Caste, Ethnicity, and Development: Rhetoric and Realities in Rural Nepal –-- By Pun, G. B. & Maharjan R.

Authors	Ganesh Bahadur Pun[1], Rati Maharjan[2]
Affiliation	[1]Lecturer at Butwal Kalika Campus, Butwal [2]Chairman, Your Contribution Our Creation
Email	trasit.pun2007@gmail.com; rati.maharjan@icloud.com

Abstract

This study critically examines the persistent influence of caste and ethnicity on development in rural Nepal. Employing a qualitative, historical-narrative design based on secondary sources, the research reveals a stark divergence between constitutional ideals of an inclusive society and the enduring realities of deep-rooted inequality. The analysis identifies a historical continuum of state-sponsored hierarchy, originating with the 1854 Muluki Ain which legally codified a rigid caste structure to centralize power within a Parbatiya (Brahmin-Chhetri) elite. This legacy institutionalized a political economy where resource control, particularly land, was concentrated among high castes, systematically marginalizing ethnic groups (Janajatis) and Dalits as a dependent labor force. Consequently, contemporary development initiatives, even when well-intentioned, often perpetuate these historical inequities. Implemented through local elites, such projects are frequently co-opted by those with pre-existing social and economic capital, reinforcing a cycle of exclusion. Furthermore, the research demonstrates the remarkable resilience of social hierarchies despite progressive legal reforms, including the 2015 constitution. While legal frameworks now prohibit discrimination, deeply ingrained ideologies of ritual purity and pollution persist, manifesting in ongoing social practices that impede marginalized groups' access to resources and opportunities. Awareness campaigns and NGO interventions have proven insufficient to dismantle these foundational power dynamics. The study concludes that without directly confronting these entrenched social and historical structures, policy mandates alone will remain inadequate for achieving genuinely inclusive and equitable development in Nepal.

Keywords: Caste, Ethnicity, Development, Rhetoric, Realities, Rural

Introduction

Caste is a system of social stratification where people are divided into different hierarchical groups based on birth, occupation, and ritual status**.** According to Muluki Ain (1985) "caste is defined as a legal and social hierarchy that organized Nepalese society into rigid categories based on ritual purity, occupation and ethnicity." Muliki Ain divided Nepal society into five main caste categories with a clear hierarchy. Firstly, Tagadhari they are high caste Hindus such as Brahmins, Chhetris and some Newar elites who were considered ritually pure and privileged. Secondly, Matawali-Non enslave they are indigenous janajati group allowed to drink alcohol but not subject to slavery. Thirdly, Matawali- enslavable they are lower janajati groups who could be enslaved. Fourthly, Pani Na Chalne Chhochhito Halnu Naparne they are castes such as the Kasai (butchers) whose water could not be accepted by high castes but touching them didn't require ritual purification. Finally fifth caste Pani Na Chalne Chhoichhito Halnu Parne they are dalits like Kami, Sarki and Damai considered ritually impure and untouchable.

There are 142 castes/ethnicities in Nepal (NSO, 2021). The 17 newly added castes/ethnicities are Ranatharu, Bhumihar, Bankariya, Surel, Chumba, Phree, Migal, Pun, Rauniyar, Baniyan, Gondh, Karmarong, Khatik, Beldar, Chai, Done and Kewarat. In Census 2011 B.S. 16.60 percent were Chhetree whereas in 2021 BS, it reduce to 16.45 percent. Similarly, 12.18 percent Brahman reduce to 11.29 percent, 7.12 percent Magar reduce to 6.9 percent , 6.56 percent Tharu reduce to 6.2 percent , 5.81 percent Tamang reduce to 5.62, 4.75 percent Kami/Bishwkarma increased to 5.04 percent , 4.39 percent Muslaman increase to 4.86percent , 4.99 percent Newar reduce to reduce to 4.6 percent , 3.98 percent Yadav increase to 4.21 percent , 2.34 percent Rai population reduce to 2.2 percent, 1.78 percent Pariyar increase to 1.94 percent, 1.97 percent Gurung decrease to 1.86 percent , 1.61 percent Thakuri increase to 1.7 percent , 1.41 percent Sarki increase to 1.55 percent , 1.40 percent Teli increase to 1.48 percent , 1.46 percent Limbu reduce to 1.42 percent, 1.27 percent Harijan increase to 1.35 percent, 1.16 percent Koiri reduce to 1.22 percent (NSO, 2021).

Messerschmidt (1981) argues that the Muluki Ain of 1854 was more than a simple legal code—it served as a strategic instrument of state control, particularly for the Rana rulers. The law systematically classified Nepali society into caste hierarchies, granting greater rights and privileges to high-caste groups like Brahmins and Chhetris, while marginalizing lower castes and ethnic communities through stricter punishments and discrimination. Despite Nepal’s cultural

diversity, the Muluki Ain imposed the Hindu caste framework on all groups, overriding their distinct customs and practices. This effectively legalized social inequality and institutionalized caste-based domination, ensuring the ruling elite maintained authority and social stability. In essence, Messerschmidt concludes that the Muluki Ain was a political tool designed to legitimize caste discrimination and reinforce Hindu dominance under state law.

Defining development is challenging because it depends on individual values, perspectives, and specific contexts. Rural development generally means improving the quality of life in rural areas by enhancing living standards and promoting sustainable livelihoods. As noted by Singh (2012), rural development can be understood as a process, a strategic plan, and an area of study that involves the participation of various institutions and networks. Globally, there is ongoing debate about how rural development should be pursued, reflecting diverse challenges and evolving ideas (Bebbington, 2010). Nepal faces similar complexities and debates (Manandhar, 2011; Sapkota, 2014a). Even in Nepal, despite constitutional provisions and policy rhetoric, the mainstreaming of Dalit communities in development processes remains a significant challenge, often failing to promote into substantive empowerment (Pasa & Bishwokarma, 2020).

Furthermore, the rhetoric of inclusive development often fails to address the deep-seated social stigmatization and economic marginalization faced by specific ethnic groups, as exemplified by the persistent social shocks experienced by Khatwe women (Pasa & Dwivedy, 2023). Within global and national framework, this paper explores the key discussions surrounding caste, ethnicity, and development, examining both the rhetoric and realities of rural Nepal. According to Pradhan and Shrestha (2005)**,** three major factors explain Nepal's ethnic diversity, social hierarchy, and inequality. These are: the migration of various groups into the country, the political unification of these groups into a single nation-state under the leadership of Nepali-speaking Khas (now known as Parbatiyas)**,** and the influence of state laws and policies that reinforced hierarchical structures.

Over the past 2,000 years, modern Nepal has taken shape through the migration and settlement of diverse groups**.** Ethnic communities such as the Gurung, Limbu, and Sherpa, who speak Tibeto-Burman languages**,** migrated from various Himalayan regions at different times. The Newars**,** another Tibeto-Burman-speaking group practicing both Hinduism and Buddhism, have inhabited the Kathmandu Valley for more than two millennia. Meanwhile, the Nepali-speaking Parbatiya migrated from the west and south over several centuries. In the Tarai plains, groups like the Tharu

have resided there for over 2,000 years, while others, such as Maithili speakers in the eastern Tarai, arrived later. Each of these groups brought distinct languages, religions, and cultures, settling in different regions and forming independent yet interconnected political entities—ranging from small chiefdoms and principalities to larger states like the Lichhavi and Malla kingdoms in the Kathmandu Valley, the Khas kingdom in the west, and various ethnic confederations such as those of the Magars, Gurungs, and Limbus in central and eastern Nepal **(**Pradhan & Shrestha, 2005**).**

In the second half of the eighteenth century, Prithivi Narayan Shah, ruler of the small principality of Gorkha, and his immediate descendants, support by Brahmins and Chhetris, as well as by Magars and Gurungs, conquered and politically amalgamated these different political units into the Gorkha kingdom, now known as Nepal.

The political unification of the numerous principalities and the subsequent process of nation-building had profound consequences for the diverse groups, including "*Parbatization"* of Nepal, changes in social relations, and in access to and control over economic and political resources, especially land and administration. These changes can be located in three major periods of Nepalese history, each period characterized by a different model of society as articulated in state laws and policies: a hierarchial, plural society from the establishment of the Gorkha kingdom to the end of the Rana regime (1768-1950), a non-hierarchical, mono-cultural society during the Panchayat period (1960-1990), and a non-hierarchical plural society in the post 1990 period (Pradhan & Shrestha, 2005).

During this period, the main priority of the ruling Parbatiya elite was to consolidate political control and extract revenue from the newly conquered territories (Burghart, 1996). At the same time, they sought to unify Nepal's diverse social groups within a common legal and social framework. King Prithvi Narayan Shah described his new kingdom as a "garden of four varnas and thirty-six jats," symbolically including all subjects—Hindus, non-Hindus, and people from various castes and ethnic backgrounds. This recognition reflected an early acknowledgment of Nepal's ethnic, linguistic, and cultural diversity. For instance, he allowed the Limbus of eastern Nepal to continue their traditional practices, maintain control over their communal land (kipat), and be governed by their local chiefs. However, as the state grew increasingly centralized, both politically and administratively, the ruling elites began to tighten control over economic resources, particularly land, while also promoting a homogeneous Parbatiya cultural model across the

country. This process of cultural and administrative integration was formally expressed in the 1854 Civil Code (Muluki Ain), introduced by Rana Prime Minister Jang Bahadur Kunwar (Hofer, 1979). The Civil Code of 1854, largely inspired by Hindu religious and legal scriptures, covered a wide range of issues, including land tenure, inheritance, and social relations.

Its most significant sections addressed inter-caste and inter-community interactions—such as rules regarding eating, marriage, and physical contact. The Code systematically classified all social groups into five ranked categories within a rigid caste hierarchy, assigning each group different rights, privileges, and responsibilities based on their caste position. This structure was imposed even on non-Hindu communities, such as Buddhists and Animists, who traditionally did not follow the caste system (Hofer, 1979).

At the top of the hierarchy were the Tagadhari or "wearers of the sacred thread," representing the upper-caste Parbatiya Brahmins and Chhetris. Considered the most "pure," they held dominant control over political, economic, and cultural resources. The majority of ethnic groups, now identified as Janajatis, were categorized as Matwalis or "liquor drinkers." This group was further divided into non-enslavable communities—such as the Gurung, Magar, and some Newar castes—and enslavable groups, including the Tamang and other communities of Tibetan (Bhote) cultural heritage. Below them were the Newar service castes, such as butchers and tanners, along with foreigners and Muslims, from whom water could not be accepted. At the bottom of the hierarchy were the so-called "impure" and "untouchable" service castes among the Parbatiya, Newar, and Madhesi populations (Hofer, 1979).

Most service castes in Nepal traditionally belonged to occupational or artisan groups, with each caste name reflecting the specific type of work they performed. For example, the Damai worked as tailors and musicians, while the Sarki were shoemakers and also responsible for disposing of animal carcasses. Under the traditional caste system, these groups were bound to provide labor or services to certain upper-caste households with whom their families had hereditary ties. They were expected to produce items such as ploughing tools or clothing each year, and in return, they received a fixed share of food, clothing, and other necessities after each harvest. Today, these occupational castes are collectively recognized as Dalits.

During this historical period, Nepali society operated under a legally enforced hierarchical order, where lower castes, women, ethnic minorities, and non-Nepali-speaking communities were excluded from state administration and land ownership. Both Hindu law and local customary

practices reinforced this social and economic inequality. Most of the fertile land and resources were concentrated in the hands of upper-caste Parbatiyas, with a few exceptions—such as the communal kipat lands controlled by the Limbus in eastern Nepal and the trans-Himalayan trade networks managed by the Thakalis. Meanwhile, ethnic and lower-caste groups formed the backbone of the labor force, often working under exploitative or forced conditions as tenants, cultivators, artisans, porters, and laborers. The upper-caste rulers dominated the political and administrative systems, though certain local-level exceptions existed—such as the Subbas among the Limbus, who held limited administrative authority (Regmi, 1978).

During this period, there was a strong pressure to assimilate into the dominant Parbatiya Hindu culture**.** Many ethnic groups, particularly their elite members who had closer contact with the ruling class, began to adopt Hindu norms and practices. This was reflected in their treatment of so-called 'untouchable' castes**,** participation in Hindu festivals, and, in some cases, the creation of internal social hierarchies that mirrored the caste system. For example, among the Gurungs**,** traditional lineage-based communities gradually developed caste-like divisions, demonstrating the widespread influence of Hindu social values **(**World Bank, 1979**).**

Government and donor-driven development programs in Nepal often unintentionally reinforced social inequalities. These initiatives were generally aimed at helping "the poor," but they failed to account for differences in caste, ethnicity, region, and gender (see footnote 20). As the World Bank once noted that "almost everyone in Nepal is poor," local elites—often Brahmins and Chhetris—were also able to claim the status of beneficiaries. Their greater political influence, economic power, and social connections allowed them to capture a disproportionate share of development resources. Additionally, most development activities were concentrated in urban, peri-urban, and easily accessible areas, meaning that communities near towns and highways benefited more from opportunities in education, health, infrastructure, and trade. Consequently, rather than reducing inequality, nation-building, modernization, and development efforts often deepened existing divisions among ethnic groups, castes, and genders (Panday, 2000).

With the restoration of multiparty democracy in 1990, Dalits and ethnic groups hoped for a more egalitarian and inclusive society. The 1990 Constitution declared Nepal a multiethnic and multilingual Hindu constitutional monarchy, guaranteeing equality before the law and prohibiting discrimination based on religion, gender, race, caste, or ethnicity. It also recognized the languages of different communities as national languages. However, despite these legal provisions, the reality

of democratic participation contrasted sharply with the persistent social inequalities. In practice, customary norms and hierarchical structures continued to sustain discrimination and exclusion, particularly along caste and gender lines (Bhattachan et al., 2003). For instance, Dalits, especially in rural areas, continue to face ritual and social discrimination, not only from upper castes but also from some Janajati communities. Examples include restrictions on temple entry, separate eating utensils in restaurants, refusal by upper castes to share food or water, and exclusion from common property resources such as springs and water taps. They also experience barriers in schools, markets, and cooperatives—for example, being prevented from selling milk due to their "untouchable" status. Ulrik H. Johnsen (2002) found that 46.6 percent of Dalit respondents had been barred from selling milk, with discrimination most severe in the Far Western and Central Development Regions, affecting nearly two-thirds of respondents, compared to only one-fifth in the Eastern Region. Similarly, 60.7 percent of respondents reported difficulties selling milk to hotels or tea shops, while 46.1 percent faced obstacles within their villages (Dahal, 2002).

Objective and Methodology

The purpose of this research is to evaluate the rhetoric associated with caste, ethnicity, and development in Nepal's rural areas in comparison to the reality of these topics. For this study, the library approach was utilized, and secondary sources of data were gathered from various sources such as websites, books, journals, articles, and so on. To be more explicit, the library method approach has been utilized in conjunction with the qualitative historical research design.

The Findings: Legal codification and entrenchment of caste hierarchy:

In Nepal, the dominance of high castes is not a recent or accidental phenomena; rather, it is the direct product of a planned state project to impose a Hindu social hierarchy. This project was undertaken by the government. The Muluki Ain of 1854 was a strategic "instrument of state control" that legally codified a rigid caste system, according to Messerschmidt (1981), who conducted an analysis of the document. It did this by carefully organizing Nepal's complex ethnic landscape into five hierarchical categories: Tagadhari, Matawali (non-enslavable and enslavable), and the two tiers of "untouchable" castes. It did this by offering favors to the "ritually pure" Brahmins and Chhetris while marginalizing other groups. This legal framework, which was imposed even on non-Hindu communities such as Buddhists and Animists, overrode their different practices and, as Pradhan and Shrestha (2005) point out, was a crucial instrument in the "Parbatization" of Nepal since the country's unification. This deeply ingrained, state-sponsored

heritage of sanctioned inequality is currently coming into direct conflict with the constitution of 2015 (2072 B.S.), which advocates for a society that is "multi-ethnic, inclusive, and non-discriminatory." It is consequently a historical carryover of a system that was designed to centralize power and cultural authority in the hands of a Parbatiya elite that high-caste dominance continues to exist in today's society.

Systemic exclusion as a legacy of historical resource control:

There is a long and ingrained historical connection between the political economy of caste and the systematic exclusion of underprivileged populations from the advantages of development. Between the time of the Gorkha kingdom and the Rana rule, the state consolidated its control over economic resources, notably land, and concentrated it in the hands of the upper-caste Parbatiyas. At the same time, ethnic groups and Dalits were reduced to a dependent labor force. A structural advantage that continues to exist was developed as a result of this historical dispossession. The research reveals that contemporary development projects have frequently and unintentionally contributed to the perpetuation of existing inequities. They were implemented through local elites, and because they were vaguely directed at "the poor," they permitted those who were already powerful—"often Brahmins and Chhetris"—to acquire a disproportionate part of the riches. Consequently, this is in perfect accordance with the initial discovery that initiatives "work through local leaders or locally based NGOs who are not necessarily the most effective interface between the poor and the projects." Upper-caste participants themselves recognize that they "benefit more compared to the other ethnic groups and castes." This results in a loop that perpetuates itself by combining historical privilege with modern access. This ensures that upper-caste participants continue to benefit more than these other groups. A major segment of the population, notably Dalits and Janajatis, is left economically disenfranchised as a result of this systematic bias, which directly inhibits the advancement of the nation. This bias can be traced back to past land alienation and continues into present project design.

The resilience of social hierarchies in the face of legal reform:

In spite of large legal reforms and numerous awareness campaigns, the caste system continues to demonstrate remarkable resilience. This is due to the fact that interventions have not been successful in dismantling the social and ceremonial logic that underpins the caste system. Although the transition to democracy in 1990 and the progressive constitution of 2015 contributed to the establishment of legal equality, they did not eliminate centuries of deeply rooted discrimination.

There is abundant evidence in the literature that demonstrates this disparity: despite constitutional prohibitions, Dalits living in rural areas continue to be subjected to severe discrimination, such as being prevented from selling milk or gaining access to shared water supplies. It is clear from this that legislation cannot single-handedly overturn the "ritual purity" standards that were established by the Muluki Ain. Furthermore, the addition of seventeen new castes in the census of 2021, in conjunction with subtle demographic shifts (such as a slight decrease in the percentages of Brahmins and Chhetris and an increase in the populations of Dalits such as Kami and Sarki), indicates a complex social landscape in which identity politics is evolving, but not necessarily in which hierarchy is dissolving. The racism is not in Hindu Sanatan Culture but it is deeply rooted in south Asian community (Badal, 2020).

The "various activities" that are carried out by non-governmental organizations (NGOs) and government agencies are shown to be insufficient due to the fact that they are frequently superficial and do not address the deeply ingrained power dynamics and stigmatizing ideas that are responsible for maintaining caste. Legal mandates and awareness initiatives will continue to be ineffective in attaining genuine inclusion and development so long as the social hierarchy continues to exist in its current form.

Conclusion and Policy Implications

In conclusion, defining and pursuing rural development in Nepal is an inherently complex endeavor, inextricably linked to the nation's deep-seated social hierarchies. As this paper has explored, the historical foundations of the caste system, codified in instruments like the Muluki Ain and reinforced by state power, created rigid hierarchies of ritual purity, occupation, and ethnicity that continue to structure contemporary life. Despite constitutional recognition of diversity and policy rhetoric promoting inclusion, the reality for marginalized groups like Dalits communities are facing persistent marginalization. The "rhetoric" of inclusive development, consistently fails to translate into "substantive empowerment" or to dismantle the social stigmatization that perpetuates economic disadvantage. Therefore, for rural development to be transformative rather than merely palliative, it must move beyond technical plans and engage critically with these caste and ethnic realities. Any effective strategy must be explicitly designed to redress historical injustices, directly challenge entrenched power dynamics, and ensure that the pursuit of improved living standards is fundamentally coupled with the project of social equity.

Only then can development in rural Nepal become a genuine process of liberation, transcending rhetoric to achieve meaningful transformation.

Reference

Badal, B. P. (2020). Gandhian Model of Community Development. *Research Nepal Journal of Development Studies*, *3*(2), 1–23.

Bebbington, A., 2010 Social movements and poverty in developing countries. *Background paper for RISD's Poverty Report*. UK: University of Manchester.

Bhattachan, K. B. et al., (2003). *Existing Practices of Caste-Based Untouchability in Nepal and Strategy for a Campaign of its Elimination*. Kathmandu: Action Aid Nepal. June 2003.

Burghart, R. (1996). *The Conditions of Listening: Essays on Religion, History and Politics in South Asia.* Delhi: Oxford University Press.

Dahal, D. R. (2002) . *National Dalit Strategy Report, Part I: Situational Analysis of Dalits in Nepal*. Kathmandu: Action-Aid Nepal, Care Nepal and Save the Children US.

Escobar, Arturo. (1995). *Encountering Development. Making and Unmaking of the Third World*. Princeton: Princeton University Press

Hofer, A. (1979). *The Caste Hierarchy and the State in Nepal: A Study of the Muluki Ain of 1854*. Innsbruck: Universitatsverslag Wagner.

Messerschmidt, D. A. (1981). The Caste Hierarchy and the State in Nepal: A Study of the Muluki Ain in 1854. By András Höfer. Innsbruck: Universitätsverlag Wagner (Khumbu Himal: Ergebnisse des Forschungsunternehmens Nepal Himalaya, Band 13/2), 1979. 215 pp. Appendixes, Bibliography, Indexes. N.p. *The Journal of Asian Studies*, *40*(4), 824–825. https://doi.org/10.2307/2055725

Manandhar, P., 2011 *Contested Rural Development in Nepal*. Working paper for the research project (NCCR N-S RP1) on otested rural deelopet, No. , Berne and Zurich, Switzerland: NCCR North-South.

National Statistical Office (NSO). (2021). *National Population and Housing Census 2021 National Report on Caste/ethnicity, language & Religion.* Kathmandu: National Statistics Office.

Pfaff-Czarnecka, Joanna. (1997). Vestiges and visions: Cultural change in the process of

nation-building in Nepal. In D. Gellner, J. Pfaff-Czarnecka and J. Whelpton (eds.), *Nationalism and Ethnicity in a Hindu Kingdom: The Politics of Culture in Contemporary Nepal*, pp. 419- 470. Amsterdam: Hardwood Academic Publishers.

Panday, Devendra Raj. (*2000).Nepal's Failed Development. Reflections on the Mission and the Maladies*. Kathmandu: Nepal South Asia Centre.

Pasa, R. B., & Dwivedy, D. N. (2023). Social Shocks of Khatwe Women in Simardahi Village of Matihani Municipality in Nepal. *Research Nepal Journal of Development Studies, 6*(1), 71–89.

Pasa, R. B., & Bishwokarma, L. B. (2020). A Dalit Mainstreaming in Rural Development: An Alternative Approach for Combating Poverty. *Dhaulagiri Journal of Sociology and Anthropology*, *14*, 61–68.

Regmi, Mahesh Chandra. (1978). *Landownership in Nepal*. Berkeley: University of California Press.

Shrestha, R. P. (2005). *Ethnic and Caste diversity: Implication for development.* Kathmandu: Asain Development Bank.

Sapkota, M., (2014) Dynamics of Social Movement and Poverty Reduction in Nepal. In S.S Aneel, T. H. Uzma & N. Imarana *Eds., "Sustaiable developet in south Asia: Shaping the future (pp. 397418).* Lahore, Pakistan: Niaz Ahmad, Sange-Meel Publications.

World Bank. 1979. *Nepal: Development Performance and Prospects.* Washington DC.