

Dialectics of Production Relations from Industry 1.0 to 5.0: An Analysis from Marxist-Leninist and PMPD Perspectives

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ABSTRACT

This article explores the historical and contemporary transformations in modes of production, class structures, and labor relations from Industry 1.0 to Industry 5.0 through the analytical lens of Marxist–Leninist theory and People’s Multiparty Democracy (PMPD). It builds on Karl Marx’s foundational premise that the aim of philosophy is not merely to interpret the world but to change it, applying this praxis-oriented ethos to the analysis of capitalist development, class struggle, and systemic transformation. Drawing on Marx’s theory of historical materialism, Lenin’s theory of imperialism, Mao’s concept of New Democracy, and Bhandari’s creative adaptation of Marxism–Leninism through PMPD, the study synthesizes these theoretical frameworks to examine how evolving socio-economic conditions shape and reshape production relations and labor dynamics. Based on the literature and contributions of Bhandari, this article underscores a dialectical interplay between politics, law, and the economic base, emphasizing that political movements both reflect and influence changes in production systems. The analysis reveals that revolutions—democratic or socialist—are context-specific responses to exploitative structures and that legal and institutional changes are required to consolidate socio-economic transformations. This theoretical study, enriched with empirical references, highlights the importance of linking revolutionary ideology to practical, participatory frameworks like PMPD, especially in peripheral nations such as Nepal.

Introduction

The famous quote—“The philosophers have only interpreted the world, in various ways; the point, however, is to change it” (1845)—is attributed to Karl Marx. It underscores the idea that while philosophy has traditionally focused on interpreting and analyzing the world, its true purpose lies in transforming it. Marx emphasized the unity of theory and practice in confronting real-world challenges and striving for a more just

society. To transform an unjust and exploitative society, Marx and Friedrich Engels envisioned a revolution arising within advanced capitalist nations, led by the proletariat as the driving force toward socialism. Their framework upheld the principle: “From each according to his ability, to each according to his needs!” (Marx & Engels, 1948, p.321).

V. I. Lenin extended Marxist theory by arguing that revolution could also succeed in less-developed

capitalist nations, requiring an initial democratic revolution before advancing to socialism (Lenin, 1964a). He institutionalized the one-party communist state through “democratic centralism” and the “dictatorship of the proletariat” (Lenin, 1964b). Mao Zedong further adapted Marxism to the semi-feudal, semi-colonial conditions of China, introducing the “New Democracy” as an interim stage (Mao, 1965a). His approach advocated communist leadership within a collaborative multiparty system under the “People’s Democratic Dictatorship” (Mao, 1965b).

Bhandari advanced these ideas by incorporating revolutionary parties into competitive electoral politics. His concept of People’s Multiparty Democracy (PMPD) envisioned the communist party securing electoral mandates to form a People’s Democratic Government while allowing multiparty participation within a socialist democratic framework (Bhandari, 1993).

In the pursuit of transforming society from exploitative and inhuman to just, equitable, and truly humane, Marx provided the theoretical foundation, which was creatively applied by leaders such as Lenin and Mao. In Nepal, Pushpa Lal Shrestha, the founding General Secretary of the Communist Party of Nepal, made early efforts to implement the ideas of Marx, Lenin, and Mao. Building on this legacy, People’s Leader Bhandari later developed a creative application of Marxism–Leninism known as People’s Multiparty Democracy.

This article examines historical and contemporary transformations in modes of production, class relations, alienation, and inequality through a Marxist–Leninist and PMPD perspective. It synthesizes Marx’s theory of historical materialism, Lenin’s theory of imperialism, and Bhandari’s formulation of PMPD to critically analyze the dialectics of industrial transformation from Industry 1.0 to Industry 5.0.

Methodology

There exists a profound interrelationship between politics, socio-economic systems, and the system

of production. Politics functions as the most visible expression of economic structures, while the economic system forms the foundational base of political institutions. The nature and character of a given system can be assessed by examining the quality and dynamics of this relationship.

Within the framework of political economy and the production system, meaningful evaluation requires an analysis of the mode of production, production relations, and labor relations—each understood as interdependent and mutually influential. The mode of production shapes the form and structure of production relations, including issues of ownership, control, and the distribution of power. These production relations, in turn, influence labor relations by determining how labor is organized, how surplus is appropriated, and how authority is exercised in the workplace. The organization of production also mediates the dynamics of power and communication between employers and workers. Importantly, labor relations can influence the mode of production itself. Collective struggles, industrial disputes, and organized resistance have the potential to challenge and disrupt existing ownership structures, catalyzing systemic transformation. In this dialectical process, labor is not merely shaped by the system but also acts as an active agent of change.

Politics leads movements, and movements bring about change—disrupting existing systems and creating new conditions for economic organization. To stabilize such changes, new systems often require the creation of new laws, which in turn contribute to maintaining the emerging status quo. Any deviation from the status quo reactivates politics, giving rise to new movements and turbulence within the established order (Khatriwada & Rimal, 2024).

When an old system collapses, the legal arrangements it produced often become obsolete. As a result, systemic transformation necessitates either the amendment of existing laws or the introduction of new legal provisions that reflect the socio-economic realities of the new order.

This study seeks to explore how shifts in the mode of production—from Industry 1.0 through Industry 5.0—reshape class structures and class relations. Particular attention is given to transformations in production and labor relations, situating these changes within broader socio-economic and political dynamics.

The paper is grounded in a critical assessment of relevant literature and a systematic analysis of industrial development in Nepal. Employing a Marxist–Leninist and PMPD framework, the analysis investigates the historical and dialectical evolution of productive forces and relations of production. It critically examines the nature and mechanisms of exploitation across industrial epochs and assesses their implications for class struggle and structural transformation. While primarily theoretical in orientation, the study is enriched with empirical illustrations where relevant.

Results and Discussion

Stages of industrial transformation and class relations

The progression of industrial capitalism can be understood through three major transformations, each marked by technological advancements and evolving class relations. The First Industrial Revolution (Industry 1.0: 1760–1840) shifted economies from agrarian feudalism to mechanized capitalism, introducing factory-based production and intensifying class antagonisms. Marx described this era as “primitive accumulation,” during which enclosures in Europe and colonial plunder in the Global South created a proletariat forced into wage labor. While productivity surged, capitalist crises soon emerged—such as the 1825 recession—highlighting the system’s inherent instability (Marx, 1976).

The Second Industrial Revolution (Industry 2.0: 1870–1914), fueled by electrification and mass production, transformed capitalism into a monopolistic system (Engelman, n.d.). Lenin (1999) analyzed this consolidation in *Imperialism: The Highest Stage of Capitalism*, noting the fusion

of finance and industrial capital, which subordinated nation-states to monopoly interests. “Imperialism is capitalism at that stage of development at which the domination of monopolies and finance capital is established; in which the export of capital has acquired pronounced importance; in which the division of the world among the international trusts has begun...” (Lenin, 1999, p. 89). Lenin identified five features of imperialism:

- The concentration of production and capital → leading to monopolies
- The merging of bank capital with industrial capital → forming finance capital
- The export of capital (rather than goods) becomes central
- Formation of international monopolist capitalist associations to divide the world
- The territorial division of the world among the great powers is complete.

The Great Depression of 1929 exposed the contradiction between socialized production and private appropriation, prompting temporary state interventions such as Keynesian policies. Despite these measures, monopoly capitalism continued to deepen worker exploitation and intensify class struggle.

Industry 3.0 (1945–1970) marked the rise of digital capitalism, shaped by automation, globalized production, and neoliberal deregulation. The Toyota Production System and containerization revolutionized efficiency, allowing capital to relocate production to low-wage regions (Dyer-Witheford, 2015; Levinson, 2006). The “neoliberal turn” (Harvey, 2005) dismantled post-war welfare states, leading to stagnant wages and rising inequality (Mishel & Bivens, 2021; Piketty, 2019). By the 2000s, precarious labor—contract, temp, and gig work—had expanded, weakening workers’ bargaining power (Davis, 2006; Standing, 2011). The 2008 financial crisis exposed the speculative foundations of financial capitalism (Foster &

McChesney, 2012), setting the stage for Industry 4.0, where data and algorithms dictate economic power.

Lenin's concept of finance capital evolved in Industry 3.0 through financial deregulation, petrodollar recycling, and the rise of speculative capital (Lenin, 1999). Neoliberalism dismantled state barriers, allowing finance capital to penetrate all corners of the globe (Harvey, 2005). Sovereign debt became a tool of neo-imperial control, structurally subordinating nations through debt dependency rather than direct colonization (Sassen, 2014). This historical trajectory highlights capitalism's cyclical contradictions: technological advancement consistently increases productivity while simultaneously deepening inequality and reinforcing class struggle.

The Fourth Industrial Revolution has reshaped capitalism through the fusion of AI, IoT, and cloud computing with production and services (Schwab, 2016). Unlike earlier phases that mechanized physical labor, Industry 4.0 (1970–present) automates cognitive and logistical work, enabling capital to exert algorithmic control over workers.

Schwab acknowledges that automation reinforces inequality by benefiting capital owners who control these technologies, while labor becomes increasingly fragmented, disempowered, and precariously employed. “The Fourth Industrial Revolution is disrupting almost every industry in every country... The breadth and depth of these changes herald the transformation of entire systems of production, management, and governance” (Schwab, 2016, p. 4).

Amazon warehouses exemplify this transformation, using robotics and digital management systems to enforce labor precision (Zuboff, 2019). Platforms like Uber and Airbnb have also restructured employment by categorizing workers as “independent contractors,” extracting profit through digital intermediation. Shoshana Zuboff (2019) describes this model as surveillance capitalism, where behavioral data is commodified for profit.

Companies such as Google and Meta engage in digital primitive accumulation, appropriating social and cognitive activity without compensation (Fuchs, 2021). This has led to the rise of a cyber-proletariat (Dyer-Witheford, 2015), where gig workers are governed by algorithms, deprived of security, and subjected to constant surveillance. Digital platforms operate as rentier monopolies, controlling labor processes while monopolizing digital infrastructure (Rosenblat, 2018).

Flexibilization and precarity now define the digital labor regime, with more than half of U.S. workers lacking secure jobs, healthcare, or pensions (Standing, 2011). Fraser (2016) warns that the erosion of stable employment threatens social reproduction, as the rising costs of housing, healthcare, and childcare exacerbate inequality. Tech giants such as Amazon, Alphabet, and Meta have entrenched what some call digital feudalism (Srnicek, 2017), where users and workers materially depend on corporate-controlled digital ecosystems. Labor resistance is growing—from union drives in Amazon warehouses to global protests by gig workers.

Industry 4.0 reproduces capitalism's core contradictions—between technological efficiency and exploitative labor relations. The tensions between automation and unemployment, data democratization and corporate enclosure, and platform convenience and worker alienation point to rising instability (Srnicek, 2017; Zuboff, 2019; Fleming, 2015; Standing, 2011). Recent mass tech layoffs (2022–2023) and backlash against algorithmic control underscore the fragility of the system. Labor movements now face the challenge not only of resisting exploitation but of envisioning a post-capitalist future rooted in democratic control and collective ownership.

Industry 5.0 proposes a shift toward human-AI collaboration, aiming to integrate workers into production processes alongside intelligent systems (European Commission, 2021; Nahavandi, 2019). While framed as enhancing rather than replacing labor, this phase risks deepening commodification

and control. Brain-computer interfaces could enable real-time surveillance of workers' emotions and thoughts, transforming labor into a neuro-productive asset (Zuboff, 2019; Moore, 2018). Meanwhile, bio-capitalism extends capitalist control over human biology through proprietary technologies such as CRISPR (Clustered Regularly Interspaced Short Palindromic Repeats) (Rajan, 2006; Doudna & Sternberg, 2017).

Despite these risks, Industry 5.0 presents emancipatory possibilities. If governed democratically, AI-driven productivity could

shorten the working day, realizing Keynes's vision of a 15-hour workweek. Srnicek and Williams (2015) argue that achieving such a future requires social ownership of digital and biological infrastructures. Bhandari's PMPD offers a framework for ensuring that technological progress serves social justice rather than corporate profit (Bhandari, 1993). Embedding AI within democratic systems could transform Industry 5.0 into a tool for human development rather than a mechanism of capitalist domination. The systematic progression from Industry 1.0 to 5.0 and their salient features are summarized in Table 1.

Table 1: Alienation across industrial revolutions: From mechanization to neuro-expropriation

Stage	Industry 1.0	Industry 2.0	Industry 3.0	Industry 4.0	Industry 5.0
Period	Late 18 th – Mid 19 th Century 1760–1840	Late 19 th – Early 20 th Century 1870–1914	Late 20 th Century – Early 21 st Century 1970–2000	21 st Century– Present	Emerging
Technological Basis	Steam power, Mechanized textile production	Electrification, Assembly lines, Mass production	Automation, Computers, Neoliberal restructuring	AI, Big Data, IoT, Platform Capitalism	AI-Human Collaboration, Brain-computer Interfaces, Bio-capitalism (Author, Year, p.)
Nature of Production	Mechanization and Alienation	Mass Production and Fordism	Digitalization and Globalization	Algorithmic and Platform Capitalism	Human-Centric AI and Social Economy
Key Features	Steam engines, textile mills, and factory systems	Assembly lines, Taylorism, standardization	Robotics, Computing, outsourcing, deregulation	AI, Surveillance, Gig Work, Cloud Labor	Brain-machine interfacing, sustainable automation, Personalized platforms
General Form of Alienation	Separation from Means of Production: Peasants dispossessed through enclosures and Colonialism; Factory labor imposed strict discipline	Deskilling and Repetition: Taylorism mechanized human effort, stripping autonomy and creativity	Globalized Precarity: Outsourcing and Neoliberalism fragmented work and weakened collective power	Surveillance and Data Commodification: Algorithmic management controls even emotional and Cognitive labor	Neuro-alienation and Bio-expropriation: Thoughts, emotions, and biological data risk being commodified without democratic control

Stage	Industry 1.0	Industry 2.0	Industry 3.0	Industry 4.0	Industry 5.0
Alienation From Labor	Artisans were displaced; Humans became Cogs in the industrial machine	Monotonous and repetitive work; loss of skill and autonomy	Rise of Precarious service jobs with reduced bargaining power	Gig Workers governed by Algorithms; intensification of precarity	Human input reduced, but reintegration of creativity is possible in cooperative models
Alienation From Product	No ownership or connection to the final product; production fragmented	Workers alienated by extreme division of labor	Intangible outputs like data/software lacked personal meaning	Digital labor produces invisible value for platforms	Workers lack ownership of AI systems they help develop
Alienation From Process	Work conditions and pace controlled by factory owners	Scientific management removed Agency from the labor process	Digital monitoring replaced traditional autonomy	Productivity Apps and Algorithmic control intensified surveillance	AI and Robots dictate workflow; autonomy declines further
Alienation From Others	Urban crowding and factory life eroded community ties	Factory hierarchies deepened class divisions	Gig work and outsourcing eroded solidarity and union power	Remote, isolated work undermines social bonds	Fragmentation deepens, though Platform Cooperatives may rebuild collective identity

The phenomenon of alienation has deepened over time, as technological advancements have increasingly centralized control of production in the hands of capitalists. Although Industry 5.0 presents the ideal of “human-AI collaboration,” this vision risks further commodifying human creativity unless reoriented through democratic and socialist frameworks. To counteract alienation in the digital age, alternative models—such as worker-owned digital cooperatives and AI-assisted socialist planning—offer promising pathways toward a more humane and equitable mode of production.

Nepal’s journey from industry 1.0 to industry 5.0: A class-based and intersectional analysis

Nepal’s transition through successive industrial paradigms—from mechanization during Industry 1.0 to the emerging paradigm of Industry 5.0—has not mirrored the classical trajectory of capitalist industrialization observed in Western Europe. Instead, it has unfolded within a unique political

economy shaped by the intersection of feudal legacies, caste-based stratification, semi-colonial dependency, and uneven capitalist development.

Historically, Nepal’s social formation was anchored in a feudal order reinforced by the caste system. Under Jayasthiti Malla in the late 14th century, caste was formally codified to allocate occupational roles—a system later institutionalized under Prithvi Narayan Shah to regulate military and administrative structures (Dahal, 2009). Jung Bahadur Rana’s autocratic rule further entrenched caste-based exclusion by consolidating state power within a rigid, hereditary hierarchy. This configuration endured well into the 20th century, forming the socio-economic foundation of a caste-feudal state. Although capitalist forces gradually penetrated Nepal, they did so in articulation with entrenched feudal landholding systems, religious patriarchy, and external dependency. Unlike the path taken in Europe, Nepal did not undergo a capitalist armed revolution. Instead,

it followed what Marxists might describe as a process of combined and uneven development—where emerging capitalist relations coexisted and interacted with pre-capitalist structures.

The resulting class structure in Nepal diverged from Marx's archetypal model of an industrial proletariat. Instead, the working class largely comprised semi-proletarian laborers—individuals straddling the divide between subsistence agriculture and wage labor. Consequently, Nepal's class contradictions were never purely economic but deeply interwoven with identity-based forms of oppression. The caste system functioned as a superstructural apparatus legitimizing exploitation through religious and cultural norms (Wikipedia, 2025). The concept of 'Class plus Three'—advanced by the Nepali trade union movement—emphasizes that addressing class inequality alone is insufficient; caste, gender, and geographic oppressions must also be challenged (GEFONT, 2009). While these forms of oppression are distinct, they are materially rooted in the development and distribution of productive forces. Class, therefore, remains the foundational structure upon which other social hierarchies—the 'plus three'—are constructed and perpetuated.

At the dawn of modern political consciousness in 1944, Nepal remained under the Rana oligarchy—a feudal state where the monarchy was symbolic and power rested in the aristocratic Rana family. This period represented a classic feudal mode of production: land was concentrated among aristocrats, and the majority of the population labored in conditions of semi-serfdom. The 1951 revolution, catalyzed by the Delhi Compromise, marked Nepal's first rupture with absolutism. As [FES Asia \(2024\)](#) notes, it led to the formation of Nepal's first democratically elected government. Yet this was not a thoroughgoing social revolution. While political power partially shifted, economic structures remained dominated by feudal landlords and a nascent urban elite. From a Marxist-Leninist perspective, this was an incomplete bourgeois-democratic revolution—one that dismantled overt autocracy but left the underlying class structure largely intact.

The period of constitutional monarchy (1951–1960) saw limited land reforms and early capitalist initiatives. However, this momentum was abruptly reversed when King Mahendra dissolved the elected parliament in 1960 and instituted the Panchayat regime. Political parties were banned, and power was re-centralized in the monarchy ([FES Asia, 2024](#)). Economically, this era represented a form of state capitalism, wherein development was directed by an autocratic state allied with traditional elites. The monarchy and its bureaucratic apparatus managed a controlled and limited process of industrialization while actively suppressing democratic and revolutionary movements. As a result, this model of state-driven development did little to disrupt entrenched inequalities. The working class remained largely informal, fragmented, and excluded from meaningful political and economic agency.

During the global transition to Industry 3.0—marked by automation and the rise of electronics—Nepal's economy remained peripheral to the core centers of innovation. Industrial growth was sporadic and largely concentrated in sectors like hydropower and textiles, with low productivity and weak labor organization. The informal sector continued to absorb the vast majority of the labor force. With the reintroduction of multiparty democracy in 1990 and the People's Movement of 2006, political liberalization expanded, yet economic transformation lagged. Neoliberal reforms promoted privatization and market liberalization but failed to develop robust domestic industries. Instead, outmigration emerged as a central feature of Nepal's political economy. Remittances replaced industrial wages as a primary source of household income, and the working class became dispersed across foreign labor markets under precarious and often exploitative conditions ([CBS, 2017/18](#)).

The arrival of Industry 4.0—characterized by digitalization, platform capitalism, and algorithmic governance—further deepened these socio-economic contradictions in Nepal. Gig

work emerged in urban centers but without legal safeguards or social protections. New forms of alienation took root through data extraction and platform renters, even as employment conditions remained informal and fragmented (Srnicek, 2017). For Nepali workers, especially youth, digital capitalism has not brought emancipation but introduced new modes of exploitation and exclusion. As Marx and Engels (1848) foresaw, capitalism's technological dynamism does not resolve its internal contradictions—it merely reshapes them. This is where Bhandari's PMPD becomes significant. Bhandari's synthesis retains the revolutionary essence of classical Marxism while embracing a pluralistic and competitive democratic approach—emphasizing the principles of initiation, competition, supremacy, and leadership—to confront the complex realities of the 21st century (Bhandari, 2024/2014). PMPD envisions a democratic socialist state grounded in the social ownership of key infrastructure, including digital and technological systems. It commits to fostering domestic innovation and repositioning

labor not as a commodity for exploitation, but as the central agent and subject of development.

Industry 5.0, framed globally as a human-centric, sustainable, and collaborative technological model, offers a new horizon for transformation. However, such a future will not materialize spontaneously. In Nepal, it must be re-appropriated through democratic planning, class struggle, and digital sovereignty. Nepal's journey through successive industrial stages reflects a persistent dialectic between technological advancement and social inequality. From feudal land relations under Industry 1.0 to platform-based precarity under Industry 4.0, each phase has expanded productive capacity while deepening structural exclusion. The challenge posed by Industry 5.0 is not merely technological adoption but class-led transformation. Nepal's future depends not on replicating Western models of development, but on forging a path that aligns digital innovation with collective empowerment, equality, and social justice.

Table 2 : Alienation across industrial revolutions: From mechanization to neuro-expropriation

Industrial stage	Period	Mode of production	Class structure	Production relations	Impact on Nepal
Industry 1.0	1760s – Late 1800s	Feudal-Agrarian	Landlords vs. Peasants	Serfdom, rent-based surplus extraction	Limited mechanization, feudal oppression
Industry 2.0	Late 1800s – 1950s	Semi-Feudal, Early Capitalist	Landlords, Bourgeoisie vs. Working Class	Small-scale manufacturing, weak industrial base	Jute & textile industries under the Rana rule
Industry 3.0	1950s – 1990s	State Capitalist	Bureaucratic Bourgeoisie vs. Workers	State-controlled enterprises, limited mechanization	Growth of public enterprises (e.g., Nepal Steel, Biratnagar Jute Mills)
Industry 4.0	1990s – 2020s	Neo-Liberal Capitalist	Corporate Elite vs. Informal Labor	FDI-driven production, gig economy, precarious work	Expansion of finance, IT, and tourism (e.g., remittance-driven economy)
Industry 5.0	2020s – Present	Hybrid Capitalist-Socialist	Automation replacing workers	Robotics, AI, and decentralization of production	Potential for IT-based Startup/ entrepreneurship, worker cooperatives & state-led digital industrialization

PMPD: Nepal's guiding light toward a democratic and prosperous future

Nepal's political history has been shaped by the dynamic interplay between Left- and Right-leaning forces. When divided, the monarchy has historically reasserted control; when united, these forces have dismantled autocracy and expanded democratic freedoms ([Peking University, 2024](#)). Since the 1990s, these dual political currents have defined the national landscape—spearheading transformative movements in 1951, 1990, 2006, and 2015. Their cooperation, rooted in pragmatism and collective responsibility beyond ideological divides, has consistently advanced democracy while resisting extremism.

The nature of the political struggle in Nepal has evolved—from the confrontation between the Ranas and the monarchy to clashes between political parties and royal absolutism, and eventually to constitutional forces confronting violent conflict. Despite these shifts, notable gains have been made: the monarchy has been abolished, violence has subsided, and extremism has declined, helping to stabilize Nepal's democratic framework. At critical junctures, competing political forces demonstrated unity and vision in confronting autocracy, forging a distinct path toward democracy. The overthrow of the Rana regime was enabled by collective resistance; yet when unity fractured, revivalist and absolutist forces resurged. The absence of joint democratic struggle allowed absolute monarchy to dominate unchallenged for nearly three decades.

Bhandari introduced a transformative vision—PMPD—that revitalized the Left and fostered principled unity with the democratic center. This ideological synthesis laid the foundation for Nepal's adoption of a constitutional monarchy and a multiparty democratic system. The 1990 Constitution formally established democratic governance, while PMPD continued to guide the strategic framework for social transformation. However, political instability resurfaced: divisions among political forces led to the government's collapse within three years, triggering mid-term

elections. Soon after the tragic assassination of People's Leader Bhandari, his party, the CPN (UML), received a historic mandate to govern. Guided by the principles of PMPD, the government launched a people-centric reform agenda aimed at structural transformation.

This period saw the introduction of various flagship programs prioritizing the elderly, women, children, the poor, and marginalized regions. Notable among them were the pension for senior citizens, the Build Our Village Ourselves (BOVO) strategy, land reform via a high-level commission, shelter initiatives for landless squatters, and the “9-Sa” framework for balanced development (HMG, 1995). However, internal divisions once again triggered violent conflict, interrupting the momentum for reform. The ensuing chaos enabled reactionary forces to reassert control under the guise of national security.

Nevertheless, unity was reestablished with renewed resolve. The peace process compelled former rebel groups to embrace democratic competition. A major milestone of PMPD was realized when the [Interim Constitution \(2006\)](#) incorporated Bhandari's 27-point critique of the 1990 Constitution. This paved the way for historic changes—the abolition of the monarchy, the declaration of a republic, and the eventual promulgation of a new federal constitution—anchored in the socialist orientation of Nepal's political economy.

Equally significant progress was made in labor relations and the sphere of production. Following the restoration of multiparty democracy in 1990, the Factory and Factory Workers Act of 1959—rooted in restrictive labor practices—was repealed. In its place, the Labour Act and Trade Union Act of 1991 and 1992 ushered in rights-based, representative frameworks that empowered trade unions as development partners. These reforms expanded labor protections and initiated systemic transformation. The 2015 Constitution further transformed Nepal's mode of production by balancing market flexibility with comprehensive

social security. It guarantees equal rights and protections for all workers—regardless of contract status—laying the foundation for comprehensive democracy in the world of work. These measures catalyzed irreversible societal progress. Successive governments—whether led by, including, or excluding the Communist Party of Nepal (UML)—continued to advance and deepen these reforms. The 2015 Constitution institutionalized socialism as a fundamental national objective ([Constitution of Nepal, 2015](#)). A landmark achievement occurred in 2018, when the UML-led government introduced a contribution-based social security scheme for all workers, heralding a new era in Nepal’s welfare policy and reinforcing the state’s commitment to inclusive development ([Oli, 2018](#)).

Globally, income inequality surged in 17 of 24 OECD nations. In the United States, the top 1% doubled their share of income between 1970 and 2000 while contributing proportionally less in taxes ([OECD, 2014](#)). In contrast, Nepal saw modest gains among its poorest 40%, although the late arrival of financial capitalism poses a risk of deepening inequality ([CBS, 2018](#)).

These transformative developments underscore the enduring relevance of policies grounded in PMPD. As Nepal advances toward the national aspiration of “Prosperous Nepal, Happy Nepali,” it is PMPD that continues to serve as the guiding framework. By integrating political pluralism with socialist ideals, and democratic values with structural transformation, PMPD offers a uniquely Nepali model for building a just, inclusive, and equitable society. In this light, PMPD serves not only as a framework for political engagement but as a practical response to Marx’s famous assertion: “The philosophers have only interpreted the world, in various ways; the point, however, is to change it” ([Marx, 1845](#)).

Conclusion

The evolution of global capitalism—from mechanization to digital alienation—has reshaped the world of work, intensifying old contradictions

and generating new forms of exploitation. In the Nepali context, this transformation is most acutely felt at the intersection of technological dependency, informalized labor, and economic subordination to global capital ([Rimal, 2024](#)). As capitalism has morphed from its industrial to financial, and now digital forms, inequality, alienation, and dispossession have only deepened ([Harvey, 2005](#); [Srnicek, 2017](#)). From factory floors to digital platforms, the commodification of labor continues—albeit in increasingly fragmented and precarious forms.

Amid these upheavals, the Marxist tradition—creatively extended through Lenin’s vanguardism ([Lenin, 1964](#)), Mao’s New Democracy ([Mao, 1965](#)), and Bhandari’s PMPD ([Bhandari, 1993](#))—offers a vital framework for resistance and renewal. PMPD, rooted in the revolutionary essence of Marxism yet responsive to the complexities of multiparty politics and digital economies, provides a uniquely Nepali synthesis capable of reimagining socialism for the 21st century. It envisions a democratic socialism that embraces pluralism, prioritizes labor, and asserts sovereignty over data, platforms, and emerging technologies.

The shift to Industry 5.0 presents both a challenge and an opportunity: unless reappropriated through class-conscious democratic planning, it risks further entrenching the inequalities of digital capitalism ([Schwab & Zahidi, 2020](#)). However, if guided by the principles of PMPD, it can become a catalyst for post-capitalist transformation. Such a transition demands the socialization of digital infrastructure, the localization of innovation, and the empowerment of labor—not as a passive input, but as an active agent of social change ([Marx & Engels, 1948](#)).

In this light, the future of work in Nepal must not be one of mere adaptation, but of organized struggle—reclaiming technology, restructuring ownership, and restoring dignity to labor. Only through such a path can the digital revolution be steered toward justice, inclusion, and human liberation. PMPD

provides an ideological compass for this journey, as it does not merely interpret change but enacts it—offering a roadmap to justice, inclusion, and collective emancipation in the digital age.

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