgency. The post-2006 changes in the country were qualitatively different from any preceding political change, which often were primarily manifest in the change of the ruler and the regime while the attributes of the Nepali state remained the same. However, the post-2006 changes were fundamentally different. The state underwent the following drastic changes: 1) from Monarchy to Republic, 2) from Hindu state to secular state, 3) from the Nepali language to multi-language, 4) from centralization in Kathmandu to decentralization, and 5) from forced assimilation (by state design and imposed values) to a broader national identity based on an accommodation of diversity. Critically, there was a new form of accommodation of diversity and the debates about federalism became more widespread.

## PROPORTIONAL REPRESENTATION WITHOUT PROPORTIONAL PARTICIPATION

Nepal adopted a mixed electoral system for Constituent Assembly elections, with First Past the Post (FPTP) and Proportional Representation (PR) techniques. While the system was intended to correct the underlying dynamics of disproportionate political representation, it resulted in a comparative large – and some say, unwieldy – constituent assembly in Nepal, with a total of 601 representatives. Despite the promise of fair representation and participation that the PR system entails, in the Nepal case, the four major political parties—UCPN (Maoist), Nepali Congress, CPN-UML, Madheshi Front –tended to dominate and agenda setting and decision-making. Analysts termed this phenomenon the “four party cartel” within the CA. Due to this phenomenon, proportional representation did not translate into proportional participation in decision-making when key questions of constitution building were concerned, which was a key cause of the collapse of the CA. The Constituent Assembly dissolved without delivering a constitution after an extended tenure of four years. Thus, enforcement of the rule of law remains fraught with challenges in the absence of a political settlement and political will to prosecute alleged perpetrators of war era crimes.

## 3. PEACEBUILDING PROGRAMMING: DEVELOPMENT ASSISTANCE FOR SOCIAL COHESION

Various donor-supported programs to foster social cohesion in Nepal operate through what respondents called, “networked modes of post crisis governance” and related projects that aim to strengthen Nepal’s peace architecture. At this point in Nepal’s post conflict transition, there is a very clear understanding among all the different stakeholders that the creation of a level playing field for all of Nepal’s diverse population groups through social inclusion and collaboration, will lead to long-term social cohesion formation in Nepal.

Reversing the current power structure, however, is not an easy task. Anticipation of resentment from the ruling elites toward the promotion of an “inclusion agenda” has not deterred some development partners. Many donors endorsed programs with overt agendas of sociopolitical and economic empowerment of marginalized groups through direct support to ethnic organizations, though with mixed results. A key analyst of the post-civil war era argued that donors failed to convey, “what social inclusion is.” For example, in the case of DFID support to the Nepal Federation for Indigenous Nationalities (NEFIN), the analyst described that social inclusion was conflated with social domination. NEFIN became a source of political conflict and generated backlash from other key stakeholders, eventually forcing DFID to discontinue the funding.

Other key examples illustrate donor support for marginalized groups can become politically contentious, and undermine donor-state relations. While the CPA directly includes the language of “inclusion,” a three-year study by the World Bank on “Unequal Citizens,” was shelved by the government. The UN also suffered a setback during the drafting of UNDAF on similar grounds. Thus, donors remain “anxious” about pushing the inclusion agenda forward in order to maintain political neutrality and access. Incentives within the UN structure make it very difficult for UN staff to pursue a transformative agenda. The international community in Nepal has become more risk-averse. After multiple instances of pushback from dominant elites, UN institutions tread the terrain of social cohesion cautiously. Efforts to bridge social divisions via identity-based civil society groups are politically sensitive, as they empower and bring new political actors onto the scene.

## DIRECT APPROACHES TO FOSTERING SOCIAL COHESION

The Collaborative Leadership and Dialogue Program by UNDP is a unique approach to fostering the emergence of cohesion among political and civil society actors. Its long-term, transformative agenda seeks attitudinal and skill change among key leaders in three groups: political parties, the state, and civil society. The project brings national level political, bureaucratic and civil society stakeholders together to have dialogues on pressing issues and to formulate common ground to address the issues. It aims to equip participants with skills to prevent conflict through dialogue with a long-term aim to develop a culture of dialogue and constructive engagement, rather than debates

and zero-sum games. It engages primarily with the second tier leadership of the major political parties, media and civil society organizations on a regular basis. Continued CLD engagement has been effective in dispelling the communal tensions rising in the Far West, where leaders have now begun to engage in regular dialogue on issues of mutual concern in the district. For example, before the CA elections 2013, the program engaged closely with UNDP's Electoral Support Project to conduct dialogues with different groups on the prevention of electoral violence. The program has been successful in building consensus around complex inter-ethnic divisions.

UNDP's Local Governance and Community Development Program (LGCDP) works with Nepal's Ministry of Local Development in all the development regions of the country. It has made inclusion a major criterion for access to the local development resources. It issues block grants for local development work and earmarks percentage of the funds for the activities related to women, disabled, marginalized castes and ethnicities. In the same way, UNDP's Livelihood Recovery for Peace Program works with the most marginalized and vulnerable groups in three districts of the Terai region. While a specific focus on marginalized castes and ethnicities have been criticized from the Do No Harm (DNH) angle, as many people belonging to the so called higher castes also remain under the poverty line, the positive impact these projects have in terms of creating a better leveled playing field for the poorest cannot be underestimated.

## **BILATERAL DEVELOPMENT PARTNERS**

Bilateral development partners, working alone and in tandem (and often with UNDP), have also had active programs to promote social cohesion in Nepal. For example, the Danish aid agency DANIDA works in Nepal with about 19 local partners from National Human Rights Commission, Human Rights defenders, Dalit and women's empowerment and land rights forums on programs ranging from issues of human rights to land rights to safe toilets. From the perspective of social cohesion, the programs of most relevance are the community mediation projects that aim to resolve conflict locally. Despite the immediate tension that the projects may create by the empowerment of marginalized groups, DANIDA considers them part of long-term peace-building initiatives and pushes them forward. DANIDA's "social families approach" uses horizontal social empowerment approach with the aim of gaining the rights protected by the state (vertical): e.g. land rights, women's rights, and water sanitation. To DANIDA, linking horizontal and vertical engagements is the key to sustainable peacebuilding and development. This complex approach requires sophisticated joint analysis and flexible program design meaning it is easily undermined by poor donor coordination, and donor-state coordination.

Switzerland has engaged in programs that have raised the awareness of the people with regards to federalism in different parts of the country. However, they are wary of the intricate linkages between ethnicity and identity, which complicates the issue further. They work primarily on facilitation and mediation programs, constitutional issues, supporting the UN Department of Political Affairs in Nepal, and refining national security policy through DCAF. They also work with the Nepal Transition to Peace initiative, which targets second tier political parties. After the departure of OHCHR, there is a gap in the monitoring, coordination and dissemination process regarding human rights issues. This is an area where development actors can help. Even the human rights movement now risks ethnicization, as different human rights organizations belong to particular ethnic groups.

Faith-inspired organizations like the Interreligious Dialogue Group and Interreligious Peace Council in Nepal have the potential to engage in peacebuilding and development, but so far, they have no direct access to state funding or significant donor support. Even though religious actors were not directly brought into the peace process, they organized organically to speak into the process of transition. In the transitional context, interreligious dialogue provided a means to create "preventive networks" against the political manipulation of religious tensions that may render a blow to social harmony and cohesion. In such instances, interreligious leaders played roles in reducing rising tension.

A major challenge in the consolidation of the Nepalese peace is the very weak peace infrastructure. Despite their conceptual robustness, Local Peace Committees present in all the 75 districts, 29 municipalities and 2162 Village Development Committees (VDC) could not function well in the Nepal context as they became parallel state structures open to political party capture. Owing to over-politicization and ineffectiveness, the initial support provided to the LPCs by the UN was later retracted.

## **INDIRECT APPROACHES: FOSTERING SOCIAL COHESION THROUGH ECONOMIC EMPOWERMENT**

Development actors in Nepal have been acutely aware that all development activities should be conflict sensitive. As well, they have also debated the ways and means of creating opportunities of economic development to foster economic interdependence among different groups can prove effective in promoting social cohesion. For example, Swiss support to Hydro Power projects have had an explicit purpose of helping to develop cooperative interdependencies along the river catchment and downstream basins as a means of developing collaborative skills for public-policy design and implementation. Similarly, the World Bank supports Micro Hydro Projects that work on a benefit-sharing mode by building rapport with the community. The Bank uses a sustainable infrastructures approach in Nepal, prioritizing equitable sharing and impact mitigation.

UNICEF programs have the key aim to create a functioning social welfare system at the level of the state (especially in Health and Education capacity) in order to impact the social contract. Creation of state capacity is seen as the key mechanism for the generation of social cohesion. The World Bank, on the other hand, highlights conflict sensitive program design and “peace filters,” for “social advancement” funding processes. The United States Institute of Peace, a quasi-statutory foundation, has begun justice and security dialogues in the districts since 2011; these initiatives involve members of Nepal Police, communities, political parties, local government officials, NGOs and businesspeople, and, more recently, interfaith groups.

## **4. FOMENTING DIVISION OR FOSTERING PEACE? CRITICAL PERSPECTIVES OF INTERNATIONALLY SPONSORED SOCIAL COHESION PROGRAMMING**

In the prolonged Nepalese transition, development partners and donors are accused of trying to impose development practices and notions unsuitable to the Nepalese socio-political context, and being confined to the district headquarters without reaching out to the most vulnerable. Their involvement in the inclusion agenda has been criticized for being very superficial and damaging to the social context of Nepal, which had a long history of social tolerance and harmony. Critics argue that efforts to support civil society groups and gain quick impact have inadvertently weakened the legitimacy of the state apparatus, precluding the country’s ability to emerge from conflict. Therefore, two key findings emerge:

- There is a broadly shared view among many observers and political analysts that international donors, to some extent, have inadvertently fuelled Nepal’s instability and social discord by supporting divisive agendas.
- The social cohesion agenda in Nepal feeds into the current dynamics of identity-based political mobilization.

Nepal's civil society is far from neutral. Most of the NGOs are politically affiliated and their agendas are thus driven according to political or identity group interests. The indigenous community applauds donor support with regards to raising awareness on the international agreements on their rights, support to strengthen the organization to demand for their rights. However, a large number of political actors and civil society leaders claim that in supporting divisive ideas brought forward by Maoists and Madheshi political leaders, donors also share the responsibility for the demise of the CA, an important point considering that the CA ended over disagreements regarding state structure.

Overall, the assessment finds that the Maoist insurgency raised social expectations by pursuing an "inclusion" agenda to garner political support. At the same time, the introduction of dialogues everywhere and around multiple topics (especially "inclusion" and "social harmony") has raised expectations even more (of the state, equal participation, good governance and "output"). Thus, high expectations combined with very little real "inclusion" – while there was high inclusion in the CA, there is very low inclusion throughout state bureaucracies, which are still dominated by Brahman-Chhetri – have created a high level of political disaffection and ethnic mobilization, with numerous indigenous groups agitating and organizing to access power at the state level.

## 5. CONCLUSION: SEEING BEYOND AID DILEMMA

When it comes to donor efforts to promote social cohesion in countries divided along ethnic, religious, sectarian lines, Nepal has indeed become a development laboratory. Donors readily acknowledge that knowledge of the conflict context, awareness of societal and economic conditions, and a neutral development outlook are essential prerequisites for acceptance of engagement. At the same time, donors are generally risk averse. Despite allegations of being too interventionist, they are often reluctant to enter into the most socially contentious issues, such as transformation of the caste system or engagement with explicitly religious actors, where their assistance may actually be more effective in fostering a new sense of social cohesion in Nepal.

- Efforts to foster social cohesion through development assistance are beset by a dilemma. As Nepal itself undergoes significant social, economic, and governance transformations, donors must seek to tread lightly in the spirit of "local ownership" while at the same time undertaking significant efforts to transform society into a more sustainable, just, and thus peaceful social contract.
- In the turbulence of political and economic transition, donors tend to bypass the state in order to address the needs of most vulnerable, but, in this, they often fail to develop state capacity to meet those needs in the long run.
- Seeing beyond this dilemma is a matter of context assessment, balance, and, over time, shifting the nature of investment toward reforming and empowering the state. More collective action, coordination and thinking about how the international community can be effective during a time of political transition would make a significant difference.
- There is likely little to be done in this regard until Nepal is able to move beyond administration by caretaker governments, or until there is meaningful reform and reconsideration of local and decentralized government. Thus, focusing on social cohesion is part of seeing, over time, the evolution of a stronger and more capable state in Nepal.

Donors also must address problems with the level of analysis. With a hierarchical political system in Nepal, working with "grassroots" actors means working with agents that have no political power, and "empowering them" means encountering the power of elites who have access to the state. Thus, donors need to be aware that there are advantages, and trade-offs, to circumventing the state and "going directly to the people." Fostering social cohesion in transitioning Nepal requires a very long-term perspective. Indeed, there are now some retrospective opinions that it was, in fact, a good thing that the first effort at a Constituent Assembly was not successful. Nepalis, and the international community alike, may need much more time to re-imagine society and to transform the state.