

APPLICATION OF MARXIST ECONOMIC THOUGHT BY THE GOVERNMENT OF NEPAL AFTER 2006

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Abstract

This paper aims to discuss the application of Marxist Economic thought by the government of Nepal after the second popular movement of 2006. The paper is based on documents published by the government, publication from National Planning Commission. The paper finds that most of the policies and programs adopted by Nepal Government after 2006 are influenced by Marxist Economic Thought.

Key Words: Interim Plan, Common Minimum Program, Marxist, Peace Agreement

BACKGROUND

The popular movement was organized with the cooperation of seven parliamentary political parties and CPN (Maoist). After this popular movement of 2006, old parliament was reestablished and new government was formed. One of the major tasks of the government was to prepare common agenda for working of the government, as the government was formed from the representatives of different political parties with different ideology.

Similarly, according to the universal law, the government should run as per the constitution. Hence preparation of interim constitution was also a downing task ahead of the interim government of that time. Thus, the economic policy of the present interim government is reflected in (a) Comprehensive Peace Agreement, (b) Common minimum program, (c) Interim Constitution (d) Documents of three-year interim plan. Thus the economic policy of the present interim government is discussed under these four headings.

COMPREHENSIVE PEACE AGREEMENT BETWEEN NEPAL GOVERNMENT AND CPN (MAOISTS)

This document has 10 sections with 10 pages. Section 3 is about political, economic and social transformation and conflict management. The third section contains the major economic policies under Broader Peace Agreement 2062. Most of these economic policies are influenced by Marxist economic philosophy because the five among the seven political parties of interim government are trained from Marxist philosophy and are followers of Marxist ideology.

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The major economic policies of broader peace agreement influenced by Marxist political economic thought are:

- i. Do not allow any authority regarding affairs of governance of the country to remain with the king. To bring the properties of late King Birendra, late Queen Aishworya and their family under Government of Nepal and to make use of the property in the interest of the state by forming a trust. To nationalize all the properties (like palaces situated in different places, forests and parks, heritages with historical and archeological importance) received by King Gyanendra in his capacity as the King. To decide the issue of whether or not to retain the monarchy by simple majority in the first meeting of constituent assembly.
- ii. To adopt a political system that complies with universally accepted fundamental human rights, multiparty competitive democratic system, sovereignty inherited in people, supremacy of the people, constitutional check and balance, rule of law, social justice, equality, independent judiciary, periodic election, monitoring by civil society, complete press freedom, people's right to information, transparency and accountability in the activities of political parties, people's participation, impartial, competent, and fair concept of bureaucracy.
- iii. To address the problems related to women, *Dalit*, indigenous people, *Janajatis*, *Madheshi*, oppressed, neglected, minorities and the backward by ending discrimination based on class, caste, language, sex, culture, religion, and region and to restructure the state on the basis of inclusiveness, democracy and progression by ending present centralized and unitary structure of the state.
- iv. To keep implementing at least programs of common consensus for the economic and social transformation to end all forms of feudalism.
- v. To adopt the policy to implement scientific land reform program by ending feudalistic system of land holding.
- vi. To follow the policy for the protection and promotion of national industries and resources.
- vii. To adopt policy to establish rights of all citizens in education, health, housing, employment and food reserve.
- viii. To adopt policy to provide land and other economic protection to landless squatters, *Kamaiya*, *Halia*, *Harwa*, *Charwa* and economically backward section.
- ix. To adopt policy to severely punish people amassing properties by means of corruption while remaining in government posts.
- x. To form common development concept for economic and social transformation and justice and to make the country developed and economically prosperous, at the earliest.

- xi. To follow the policy to increase investment in industries, trade and export promotion in order to increase opportunities for income generation by ensuring professional rights of the laborers. (*Peace Agreement, 2063*)

INFLUENCES OF THE IDEOLOGY

Common Minimum Program and Influence of Marxist Ideology

The common minimum program is prepared for the proper functioning of the government. It was prepared under the guidance of broader peace agreement. The economic policies influenced by Marxist philosophy under this program are:

- i. End of all roles of red tapism and corruption.
- ii. Nationalization of the property of King Birendra and the property of Gyanendra, received as a king of the county.
- iii. Creation of investment friendly environment, strong action against willful defaulters.
- iv. Effective mechanism for the regular supply of necessary goods and control of price.
- v. Create employment opportunities for the employment of youth and the individuals affected by conflict.
- vi. Common development concept will be prepared for economic and social transformation and justice and to make the country developed and economically prosperous, at the earliest.
- vii. Increase the participation of women in all sectors, state and each and every sector of national life. Similarly, the participation of *Dalit, Janajati, Madheshi*, oppressed, neglected and minority will also be increased proportionality.
- viii. Economic and social program will be framed by concentrating the efforts on poverty reduction, social justice, economic prosperity and equitable distribution.
- ix. The services to the general people will be provided by easy, cheap and effectively with reforms in the management of such corporations.
- x. Identification of people below poverty line will be initiated; employment promotion programs will be initiated by finding the statistics of unemployed.
- xi. A policy for the attraction of national and international investment will be adopted and foreign aids and grants will be diverted towards the priority sector.
- xii. A basis for the scientific land reform will be prepared and emphasis will be given for the development of cooperatives.
- xiii. Emphasis will be given for the economic upliftment of agricultural workers, land less squatters,

- xiv. To address the problems of *Dalit*, indigenous people, oppressed and neglected special programs on social security and development will be adopted, special program for remote areas and specially for the development of *Karnali* zone.

Interim Constitution and Influence of Marxist Economic Philosophy

The interim constitution has made a provision of directive principle in chapter 4 of the constitution though the directive principles are not mandatory to execute by the government. However, the government should not avoid executing the policy only because they are written in directive principle.

The major economic policies spelled out in directive principle which are influenced by the Marxist political economic thought are as follows.

I. Responsibilities of the State

The State shall have the following responsibilities:

- a. To ensure progressive political, economic and social change in the country,
- b. To adopt a political system which fully abides by the universally accepted concepts of fundamental human rights, multi-party competitive democratic system, sovereign authority inherent in the people and supremacy of the people, constitutional checks and balances, rule of law, social justice and equality, independence of judiciary, periodic elections, monitoring by civil society, full independence of press, right to information of the people, transparency and accountability in the activities of political parties, people's participation, neutral, competent and clean administration and to maintain good governance by eliminating corruption and impunity,
- c. To carry out an inclusive, democratic and progressive restructuring of the state by eliminating its existing form of centralized and unitary structure in order to address the problems related to women, *Dalits*, indigenous tribes, *Madhesi*, oppressed and minority community and other disadvantaged groups, by eliminating class, caste, language, sex, culture, religion and regional discriminations,
- d. To enable *Madhesi*, *Dalits*, indigenous ethnic groups, women, labourers, peasants, the physically impaired, disadvantaged classes and disadvantaged regions to participate in all organs of the State structure on the basis of proportional inclusion,
- e. To formulate a common minimum program for socio-economic transformation to eliminate all forms of feudalism and implement it gradually,
- f. To pursue a policy of adopting scientific land reform programs by gradually ending feudalistic land ownership,

- g. To follow a policy of protecting and promoting national industries and resources,
- h. To pursue a policy of establishing the rights of all citizens to education, health, housing, employment and food sovereignty,
- i. Adopt a policy of ensuring socio-economic security and provide land to the economically backward classes, including the landless, liberated bonded labourers, tillers and shepherds
- j. To adopt a policy of taking severe action and punishing any individual who earns unjust wealth through corruption committed while holding a office of profit,
- k. To formulate a common development strategy for socio-economic transformation and justice, as well as for rapid economic progress and prosperity of the country,
- l. To follow a policy that increases investment for promoting industry, trade and export, and create opportunities for employment and income generation by ensuring the professional rights of labourers,
- m. To use existing natural resources including water resources of the country for the interest of the nation,

II. Directive Principles of the State

- a. It shall be the chief objective of the state to promote conditions of welfare on the basis of the principles of an open society, by establishing a just system in all aspects of national life, including social, economic and political life, while at the same time protecting the lives, property, equality and liberty of the people.
- b. It shall be the objective of the state to maintain law and order and peace, protect and promote human rights, promote public welfare in the society, and create opportunities for maximum participation of the people through self-governance, while maintaining a system where people can reap the benefits of democracy.
- c. It shall be the political objective of the state to build a prosperous and advanced Nepal by institutionalizing democracy achieved as a result of the struggle of Nepali people and by creating an environment wherein its benefits could be enjoyed.
- d. The fundamental economic objective of the State must be to give priority and protection to making the national economy independent, self-reliant and progressive by preventing the concentration of available resources and means of the country within a limited section of society, by making arrangements for equitable distribution of economic gains based on social

justice, by making such a provision as will prevent economic inequality and exploitation of any caste, sex, tribe, origin or individuals, and by giving priority and encouragement to national private and public enterprises.

- e. The social objective of the state shall be to establish and develop a healthy social life on the foundation of justice and morality, by eliminating all types of economic and social inequalities and by establishing harmony among diverse caste, tribe, religion, language, race, community and religious groups.
- f. The state shall, in its international relations, be guided by the objective of enhancing the dignity of the nation in the international arena by maintaining the sovereignty, integrity and independence of the country.

III. State Policies

- a. The state shall pursue a policy of raising the standard of living of the general public by fulfilling the basic needs such as education, health, transportation, housing, and employment of the people of all regions, by equitably distributing investment of economic resources for balanced development of the country.
- b. The state shall pursue a policy of economic development through governmental, cooperative and private sectors.
- c. The state shall pursue a policy of strengthening the unity of the nation by maintaining the cultural diversity of the country through the promotion of healthy and harmonious social relations, on the basis of equality and coexistence, among people of various religions, cultures, castes, communities, and sects, origins and languages and linguistic groups, and by assisting in the equal promotion of their languages, literatures, scripts, arts and cultures,
- d. The state shall, while mobilizing the natural resources and heritage of the country that might be useful and beneficial to the interest of the nation, pursue a policy of giving priority to the local community.
- e. The state shall make necessary arrangements to maintain the natural environment. The State shall give priority to special protection of the environment, and rare wildlife, and prevent further damage due to physical development activities, by increasing awareness of the general public about environmental cleanliness. Provision shall be made for the protection of the forest, vegetation and biodiversity, their sustainable use and for equitable distribution of the benefits derived from them.
- f. The state shall develop the agriculture sector as an industry by encouraging farmers and increasing productivity, and by creating conditions for economic progress of the majority of the people who are dependent on agriculture.

- g. The state shall pursue a policy of enhancing the participation of the labour force, as the major socio-economic force in the country, in the management of enterprises by ensuring their right to work, and by protecting their rights and interests.
- h. The state shall pursue a policy of encouraging maximum participation of women in national development by making special provision for their education, health and employment.
- i. The state shall pursue a policy of making special provision for social security for the protection and welfare of single women, orphans, children, the helpless, the aged, disabled, incapacitated persons and tribes on the verge of extinction
- j. The state shall pursue a policy which will help to uplift the economically and socially backward indigenous ethnic groups, *Madhesis*, *Dalits* including marginalized communities, and workers and farmers living below the poverty line by making provisions for reservations in education, health, housing, food security and employment for a certain period of time.
- k. The state shall pursue a policy of giving priority to the development of science and technology with a view to bring about prosperity in the country, and shall also adopt a policy of giving due consideration to the development of local technology.
- l. The state shall, for the purpose of national development, pursue a policy of attracting foreign capital and technology, giving priority to national investment.
- m. The state shall pursue the policy of creating conditions to gradually accelerate rural development, keeping in view the welfare of majority of the rural population.
- n. The state shall pursue a policy of making special provision on the basis of positive discrimination for the minorities, landless, squatters, bonded labourers, persons with disability, backward communities and sections, and the victims of conflict, including women, *Dalits*, indigenous tribes, *Madhesis* and *Muslims*.
- o. The state shall pursue a policy of providing a minimum required piece of land for settlement to the liberated bonded labourers having determined their exact number.
- p. The state shall pursue a policy of creating basic infrastructure to impart technical education, training and orientation for the development of that class of people dependent on labour including farmers and labourers, to motivate their participation in the development process of the country.
- q. The state shall pursue a policy of making legal provision for allowances to the aged, incapacitated women and the unemployed.

- r. The state shall pursue a policy of modernizing the traditional knowledge, skills and practices existing in the country by identifying and protecting them.
- s. The state shall pursue a special policy of regulating the operation and management of public and non-governmental organizations established in the country.
- t. The state shall pursue a special policy of mobilizing the youthful human resources for the development of the country.
- u. The foreign policy of Nepal shall be based on the principles of the United Nations Charter, nonalignment, the principles of *Panchsheel*, international law and the norms of world peace.
- v. The state shall pursue a policy of making continuous efforts to institutionalize peace in Nepal through international norms and values, by promoting cooperative and good relations in economic, social and other spheres with neighbouring friendly nations and all other countries of the world, on the basis of equality.

IV. Questions not to be Raised in Courts

- a. No question shall be raised in any court as to whether provisions contained in this part are implemented or not.
- b. The state shall mobilize or cause the mobilization of the required resources and necessary means for the implementation of the principles and policies contained in this part (Interim Constitution, 2063).

Three-Year Interim Plan and Influence of Marxist Philosophy

The country is already moving toward enduring peace after the historical struggles waged by Nepali people in the past, and the People's Movement of 2006. At present, an unprecedented understanding between the major political forces in the country has been attained.

By using the new opportunities arising after nearly a decade long political conflict, the feeling of self-confidence and realization among the common people, we are having a golden opportunity to waive old thoughts, structures and feudal remains, and to move forward in a determined way to raise the living standards of Nepali people living in poverty, scarcity and backwardness. It has now become the main goal of the country to make use of such excellent opportunities, to institutionalize historical achievements obtained through previous movements, and to take a leap forward in development.

This plan has given emphasis to aspects like reconstruction and rehabilitation of physical infrastructures, social reintegration, economic recovery, inclusive development, and

economic and social transformation. Similarly, policies will be taken to move the development process ahead by using opportunities from continuity of successful programs of poverty alleviation strategy, commitment to millennium development goals, opportunities after membership in the WTO, and industrial development and trade relations between immediate neighbors China and India.

The objectives, goals, strategies and policies of development have been formulated in this plan, together with a long-term vision, by taking as guidance the parliament's historical declaration in accordance with the people's spirit reflected through the People's Movement, the subsequent agreements at the political level, the state's responsibility, the directive principles and policies inherent in the interim constitution as well as the interim government's common minimum program.

Vision: The vision of this plan is stated as to build a prosperous, modern and just Nepal. In the envisioned situation, Nepal will be free from absolute poverty and all Nepali's will have obtained full rights to live in suitable human conditions. The people will obtain equal rights, and economic and social opportunities to fully utilize their potential. The modern way of thinking will bring about changes in the social, cultural, educational, economic and financial sectors; improve people's behavior and allow them to accept appropriate technology and new concepts. In a just situation, the gap between the rich and the poor will be reduced, and all kinds of discrimination and inequality, whether they are legal, social, cultural, linguistic, religious, economic, ethnic, gender, physical condition, and geographical, will have ended. It will ensure social justice, guarantee basic human rights, and good governance.

Goal: The main goal of the Interim Plan is to prepare a basis for economic and social transformation for building a prosperous, modern and just Nepal.

Objectives: The main objective of this plan is to realize changes in the life of people by reducing poverty and existing unemployment and establishing sustainable peace.

Strategies: The strategies of this plan are as followings:

- i. To give special emphasis to relief, reconstruction and reintegration
Priority will be accorded to programs targeted by plans like rural infrastructure reconstruction, and rehabilitation, investment plan for roads, master plan for infrastructure, in order to reconstruct, rehabilitate and reintegrate physical, economic and social infrastructures damaged due to conflict, those that could not undergo maintenance, and those that could not be constructed according to program. Special emphasis will be given to relief operation and social rehabilitation of individuals or groups affected by conflict.
- ii. Creation and expansion of employment opportunities
By making education system employment oriented, opportunities for employment will be generated for new entrants in the labor market according

to their capacity and skills. Policy level improvements will be carried out to create human working environment for employees and laborers of both formal and informal sectors. Institutional arrangements will be made to provide skill and training to assist the laborers productivity. Provisions are made for training to promote skills of laborers involved in the informal sector, and to hand over appropriate technology that they can use. In this context, implementation of big projects and small participatory projects that generate employment are given special emphasis. Priority is given to programs that immediately provide large number of employment to women, *dalit*, nationalities, youth and *Madhesi* community.

- iii. To increase pro-poor and broad-based economic growth
Strategy will be adopted to strengthen the role of private and cooperative sector for economic growth. In order to alleviate poverty existing in the country, economic activities will be created and expanded so that they can support poor people to work, and increase their income. For this, the manufacturing sector and service sector will be expanded and will be included in economic activity of their choice.

Environment will be generated for operating economic activities in transparent, legal, and secure atmosphere. Strategy will be adopted to make the concept of cooperatives, and private-public partnership more effective in the economic activities, in addition to the private sector.

The role of agricultural sector in economic development will be made more important, and the relationship of this sector to overall economy will be increased. Special programs will be operated for poor people to use their capacity and generate income.

- iv. Promotion of good-governance and effective service delivery
By strengthening the value of rule of law and state machinery, and creation of people's participation, transparency, accountability and corruption-free environment, access of all Nepali's including those excluded in economic and social service delivery will be increased.

For this, the private sector, civil society (including NGOs, and community organizations) will be accepted as partners in development, and necessary laws, policies and programs will be revised, formulated and implemented in addition to emphasis on decentralization, institutional strengthening and capacity development.

- v. Increase investment in physical infrastructures In addition to give special emphasis on reconstruction and development of social and physical infrastructures, new concepts will also be utilized. In the context of

infrastructure, strategy will be adopted for both construction of mega projects and medium and small-scale projects based on identification and participation of local people. In addition to roads that connect district headquarters and north-south corridors, rapid transit roads and road networks will be given special emphasis. Similarly, means of transport like cable cars and ropeways significant from the perspective of tourism will be developed. Small and medium hydro-electric projects currently being constructed will be completed, while initiatives will be taken for mega hydro-electric projects. Information and communication technology will be extensively expanded. Priority will be given to regular maintenance and quality improvement to the infrastructures which were built pouring large investments.

vi. Adopt an inclusive development process

Clear policies, institutional structures and programs will be implemented by focusing on socially excluded groups, indigenous people, Dalit, *Madhesi*/ Terai people, women, deprived, people with disability, extremely poor people and groups as well as remote geographical areas due to inequality and structural weaknesses. While adopting inclusive development process, participation of groups suffering from exclusion in development inputs and outputs, as well as geographical, economic, social, gender solidarity and re-integration will be emphasized. This approach seeks to make special efforts in ending all kinds of discriminations and in promoting multiculturalism and peace. In order to ensure a basis for inclusive development macro-economic, social and political development processes will gradually be engendered.

vii. Land Reforms

The major challenges are the lack of proper data of land ownership, usage of land sources, rehabilitation of landless, no timely changes in law, settlement of landless and *freed-Kamaiyas*. Long-term land and its utilization policy will be formulated to increase the productivity of land, alleviate poverty by settlement of landless and squatters, and *freed-Kamaiyas* to face the challenges. The following policies will be formulated to fulfill the objectives:

Usages and productivity of land will be increased by land reforms. Scientific land reform program will be implemented in place of traditional land ownership system. The reach of landless and squatters like agriculture labor, freed-bonded laborers, *Dalits*, *Janajati*, Indigenous, *Madhesi*, women will be increased in the land resources to confirm their rights on land.

A long term land and its utilization policy will be formulated to encourage effective land management, and justifiable land distribution and plotting for scientific agricultural system.

Land reforms system will be made skilled by producing skilled manpower in the fields of land management, measurement of land and collection of geographical information

Land Data Bank will be kept to make the land-ownership, land usages, and land resources data up-to-date and scientific. A policy will be taken by the state to invest on the backward community and areas according to the land-information system.

Land under *Guthi* will be effectively managed.

A program will be implemented for the solution of land disputes.

- viii. Carry out targeted programs The special programs for areas falling in the development in Karnali zone as well as regions along district borders of the zone fall under this program. Programs will be implemented that will directly target and bring to the mainstream of development of the women, socially excluded *dalit* groups, marginalized indigenous nationalities, people living in the Terai (including *Madhesi* and backward groups), people with disability, laborers and poor. Even in the 21st century, many individuals, groups and communities are still living a life that is unacceptable from a humanitarian point of view based on food security, health, education, and other social and economic benefits. Therefore, targeted programs will seek to end these conditions. Similarly, the people affected by conflict will be provided relief, rehabilitation, and social integration (TYIP, 2064/65).

CONCLUSION

Most of the programs and policies adopted by the Government of Nepal after 2006 (2062 B.S) are more socialistic in nature and many of these policies and programs are influenced by Marxist Economic Philosophy. The political philosophy of four out of seven political parties involved in the interim government is the Marxist philosophy. Hence most of the policies and programs adopted by the interim government are also guided by the Marxist Economic Thought. All the policies and programs like Common Minimum Program, Interim Constitution, Three Year Interim Plan have much influence by Marxist Economic Thought which is mainly due to the political guiding principle adopted by the major stake holders during that period.

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