



## Interview with John Whelpton:

### Development scenario in Nepal has not changed fundamentally

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John Whelton, a well-known historian and Scholar, has several research books and articles on Nepal's history, society, and development/modernization. His book "A History of Nepal" is famous for Nepal's socio-political history, with a particular emphasis on the country's development and sociopolitical history, primarily from the years after 1951 (until 2004), but also from the ancient and medieval eras. The interview with John focuses on socio-political development and changes in the current scenario. He contends that there hasn't been a significant shift in Nepal's development situation. John was interviewed by the Journal's Editor-in-Chief via a mail questionnaire focusing on his book-"A History of Nepal".

**Question 1. You noted in your book, A History of Nepal, that Nepal's geo-strategic position is significant as it lies between two rising economic giants, China and India. What are the implications of this positioning, particularly on the subject of economic development?**

This is a question which everyone concerned with Nepal, has to consider, and I looked at it myself again in September in my Mahesh Chandra Regmi Lecture. *The Yam and the Rocks Revisited*. Of course, right from the creation of the modern Nepali state in the 18<sup>th</sup> century China and India have been of great political and military significance and, until

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China's enfeeblement in the 19<sup>th</sup> century, balancing between them was crucial for Nepal's survival as an independent country. There followed a tilt towards the south, sometimes ascribed to the Rana regime but in fact, beginning to get underway even before 1846. After the establishment of the People's Republic of China, balancing again became a possibility as we see from Mahendra's reign onwards, with Nepal striving for neutrality between the two giants. However, the usefulness of China to Nepal as a counterweight to India has always been limited because China's strategic interest in Nepal is much less than India: the two major powers have traditionally sought predominance on their own side of the Himalayas with much less concern for what happens on the other. So, for China, so long as its position in Tibet is secure, what happens in Nepal is of secondary importance.

On the economic side, of course, despite Kathmandu's old role as an entrepot for trans-Himalayan trade, the southern link has always been more important as topography makes transport across the Indian border much easier than across the Chinese one. The recent impressive infrastructure developments in Tibet have made it technically feasible for China to supply goods on a much larger scale than before but it remains much cheaper to bring these into Nepal by road from India than by road from China.

Many Nepalis pin hopes on the extension of the Chinese rail network into Nepal but the expense involved is so great that, despite agreement in principle to its construction, I think China is unlikely to put up the money unless it would guarantee better access to the Indian market. In 2022 China's exports to India totalled \$110 billion (compared to just \$1.78 billion to Nepal) and, although that figure has the potential to grow enormously, this would require better relations between India and China, not just better infrastructure. Even with a rapprochement between the two giants, there's also the question of how much use would be made of the Chumbi Valley route between Sikkim and Bhutan, which, of course, supplanted the Kathmandu one over a century ago. So, China is important but India still remains the major partner.

**Question 2. How do you assess Nepal's current development scenario across various sectors compared to 1951-2006 as you described in your book? Your previous analysis covered Nepal's political economy and developments up until 2006.**

My book covered the period up to 2004. It was a general history of Nepal so included a lot on economic issues but I am not a development economist so was essentially just trying to synthesize what people with more expertise in that field were saying. Shrishti Rana and I are hoping to work on a new book which would bring the story up to the present, so perhaps I would be better placed to answer this question after I've done some work on that project. Tentatively, I would say that despite the radical political changes since 2004, the development scenario has not changed fundamentally.

Trends operating before have continued, and some important indicators of progress have continued to move in the right direction: life expectancy in 2022 was 70 years compared to 65 in 2004, infant mortality was 25/1000 in 2024 as against 69/1000 and literacy rose from 49% in 2001 to 71% in 2021. However, both in health and education, although the public sector has delivered some improvements, the less well-off may still feel aggrieved because they can see the higher standard available to those who can afford private schools or medical care

Agriculture's share in GDP agriculture's share, more than 40% in 2004, and was 21% in 2023, but the sector still accounts for around 65% of employment. Land distribution may have become less skewed since the 'People's War', when, although land owners of land confiscated by the rebels was, in theory, returned to its owners, they may often then have had to sell it at distress prices to those who had taken it over. However, quite apart from many people simply not wanting to farm, there is not enough land to give cultivators a reasonable income and not enough non-agricultural employment within the country for them to shift to.

Dependence on remittance income has therefore continued to grow and some are alarmed because this is generally used for present consumption rather than productive investment that might eventually make labour migration less necessary. In fact, a certain level of long-term dependence on the remittance stream may be acceptable. My favorite example is Kerala, the Indian state with the highest Human Development

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Index, where income of this kind remains important. There is also the case of China, where many people in the hinterland are supported by money sent back by people working in the more economically advanced areas of the country. This, of course, is internal, not international migration, but it does involve some cultural dislocation, which is accepted as the price for economic growth. That said, Nepal still does need to strike a balance between out-migration and increasing employment opportunities within the country.

As for industrial development, a major success story during the later Panchayat years was the growth of the carpet and garment industries, but this was curtailed by revelations of child labour and by the ending in 2005 of the multi-fibre agreement that guaranteed Nepal a share in major markets. There have been some signs of a revival in recent years but they seem unlikely to regain the position that they once had. There is probably some scope for other types of manufacturing, using either Indian or Chinese capital but I doubt whether this would provide employment on the scale ideally required.

As long as I can remember, there has been talk of Nepal's potential as an exporter in two sectors – hydroelectric power and horticulture. The latter area is one where I certainly need to do some investigation, but it's clear that at least power generation to serve Nepal's own needs has made progress. We can all remember a time when power cuts were a regular feature of life but, at least in my own experience, that is no longer the case. With the rising importance of the digital economy globally, a new possibility, discussed recently by Sixit Bhatta, is to use Nepal's hydro-power to fuel data centers. The potential for selling power to India also remains but is, of course, bedevilled by the controversies that attend any agreement on the utilization of cross-border rivers. Then, of course, there are many who argue that in Nepal and elsewhere, big dams are too damaging to the environment and that we should go for run-of-the-river schemes that power small-scale local industry rather than producing electricity in massive quantities for use at distant locations.

Infrastructure expansion has continued but this can be a mixed blessing. Road construction is a success story if we just measure the lengths involved but there are legitimate worries that, especially at the local level this is often badly planned, without concern for slope stability. It can

also be argued that major infrastructure projects like the Pokhara International Airport were not properly thought through as construction went ahead without establishing whether India would grant the necessary permission for the use of her airspace.

Tourism remains perhaps the brightest part of the picture. Annual arrivals last year were almost back to pre-Covid levels – 1.147 million as compared to 1.197 in 2019 and only 0.385 in 2014. Here there is plenty of scope for further growth, particularly with visitors from India and China, but you need to be aware of the problems of over-tourism as can be seen now in many parts of the world.

**Question 3. You mentioned that Nepal's development started in 1950, both organizationally and 'professionally'. How do you observe changes in these organizational and professional fields, and why are they important for development?**

I don't think I put it exactly that way because 'development discourse' had already started before then and Bandana Gyawali has written a dissertation on the evolution of the idea of *bikas* from 1900 onwards. It's true, though, that what we might call the development industry really got going only after 1951, with a development budget, aid missions from different countries, and, more recently, the burgeoning NGO sector. The NGOs were constrained under the Panchayat system but have played a steadily increasing role since 1990. It's a matter of dispute how far they enable a more flexible response to Nepal's needs and how far they make it more difficult for Nepal's government to keep things coordinated. This is a topic that I expect to be looking into in more detail later.

Whether they are employed by the Nepal Government or a foreign governmental organization, the number of Nepalis trained in development specialisms has grown exponentially and they interact in complex ways with expatriates working in Nepal and with the global development industry.

**Question 4. You mentioned that there is hope of gaining from a country's history a deeper understanding of its present and future potential. Would you elaborate on this by connecting it to both present and future aspects?**

Looking at Nepal's history brings home the complexity of the interactions between its different groups and also the danger of over-simplifications, among which I would include the idea of a neat distinction between indigenous and non-indigenous groups. You can also see constantly recurring patterns, such as the constant temptation among the political class both to look for Indian support and to condemn others for doing the same thing. And there is also the encouraging fact that the country has managed to survive both the worst their neighbours can do to them and the worst Nepalis can do to each other. Hope and tolerance are perhaps the main lessons to take from all that.

**Question 5. At last, could you share your thoughts on sustainable development in Nepal? How do you connect it to social inclusion, and what's its implication?**

I've already mentioned a couple of aspects of this – how do you boost your tourism industry without letting the tourists destroy the things they have come to see; and can you make the most of hydropower's potential without wrecking the environment. You obviously need a very careful consideration of environmental impacts, before deciding on major new ventures. Sometimes, though sometimes you can get an unplanned bonus. Kunda Dixit and Peter Gill pointed out some time back that labour-migration can leave families unable to cultivate the more marginal agricultural land and this gives forests a chance to regenerate.

Another factor behind Nepal's reversal of deforestation has been the success of the community forest concept: local communities, including the marginalized, often have managed to strike a balance between utilizing the forest for present needs and allowing it to survive for the future,

Finally, going back to tourism, managing the numbers properly can go hand-in-hand with increasing opportunities for local people. I believe one small example of this is provided by the new system for climbing Shivapuri – you have to employ someone from the immediate locality. It has to be acknowledged, however, that sometimes there is a conflict

between sustainability and helping the less well-off. This applies not just to Nepal but globally as we see in the disagreements at climate conferences. European countries urge developing nations to commit immediate restrictions on the use of fossil fuels but the latter argue they have to keep on burning coal until they approach nearer to the living standards wealthy nations have already achieved.