

Analysis of Inclusive Development Policies in Nepal since 1990

Abstract

This study examines the inclusive policies and its impacts on human development outcomes in Nepal. In the context of increasing economic inequality around the world, inclusiveness has become one of the urgent agendas to be addressed in the public policy. Thus, Nepal has been implementing many inclusive policies especially since 1990 when the democratic political system was reestablished. However, development disparity is still high among different socio-cultural and geographical groups. As there is few existing study in this subject matter in Nepal, this research aims to contribute to investigating the effects of inclusive policies on the human development outcomes since 1990.

In doing so, this thesis investigates the challenges of inclusive development, how inclusive policies were put in place to address the challenges, and how such policies affect to reduce the developmental gaps in Nepal. From the situational analysis at the three levels (Micro-Individual; Meso- social and Macro-structural) of exclusion/inclusion as suggested by Kohen (2015), it found that 2007 was the most important juncture of social inclusion movement when the active Monarchy ended completely, and the nation changed into the decentralized federal republic. Equally important, a more than a decade-long armed conflict also ended as the agitating Maoist rebels join the mainstream democratic politics. Nonetheless, political transition lengthened because only the second constitutional election could successfully promulgate the new Constitution and its implementation is still challenged by some groups.

The last five Nepal Human Development Reports (NHDRs) show that the trends of Human Development Index (HDI) are growing for all castes and ethnic groups, men and women, and more importantly, the HDI gaps reduced in terms of gender, caste, ethnicity, rural-urban. Results from the interviews and policy reviews make it evident that the government's policy efforts and social inclusion movement significantly affected to the HDI growth and reduced HDI gap. Although HDI growth rate is reducing after 2007 and income Gini is increasing due to the prolonged political transition, the situation is more likely to improve after the implementation of new Constitution.

The implications of this study are as follows. First, in the context of state restructuring under the new Constitution, the findings and conclusions of this thesis would be useful to formulate and implement inclusive policies at provincial and local level. For instance, as Amartya Sen's states in his book *Identity and Violence* (2007), inclusive policies can focus on prosperity rather identity so that a protest in the name of identity cannot lead the violence in the country. Second, it is equally useful for the central government as well because it is more generous towards social inclusion and need to formulate new law and provide guidance, resources to the provinces as per their needs. Finally, this study provides a broad foundation for further research on this urgent issue of social inclusion in the countries like Nepal where both the diversity and disparity are very high. For instance, this study can be a good reference for conducting specific research on gender, caste or ethnic inclusion.