

Questions for Baburam Bhattarai

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Dan V. Hirslund

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Broad lines of political transformation

When addressing the question of how to think about recent political changes in Nepal and prospects for a more equitable polity (with which you have been admirably involved), it seems that there are two different schools of thought. One locates the dynamics of political transformation within a theory on capitalist expansion and imperialism. According to this view, challenges of democratising the country's polity and developing its economy requires an attention to conflicts between classes as well as to the international, geopolitical, context wherein alliances between transnational elites are forged and sustained. I believe this perspective is elegantly captured by your own work on "underdevelopment" which characterises a structural position of disadvantage, one that cannot simply be addressed through changes in behaviour but requires a changed environment as obstacles to be overcome.

Now the other school of thought on democracy and development does not speak of "underdevelopment" but of "undevelopment". This is a crucial distinction, because it allows for the state and non-governmental actors to be cast as mediators in the unfolding of human potentiality and to wield powers of capital and institutions to bring formerly excluded sectors into the orbits of growth. Whereas "underdevelopment" addresses the state as the nexus of the problem, "undevelopment" looks to a liberalised economy and the potentialities of growth. One focuses on power, the other on a particular model of the economy. I am aware that, for the sake of argument, I am painting something of a caricature of positions that are obviously much more complex and which may also overlap on decisive issues. Yet, it seems to me

that one of the crucial lines of conflict is the question of class; whether or not that figures in the analysis and whether or not one sees the state and capital as weapons wielded by some classes to suppress others or as more or less neutral mediums of potentially limitless inclusion. Put in another way, do we see the solutions to poverty and inequality as primarily political or primarily economical, in which case we can let marketforces take care of it?

So my first question revolves around how you see the relationship between these two schools of thoughts in the context of Nepal's political transformations in recent decades. Do you think there is a case to be made for the argument that the Maoist revolution evidenced the irruption of a class-based critique of the state whereas the post-CPA period can largely be understood as a subsumption of this critique within a more liberal conceptualisation of political change? If you think this is the case, then what has your own role been in this process, how do you see the relationship between these two traditions of analysis today and, lastly, is there a risk that, with the taming of Maoism, we are also losing an important resource for analysing marginalisation and poverty as something more than merely failed inclusion soon to be redressed?

Changed constituencies and political form

My second set of questions revolve around an interesting shift in Nepali politics that seems to have taken place mainly in the past decade and where you also seem to be in the lead. This has to do with the emergence of civil society leaders that are not allied with the traditional political parties but who combine a spirit of business acumen with a desire to bring about the change that the state is apparently unwilling or unable to do. I think one key figure here is Sujeev Shakya but many others, in less prominent and outspoken ways, have contributed to this change. Your own party, *naya shakti*, has taken up this challenge as well and spoken about the need to engage educated youth in politics and this urge has only grown after the earthquake where it were exactly these groups of non-political youth who took the lead in organising relief in the absence of formal political responses.

I find this development extremely interesting. On the one hand, it builds on the general critique of the gerontological and party-based hold on state institutions which has long been acknowledged to be a challenge to democratising the country. In one light, we can see the Maoist war as a violent pro-

cedure for enlarging the franchise in a context where politics was otherwise associated with an urban elite, in particular by bringing minority ethnic and lower-caste youth into the political sphere. On the other hand, this continuity in refocusing political inclusion on youth populations also evidences a break from poor and uneducated groups to educated, and by extension urban and middle-class, ones.

I would like to hear your thoughts on this political shift and how you think it might be beneficial to the country. Clearly, addressing the challenges of how to integrate new generations into the national fabric is a pressing concern for economic as well as social reasons and the growing number of people who annually migrate abroad to work speaks volumes about this challenge. But if educated youth are united in their criticism of the political establishment with their traditional party-structures, what kind of politics can accommodate them and what, in turn, does this do to the existing political structures? Secondly, what are the consequences for working-class youth who are not educated and whose migration abroad reflect the difficult economic situations they face at home? Will a new kind of politics 'trickle-down' to become relevant for them as well or is there a risk that political change, like modernity itself, will come in a two-track version: a fast one for the rich and a slower one for the poor? Or: are we seeing a return of class-based politics but one which favours the middle-classes as a solution to the failure of uniting elite and working classes in a common political project.

Economic development

Nepal's GDP has grown steadily over the past years but so too has its trade deficit. Today, the country imports basic amenities like food, petroleum products, cooking gas, clothing apart from a range of more luxurious items including mobile phones, jewellery and festival "treats" such as goats! With your strong theoretical foundation in development economics as well as your experience with the complicated issues of the country's economic sovereignty from your time as a finance minister, it would be interesting to hear your thoughts on how you see Nepal's economic potential and position in an increasingly globalised economy.

I ask this question in the context of 1/a failed agricultural "revolution" which would maybe have made the country food sufficient; 2/meagre levels of industrial development owing in large part to the country's topography and

competition from India and, significantly, 3/contemporary plans to develop Special Economic Zones to serve as a production hub for rich countries. Two of the important pillars of Nepal's current economy are, as far as I understand it, remittances and foreign aid—with tourism always trying (in vain maybe) to catch up—but with the planned advancement of the country from a "least-developed" to a "middle-income" one, the structural advantage of both of these sectors will fall away. What are your visions for how to address these challenges? Do they involve more integration into the global economy or rather measures of self-sufficiency? If industrial capitalism is the road to Nepal's success, as you have indicated in other contexts, which industries are key and how does one address working conditions without scaring way investors? And lastly, what do you see as the best way for Nepal to accommodate to the current overabundance of cheap capital that is now flowing cheaply into the country but which might also make it more vulnerable to external economic contraction?