

## Social Inclusion as an Imperative: Reframing Poverty, Equity, and Structural Inequality in Nepal

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### ABSTRACT

The social inclusion phenomenon has quickly become one of the core concepts in the development debate, especially in those contexts where the history of caste and class division is very deep and the population is very diverse in terms of culture. Nepal gives an interesting example of such a situation with its ethnic, linguistic, caste, regional, and gender-segregated groups living alongside the most influential state's exclusionary practices. This study deals with social inclusion as a necessity in combating the issues of poverty, inequality, and structural discrimination in Nepal. It utilizes secondary data, policy analysis as well as literature review to uncover the historical background of disenfranchisement, the complexity of the inequality issue, and the impact of the 2006 Constitution and the subsequent policies. The article proposes that the social inclusion concept in Nepal needs to be viewed as a governance challenge with political representation and social recognition rather than just as a redistributive policy. The results of this research have implications for the larger issue of inclusive development in multi-national and post-conflict societies debates.

**Keywords:** *Social inclusion; Structural inequality; Equity; Poverty; Multinational societies; Nepal*

### INTRODUCTION

Social inclusion has gradually become an essential aspect of world development plans, especially in situations where the poor are socially marginalized, and the oppressed are economically deprived (Sen, 2000; Kabeer, 2010). In Nepal, a multi-ethnic, multi-lingual, multi-caste, and multi-regional country, social inclusion is a political and constitutional need in addition to being a moral ideal. The scenario created by years of centralized administration and the ruling caste's power involved all the abovementioned groups - Dalits, Indigenous peoples (Adivasi Janajati), Madhesis, women and those living in far-flung places - being socially and politically marginalized (Lawoti, 2005). The huge political changes that followed the 2006 People's Movement and the enactment of the Constitution of Nepal in 2015 have not drastically changed the continued segregation based on class or caste in granting access to education, employment, political influence, and social services (World Bank, 2019). This study intends to engage in an in-depth analysis of the topic of social inclusion in Nepal from the perspective of poverty and inequality as rooted in the past and in the structure. It presents the following questions: (a) Where in the structure does social exclusion in Nepal have its origin? (b) Where do poverty and inequality cross each other with identity-based exclusion? and (c) How much have the recent policy and constitutional reforms contributed to or hindered social inclusion?

### Objectives of the Study

This research aims at presenting a critical analysis of social inclusion as a vital change factor in the amelioration of poverty, equity, and structural inequality in Nepal. In particular, the research intends to:

1. To analyse the historical and institutional roots of social exclusion in Nepal;
2. To examine how poverty intersects with caste, ethnicity, gender, and regional identity;
3. To assess the effectiveness of post-2006 constitutional and policy interventions aimed at promoting social inclusion; and
4. To contribute to broader theoretical debates on inclusive development in multinational and post-conflict societies.

### Research Questions

1. What are the historical and structural foundations of social exclusion in Nepal?
2. How do caste, ethnicity, gender, and regional identity shape multidimensional poverty and inequality?
3. To what extent have constitutional reforms and inclusion-oriented policies since 2006 advanced substantive social inclusion?
4. What limitations constrain the transformative potential of social inclusion in Nepal's current governance framework?

### Theoretical Background: Social Inclusion, Equity and Structural Inequality.

Social inclusion is defined as the process of bettering conditions on individuals and groups of people especially those that are disadvantaged based on identity, geography, gender, caste, ethnicity and socio-economic status (Silver, 2015). It came into development theory as a reaction to growth-centred models that had not yet tackled the issue of inequalities and social disintegration. Inclusion not only puts a focus on material needs but also on equity, recognition, voice, and participation (Fraser, 2009; Kabeer, 2010). Equity seeks equitable results, differentiated measures will be needed to combat historical disadvantage (Sen, 2009), and is a concept of social justice and not a peripheral policy matter. The cause of disadvantage, which is intergenerational, has structural inequalities, which are based on institutions, law, culture, and politics (Tilly, 1998; Bennett, 2006; Lawoti, 2005). In Nepal, caste, patriarchy, hierarchies of language, land tenure, and geography are some of the reinforcers of exclusion. This paper takes a multidimensional approach that combines the economic deprivation with social, political, and cultural exclusion. The concept of poverty is therefore considered as inability to access education, healthcare, justice, political representation and social recognition, which corresponds to the approach of capability by Sen (2000). The framework focuses on the way caste, ethnicity, gender, and region are interconnected to enhance exclusion with an intersectional lens (Crenshaw, 1991; Bennett et al., 2013). The process of social inclusion can thus be said to be transformative and it must necessitate changes in the governance, institutions and even social norms and not adjusting of the policy.

### Background of Nepalese Marginalization.

Social exclusion in Nepal is historical traceable back to the establishment of the contemporary state in the eighteenth century whereby state building in the Shah and Rana regimes advocated cultural and legal homogenization. It was institutionalized by institutionalizing the hierarchy of Hindu caste as a form of governance in the codified Muluki Ain of 1854 that institutionalized social stratification and inequality in caste and religious status (Hofer, 1979). Non-Hindu groups of people, the Indigenous nationalities, and Dalits were systematically marginalized in the legal code, and they were denied right to own land, education, state jobs, and protection of laws, making exclusion inherent to the principles of the state. Instead of just mirroring the accepted social norms, the Muluki Ain actively recreated hierarchy by attributing dissimilar rights and responsibilities to the caste groups and concentrating the state power in the hands of the elite representatives of the high castes, pushing the marginalized groups to the sides of agrarian and labour systems. These allocations created poverty and social stagnation between different generations, especially among the Dalits and the Indigenous who were crippled by government policies in terms of their means of living and culture (Bennett, 2006). Exclusionary rule prevailed under the Panchayat rule (1960-1990) that was characterized by centralized power and homogenisation of culture by encouraging the idea of a single Nepali nationality based on Hindu and high-caste hill culture. The diversity in language, ethnicity and region was ruthlessly suppressed and the manifestations of ethnic or regionalism were usually presented as a danger to national harmony (Gellner, 2007). Pluralism in politics was curtailed and the marginalized groups could not be well represented despite the slight progress in education and infrastructure. The 1990s democratic transition increased constitutional reforms on civil and political rights but this was more focused on the surface equality rather than the structural inequality that remained to be considered. State institutions were still controlled by traditional elites, and the system of proportional representation and affirmative action was either weak or not enforced (Lawoti,

2005). Consequently, the substantive inclusion was not widespread, and the differences in access to resources, services, and political power were present. These structural grievances were not solved and became the background for the Maoist insurgency (1996-2006) that actually was a master call to activate caste, class, gender, and regional marginalization (Mishra, 2012). It is a war that exposed the limitations of procedural democracy in working through inequalities in a thorough manner, stressing how unexploited discriminator methods might grow into political instability and violent conflict.

#### **Multidimensional Inequality, Poverty and Identity.**

The distribution of poverty in Nepal is not even among social classes and regions and the historical, social and institutional inequalities can be observed deeply. Even though the national rates of poverty have been slowly decreasing, aggregate data hides inequalities that are perpetually based on caste, ethnicity, gender and geography. Empirical studies always indicate high poverty and vulnerability levels of Dalits, indigenous peoples (Adivasi Janajati), Madhesis, women headed families and populations in the mountain and far-western regions, as compared to the national average (Central Bureau of Statistics, 2019). Such tendencies demonstrate the shortcomings of development models that are based on growth and do not consider socially differentiated results. The caste and ethnicity are still strong predictors of socio-economic status in Nepal, which influences educational opportunities, labour and employment, land tenure and access to government services despite their regulation by income, location and household factors (Bennett et al., 2013). Thousands of years of discrimination have led to increased dropout rates, occupational segregation, and lack of access to formal jobs among the Dalits and most of the Indigenous groups, which increases intergenerational poverty as a structural and not an individual phenomenon. These inequalities are also compounded by gender-based exclusion of all social groups. Although women have been reformed in the law, structures still restrict their rights to property, inheritance, credit, political participation and paid employment (Acharya et al., 2010). Strong patriarchal values still limit the economic freedom and decision-making ability of women, in particular, women headed families, especially those belonging to poor caste and ethnic backgrounds, are especially susceptible to both economic and food insecurity. These challenges are intensified by the fact that remote mountain, hill and far-western districts experience poor infrastructure, poor access to markets, poor service delivery and low levels of state presence. These disadvantages of space overlap caste, ethnicity and women, giving rise to multiple-layered exclusions. Although migration and remittances have emerged as major livelihood strategies both locally and internationally they tend to cover weaknesses of the structure and subjects the households to outside economic shocks (Adhikari, 2014). The overlapping dimensions when combined demonstrate that poverty in Nepal can no longer be understood simply as a deficiency of income; it is rather a type of structural exclusion existing in both social relations and institutional practices. Therefore, the effective poverty reduction has to be multi-faceted and equity based in order to amalgamate economic development with particular actions to dismantle the discriminative structures, improve social security, and active, meaningful inclusion in education, labour markets, and governance.

#### **Policymaking and constitutional Reactions to social Inclusion.**

The political settlement of 2006 was a significant change in the governance of Nepal as social inclusion became the centre-stage of the state agenda. The grievances of marginalized groups that had long been left out in the political sphere and the state resources were taken into consideration through the Comprehensive Peace Agreement and the consequent constitutional processes. The 2015 Constitution is a clear departure of the previous homogenizing state ideologies as it points to the fact that Nepal is a multiethnic, multilingual, and multicultural state. It institutionalizes the proportional equality with a system of representation of women, Dalits, and nationalities of the Indigenous modern, Madhesis, Tharus, and Muslims in the organs of the state (Government of Nepal, 2015). Affirmative action policies used post-conflict, especially during civil service recruitment, higher education and in elected bodies, have brought about quantifiable increases in descriptive representation so that previously marginalized groups have become more visible in bureaucracies and legislative bodies (Lawoti and Hangen, 2013). These actions are symbolic and structural in order to confront the established elite hegemony through the increase of access to formal influence.

The provincial and local governments introduced the concept of federal restructuring to reduce the issue of regional marginalization and over-centralization of powers and resources by bringing them back near marginalized groups. Although federalism has great potential to end spatial inequalities and provide better participatory governance, its transformational effects have been limited by poor implementation. Inclusion-oriented reforms have been weakened by elite influence, bureaucratic stalemate, administrative capacity imbalance, and opposition by dominant social groups (Adhikari, 2020). In most instances proportional representation has not been translated into concrete policy impact and fair distribution of resources. Consequently, the post 2006 inclusion model in Nepal is characterized by the discord between the progressive constitutional promises and disparate material performances. Although there has been progress in recognition and representation, structural inequalities in land ownership, education, labour markets, and administration systems have remained unresolved, slowing down substantive inclusion, and it is necessary to find institutional reform and accountability to make the meaning of inclusion truly transformative and not merely a symbol.

#### **Findings**

The analysis provides some of the main results. To start with, the social exclusion in Nepal is highly structural and institutionalized and dates back to the caste-based legal frameworks and is further supported by the centralization of power and the cultural homogenization. Second, the poverty in Nepal is immensely multidimensional and socially stratified; caste, ethnicity, gender and region are influential determinants of access to education, labour markets, political representation and access to public services whether it depends on income level or not. Third, constitutional and policy reforms since 2006 have created significant descriptive representation improvements towards marginal codes and especially affirmative action and federal restructuring. Still, the implementation gaps, elite capture, and the structural inequalities in land, education, and labour markets made it impossible for these advances to lead to meaningful inclusion in all cases. The findings, in general, indicate that there is a huge gap between the progressive commitments in the constitution of Nepal and the actual situation of the marginalized communities as perceived by them.

#### **Findings Discussion Social Inclusion as a Transformative Imperative.**

The findings are explained in this section in terms of wider theoretical discussions of social inclusion, equity and structural inequality, and places the Nepali experience in comparative contexts of multinational and post-conflict society. Nepali case highlights the fact that social inclusion should go beyond the symbolic acknowledgment and the numerical representation of minority groups in the institutions of the state. Though constitutional guarantees and positive actions have made the issue more visible, the real inclusion will require the restructuring of the relations of power and decision-making. This includes not only representation, but also substantive power, responsibility and ability to impact policy priorities. It is vital to implant equity into the daily practice of governance, which includes budgeting, service delivery, and decision-making in an administrative process, to affect the inclusion, as a formal commitment onto social change. Inclusion-oriented policies may end up being procedural and not substantive unless the structural factors that have contributed to exclusion are dealt with. The long-standing land inequality is still a problem that restricts economic security and social mobility to marginal communities, especially in rural regions. Intergenerational disadvantage is replicated through educational stratification, which is manifested by loss of access to quality education, and higher education, constraining access to formal labour markets. Equally, the caste, gender, and regional labour market segmentation assigns the marginalized

groups to informal, low-wage, and insecure jobs. Such structural constraints are harmful to the transformative power of inclusion unless they are directly addressed by redistributive and regulatory measures as Kabeer (2010) argues.

To put it differently, social integration is still considered an essential factor for political stability and democratic legitimacy in multi-ethnic and multi-religious societies like Nepal. Moreover, it helps build the social contract as it gives rise to a sense of belonging and trust among the historically marginalized people through inclusive governance. On the other hand, the inability to meaningfully incorporate these communities into the state institutions and processes of economic development would contribute to the continuation of grievances, the strengthening of the perceptions of injustice, and the undermining of the democratic credibility. Analogous evidence indicates that chronic inequalities in horizontal inequalities among groups defined by cultures may lead to the rise of social discontent and a breakout of violence (Stewart, 2008). Social inclusion in this case must be considered as a governance strategy and conflict-prevention mechanism. The realization of sustainable peace and social cohesion in Nepal is pegged on the capacity of the state to transcend formal inclusion to structural transformation that redistributes resources, democratizes power and diversity as a component pillar of nation-building. This way, inclusion becomes not a compromise with the marginalized groups, but a requirement of the equal development and the lasting process of democratization.

#### CONCLUSION

In this paper, it has been argued that social inclusion in Nepal is not only a core imperative but also a result of historical injustice, long-standing structural inequality and explicit constitutional guarantees of equity and diversity. The study has also illustrated the shortcomings of growth-focused and technocratic paradigms of development by locating poverty differently in the interrelated contexts of equity and structural inequality by disregarding the socially differentiated outcomes and power disparities. This analysis implies that social inclusion is an initiative that needs to be advanced as a transformative and multidimensional endeavour that incorporates economic redistribution, a significant degree of political engagement, and social recognition in governance systems and ordinary institutional activities. Unless the issues of entrenched inequalities in land ownership, education systems, labour markets, and political representation are confronted, inclusion is likely to be a mere symbolic issue instead of a substantive one. The Nepali Case, hence, would reaffirm the necessity of carving out constitutional ideals along with the reforms and accountability mechanisms for institutions. However, turning to other locations besides Nepal, the case can be illustrative for other peoples with different social backgrounds, besides, post-conflict ones, that inclusive and equitable development is not a policy option, but a prerequisite for democratic legitimacy, social unity, and eventually, political stability in the long run.

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