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A Note On Nepalese Pseudo-Feudalistic Economy And Inconsistency Of Development

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INTRODUCTION

Nepal is a *pseudo-feudo* economy, existing in the mercy of feudal remnants. This pseudo-feudo economy has been characterised as the falsification, change made in order to deceive which is not genuine, of contemporary politico-economic activities that are not abserved to be within any ideological, thoretical frame to their minimum extent, however, the economic structure seems to be feudal, semi-feudal in feature (Sills 1968: 408).

Nepali identity in the form of an economic nation can best be defined in the context of a two-faceted structure. In one of the face there are *kulak-elites*. The customary definition of Nepali elites considers them as the privileged section of the society and the sub-ordinates of the influencial power centres (Regmi 1978: 153; Dharamdasini 1984:212; Pandey 1985:7). Nepali elites, in addition, have an imprtant economic characteristic in the form of the *kulak*, economically double standard people. They have been at the same time involved in many professions like absentee landowner, middleman trader, corporate share-holder and educated intellectual and the corrupted *scandal-mongers* with vested interest. Scandal- mongers are those people who reap benefits from the weakness of the ignorants and enjoy creating scandals of the weaks and prone themselves to the strongs. They are corrupted and unproductive people always roaming for opportumities. They are capricious in behaviour and adopt quickly in the changed situation. Scandling has been our national value - a tragedy whether in politico-economic decisions or in cultural conviction, scandal mongers are efficient in the art of teasing and appeasing (Bhattachan 1993: 302). Most of the administrative units, agencies all chasing after the exotic resources. In another face, there are socio-economically depressed and conventionally *fatalist* (Bista 1991: 2). Common people, who earn their livelyhood by relatively fair means, are the scapegoats always reducing

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their heights with the tempted nationalism on their backbone. So-called nationalism has never benefitted common Nepali people in the form of an economic nation. It has, off and on, served the interest of ruling classes and their coteries. Thus, nationalism has just been a temptation for the common Nepali. It has just been like a smiling beautiful tempress alwayas gracing the reception with the bars of chocholate of sugar coated poison in her tray. "Those changes, in fact, achieved no little more than a change in the composition of political elite" (Regmi 1988: 259). This is a simple statement to look the living part from the eye of the present. This is, still, equally true for these days--a legacy of pseudo-euphoric realm.

Nine out of ten Nepali people make their livelyhood from agriculture, in about three million farms stretching across the nation with the total population of 18491097 and annual growth rate of 2.08 percent according to 1991 census record. Total number of household is about 3328721 with 9.6 as the average household size. Female population is larger by 49149. Economc development through domestic resource mobilisation as well as through foreign assistance have been observed a failure to meet the national objectives of socio-economic development and to resurrect the human decency from beneath the grave (Blaikie 1980:3; Dharmdasani 1984: 212; Pradhan 1990:106; Pant 1995:3; Singh 1996:45).

Development of economic infrastructure is minimum. "Yet why have these men, who built the wonderful temples in the Nepal valley, not also constructed bridges over the rivers, roadways though the gorges, and why have they no where laid on irrigation systems ? And why is there no community spirit among the villagers of the midlands?" [Hagen 1971:118].

In fact Nepal's planned development efforts had to depend heavily upon foreign assistance right from the beginning. During the last three decades, foreign aid had constituted a significant proportion of Nepal plan expenditures--90 percent of the total expenditures in the first, 80 percent in the second, 5.4 percent in the third, 46 percent in the fourth and 48 percent in the fifth and sixth plan respectively. Aid has ever become an important source of development finances in the capital poor kingdom recording a steady increase in resource gap. Inherent contradiction of resource mobilisation can be argued saying that it would be absolutely wrong to say that foreign aid was one of the correlates of the multiparty political system. Experts sent in by donors design decentralisation plans, forestry plans, delivery mechanism, structural adjustment programmes and user groups.

The point of course is that what can be exchanged between providers and recipients of foreign aid is not merely cash and equivalents. What can also be exchanged are modes of relationship between categories of people, between peoples and states and between peoples and resources.

INCONSISTENCIES

It seems, although, the bricks and blocks of the economic structure have been largely fixed with the mortar of foreign assistance, still it has remained merely the edifice of sand. No substantial self reliance and self-propelling economic activities have been observed. However, satirically, it is the reality that foreign assistance has contirbuted a lot in providing the glamours and cocktail dinners with full of protein diets and calories for the *kulak-elites* and scandal mongers on the seminars and discourses of the star-hotels.

Land-lockedness is another detriment to the ecnomic development. It is mostly perceived as India-locked. Accordingly to prof. Lok Raj Baral some Nepali intellectuals have *Indo-phobia* (Baral 1988:26), inspite of India's efforts for many adjustments to the economic development of Nepal. But the point, of course, is that each and every Nepali citizen has observed many times the issues of conflicts with regard to Indo--Nepal relations especially in the question of trade diversification and the utilisation of water resources. Nepali people have always been encountered with the psychological apprehension of domination from Indian state wherever and whenever the question of bilateral and multilateral relations arise. "India expects Nepal not to do anything which would endangered India's security and jeopardize her economic interest" (Ali 1989:213). "As a matter of fact successive treaties after 1950 were also not signed in favour of Nepal but these treaties exclusively regulated Nepal's volume of trade in the Indian interest" (Sharma 1987:48).

Most of the political workers have been turned to scandal messengers earning directly or indirectly by selling mostly fake informations to their leaders. As the consequence, no genuine and productive affairs have been observed elsewhere. Most of the social and economic activities have not been observed to be concentrated in the public welfare rather have been capitalised in the gangwarfare. "Despite the rhetoric of development which is pervasive in Nepal, the Nepali state in the post-Rana period, has never been committed to fundamental social change as a way to resolve the

country's deepening economic and social inequalities. In the Nepalese context as in much of Asia, Africa and Latin America such changes must have their basis as a systematic programme of agrarian reform. " (Guneratne 1994: 37).

It seems that the Ministry of Finance, the National Planning Commission, the Rastra Bank, the Central Bureau of Statistics are building their edifices on the foundation of manipulated statistical sand. Even there is controversy in the estimation of economic growth rates, it is funny and amazing to observe different growth rates published by different successive governments for the same fiscal year.

Many problems have been encountered while collecting the secondary as well as primary data. While collecting seconday data, the question is how to rely on the government sources of informations. There are confusions even in the publications of Central Bureau of Statistics. For example, the content of the publication indicates one type of informations while the indicated page gives another type of information. The Statistical Year Book of Nepal 1995 indicates foreign aid disbursement while the indicated page 366 reflects the foreign aid commitment. Aid disbursement and aid commitment are complety different types of informations.

Primary data are also not so reliable either due to the lack of knowledge or due to the lack of interest of the common people in the sense that most of the research works so far have been turned to useless outcome from the point of view of common people with depressed socio-economic condition.

CONCLUSION

These days especially after the people's movement of 1990, Nepal has been a fallow-land for the hum-drum and insipid political activities. So-called political affairs have not been backed up by the socio-economic changes. People's participation has generally been determined by the ready-made development programmes. The attempt for participatory process and, people's empowerment have also almost same value judgement with little bit different approach. This is another beautiful method to reduce common people's height by adding one more stone on their backbone. How can the common people with the limited resources be empowered by submitting all the remote controllers to the squint-eyed exotics ? It seems better to develop a sense of suffering within ourselves for the better off.

Thus, there seems a gap between the reality, real problems of common people and the general trend of contemporary reseach works. It is also likely that we have been fetching fishes in that direction of the river where there is no water. There is only lump of sand and rubbish cans. The journey gives at least, self-satisfaction, if we try to walk with our own legs. Everyone's destination is well planned and well managed home and habitat.

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BOOK REVIEW

Bose, A. M. Rakshit and A. Sinha (eds.) *Issues in Economic Theory and Public Policy*, Oxford University Press, Oxford, 1997 xii + 314 plus Index, Price IRs 495.0.

A good collection of research articles in the traditionally neglected areas of education and human capital, the book is most likely to draw attention of students, teachers as well as policy makers in economics. The essays are presented in honour of prfessor Tapas Majumdar, an eminent welfare economist of India, edited by the renounced academicians from Indian Institue of Management and Indian Statistical Institute of Calcutta. The contributors include scholars from several economic/ statistical institutes and universities of India, USA, New Zealand and Australia. The book is presented in four parts with research articles on welfare economics, working of the market economy, human capital and public goods and public policy.

In the opening part, in his paper on 'Policy Making and Social Choice Pessimism', A.K. Sen provides that broadening of information base of Pareto Criterion of utility information is necessary because the criterion of interpersonal comparison of utility is too narrow. The author argues that the use of mathematics of social welfare functions can be used to make welfare economics more practical and effective for policy purposes. In the following article, Bhaskar Dutta discusses well-being and advantage as important components of an individual interest with comparison of alternative opportunity sets.

The workings of the market economy are dealt with in the second part of the collection. How prices are adjusted how monetary equilibrium is obtained and financial sector reforms are undertaken, and how the transition from a centrally planned economy to the market economy takes place are the main themes of the discussion. The contributors of the papers in this part include Mukul Mojumdar and Tapan Mitra, Amitava Bose, Mihir Rakshit and Amit Bhaduri.

Issues on human capital are discussed in the third part which include 'Social Cost Benefit Perspective of Brain Drain' by Alok Ray and a paper on 'General Versus Specialized Education: An Alternative View' by Amal Sanyal and Anjan Mukherji. Ray puts his view that brain drain may not be

a serious loss and may even be a source of net gains for a country like India under the given institutional set up. But more serious is the problem of underutilisation and waste in the use of the skilled personnel. Unless material incentives and social recognition of various types of services are changed to reflect national objectives and priorities, locking the doors would invite more chaos and tension without any compensating benefits. Sanyal and Mukherji in their following paper analyse the benefits of general education against specialised educaiton, when the aptitude of a student is not known. They argue that early specialisation can lead to a mismatch of aptitude and the line of specialisation chosen result into social loss. The policy implication of this is to reduce the degree of irreversibility of higher education by making it more flexible

The final part of the book presents ideas of several economists on public goods and public policy. In his paper on voluntary contribution to public goods, D. Dasgupta discusses the problem of voluntary contribution of public goods by selfseeking individuals. The next paper by D. Mookherji discusses problems of income tax evasion and efficient enforcement of regulations. He also highlighsts a perspective on the recent literature concerning costly eforcement of economic policies. The third paper in this part is on 'Optimal Provision and Financing of Public Goods in a Federal State with Illustrative Empirical Evidence' by Ranjan Ray. A fully coordinated centralised model is presented as well as a decentralised one with defferent levels of objectives. The final section in this part is contributed by R. Sengupta under "Energy and Develpment : Some Macroeconomic Constrainsts for Energy Planning in India'. The author discusses price rationalisation schemes, conservation, higher efficiency of use and more effective exploration strategies in the context of increasing energy intensity of India.

As highlighted above, many of the areas discussed in the book should be of interest to a large audience of policy makers, teachers of economics and graduate students. The merit of the book has been enhanced by the empirical findings of the studies presented and their policy implications relevant to many developing countries.

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