

How Did the 2015 Political Crisis Affect Nepal in Economic and Social Respects?

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Abstract In 2015, Nepalese people faced two serious problems: a number of massive earthquakes, and a political crisis. After the end of the civil war in 2006, the Nepalese government worked for several years on drafting the new constitution; however, it could not be realized due to political disagreements. Triggered by a massive earthquake in April 2015, the general opinion was to establish the constitution, and it was finally ratified in September, 2015. However, it was not accepted by the Madhesi, one of the communities in Nepal that has its origins in India. As a result, the transportation of supplies from India was blocked at the border between India and Nepal for several months. Nepalese people could not buy gas, oil and other commodities. The media reported that the Nepalese economy was strongly impacted by the chain of these events, as a result of this political crisis. For contributing to the future development of Nepal, it is meaningful to properly evaluate and record the impact of such political turmoil on the economy and the lives of the general public. In this research, we investigate the influence and impacts of this crisis. It was not merely the lack of the new Nepalese Constitution that caused the political crisis, but by the lack of oil which paralyzed economic activities in Nepal. This situation strongly impacted the lives of all Nepalese. Through analysis of data from field interviews, we identify the influences of the political crisis on the daily life of Nepalese people in Kathmandu and Sauraha. Through the field interviews, the influences on the economic and social sectors are clarified. For example, we found that the political crisis made Nepalese feel some inconvenience in their lives, regardless of sex, job, caste, and etc. In addition, it became clear that there was an overall lack of citizens' consciousness of the parties leading up to the political crisis. Adding to these findings, this paper reports the recognition of the situation at the time in Nepal, clarified by the field survey. We discuss and consider the best solution for these problems from several different viewpoints.

Keywords Nepal, Political Crisis, the New

Constitution, Developing Country, Tourism Industry

1. Introduction

Nepal is one of the least developed countries in South Asia. Landlocked between China and India, it is rich in animal and plant diversity and boasts of Mount Everest and the Himalayan mountain range. On May 12th 2015, an earthquake with a magnitude of 7.8 occurred and killed nearly 9,000 people, injuring nearly 22,000 people [1], [2]. It made hundreds of thousands of Nepalese homeless with entire villages flattened across many districts of the country [3],[4],[5]. Needless to say, the earthquake gave the Nepalese a great deal of mental and physical despair. However, not only this massive earthquake occurred, but also a political crisis.

After the end of the civil war in 2006, the Nepalese government began drafting a new constitution; however, it could not be realized due to political disagreements. Triggered by a massive earthquake in April 2015, the general opinion was to establish the constitution, and it was finally ratified in September, 2015. However, the Madhesi, an ethnic minority originating from India and residing in Nepal near the border with India rebelled, believing the new constitution was discriminatory against them. As a result, they staged a 135-day blockage of vital supplies from India. While under this crisis, Nepalese people could not buy gas, oil and other commodities. The media reported that the Nepalese economy was strongly impacted by the chain of these events as a result of this political crisis [6],[7],[8]. Such a crisis can be a fatal blow for developing countries such as Nepal, and the possibility that a similar crisis like this will occur again is greatly conceivable. For the purpose of contributing to the future development of Nepal, it is meaningful to properly evaluate and record the impact of such political turmoil on the economy and the lives of the general public. In addition, it is also important

to not only evaluate the economic and social impact from a macro perspective, but also to evaluate exactly how the communities of Nepal and the lives of individual citizens have been influenced. In this research, we investigate the influence and impacts of this crisis on local societies and the livelihoods of the people residing there.

Specifically, we investigate the impact and perception of the political crisis and report differences of people's opinions from various perspectives such as region, ethnicity, sex and education. Ultimately, from this investigation, we analyze the influences of the political crisis and examine the possible solutions from several viewpoints.

2. Objectives

In this research, we aim to identify points where the Nepalese were particularly hard hit by this political crisis. Therefore, we clarify the difference between the damaged side and undamaged side. In addition, we aim to clarify the difference between those who feel that they were affected and those who do not. In addition, we investigate the understanding and perception of local people concerning the political crisis, and consider what Nepalese can do to reduce the influence from the political crisis, or prevent the recurrence.

To achieve these goals, we designed an interview questionnaire to be conducted in various localities (see Appendix 1). It includes the following question items: (1) Question items to grasp the impacts on people's lives, (2) Question items to grasp the degree of impact of the political on each industry in Nepal, (3) Question items to grasp the people's understanding of the political crisis. Then, according to responses from the local people, we identify the real problems of the situation in Nepal and the future problems.

Specifically, category (1) includes the question items about the personal economic and social economic conditions. Category (2) includes the questions connected to agriculture, commerce and tourism. In Nepal, these industries play vital roles in the economic development of the country [9],[10],[11]. In category (3), we made the question items binary variables: it means people have to answer "Yes" or "No". By adopting such a simple structure, it reduces errors that may be caused by the different interpretations due to external factors such as educational level among respondents [12], [13].

In addition, with respect to all questions from (1) to (3), we observe whether differences appear in response trends according to demographic attributes such as sex, caste and job. This aims to clarify important factors indispensable for the development of Nepal in the situation at that time.

By the statistical analysis from the answers of the field interview, we consider not only the situation but also the main problems. Finally, we consider the future tasks that

contribute to the development of Nepal.

3. Literature Review

Regarding the studies related to the political crisis in Nepal, several studies have been reported. For example, Singh *et al.* [14] focus on the aspect of politics and suggest the solution of the political crisis from a political standpoint. In this research, it is mentioned that India needs to understand that Nepal is in the phase of transition from a feudal autocracy and monarchy to democratic and republic institution. In other words, this research is highlighting the reasons for a trust deficit between Indian and Nepal, and there is a claim that India needs to show an understanding of this transition. In addition, based on investigation of the literature and a few real cases, Budhathoki *et al.* [15] focus on the aspect of the health of local residents during the political crisis. This research mentions that the lack of fuel has a negative impact on people's health. For example, it is stated that public services such as ambulances cannot be operated due to a lack of fuel, and as a result, lives have been lost. And finally, it is insisted that the ongoing crisis at that time in Nepal may benefit countries facing similar conditions in the future. The global health community should pay close attention to blockades and fuel crises. Gurung [16] conducted interview surveys in several communities in the southern part of Nepal, investigating their reactions to the Madhesis, and the opinions people have about the political situation. This study was focused on the Madesis behavior and action that occurred in 2015. Analysis suggest that the government should deal with the situation proactively to resolve the Madhesis grievances with political discussions and dialogues rather than reactively with force and coercion.

In relation to this paralyzing situation in Nepal, research from other Asian countries facing similar ethnic, economic and political contention may be helpful. Basri [17] investigated the 2008 financial crisis in Indonesia. This paper argued that the structure of trade played an important role in the 2008 crisis. In detail, it is stated that due to the delay of Indonesia's integration into the global and regional networks of production, its trade dependence was lower than other Southeast Asian countries. As a result, this paper stated that the impact from the 2008 global economic crisis was small. In addition, Phaktanakul *et al.* [18] argues that the political crisis in Thailand in recent years arose because of the lack of effective and democratically legitimate mechanisms. The government in Thailand has tended to implement controversial policies without listening to criticisms or concerns from the minority by claiming that it received a mandate from the Thai people through the election to take action. The solution stated in this research is to empower Thai citizens to express their will on significant or controversial issues through a referendum.

However, there are no other studies which interview local residents living in multiple areas in Nepal directly, investigating the influence of the political crisis, and analyzing their feelings and opinions. In our research, we examine what kinds of approaches can be taken for the real problems. This research allows us to propose a direct approach that will lead to the resolution of the real problems, a point which has not been done in existing research.

4. Method of the Field interview

In order to identify the impact of the political crisis and the resultant real problems, we developed an interview questionnaire to investigate the ongoing political crisis at the time. We conducted the interviews with a team of 35 people, consisting of Nepalese and Japanese university students. Nepalese students carried out the interviews in Nepalese, translating the responses to English. The research was conducted in the capital city Kathmandu as well as in rural villages in the Chitwan district close to the area where the blockades occurred. The research was carried out on March 7th, 9th, 10th, 13th and 15th in 2016. Through the method of random sampling, we interviewed a total of 304 people.

5. Results and Discussion

We targeted a total of 304 respondents both male and female in both rural and urban areas, including shopkeepers, restaurant employees, hotel staff, students, farmers and others. We focused on the impact and perception of the political crisis and differences in people's opinions from various perspectives such as region, ethnicity, jobs and sex.

The ratios of sex, caste, region, job category in this field study are shown in Figures 1 to 4. Figure 1 shows the distribution of jobs of the respondents. These 3 jobs represent the main sectors of employment in Nepal. Figure 2 shows the distribution of sex of the respondents. The percentage of males is slightly higher. Figure 3 shows the distribution of regions of the respondents. This survey was conducted in two locations: the capital Kathmandu and Chitwan National Park at the border between India and Nepal. The survey responses were approximately equal—50% from both locations. Figure 4 shows the distribution of caste of the respondents. In this survey we were able to obtain responses from the following castes: Brahmin, Newar and Chetri. These castes are relatively high castes in Nepal. However, basically, in these 3 castes, Brahmin is the highest caste and Newar or Chetri are lower castes [19], [20].

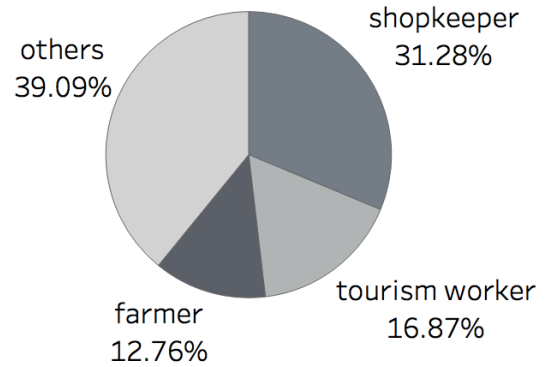


Figure 1. Distribution of the respondents according to job

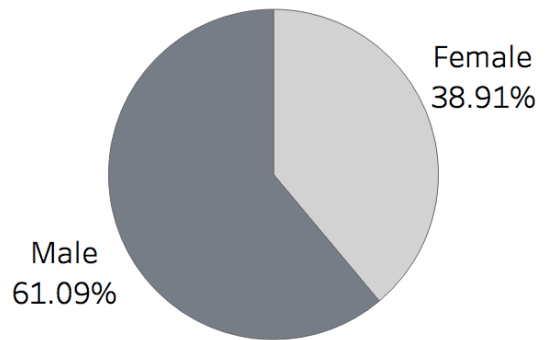


Figure 2. Distribution of the respondents according to sex

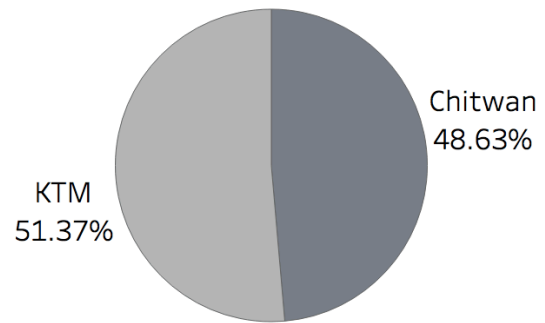


Figure 3. Distribution of the respondents according to region

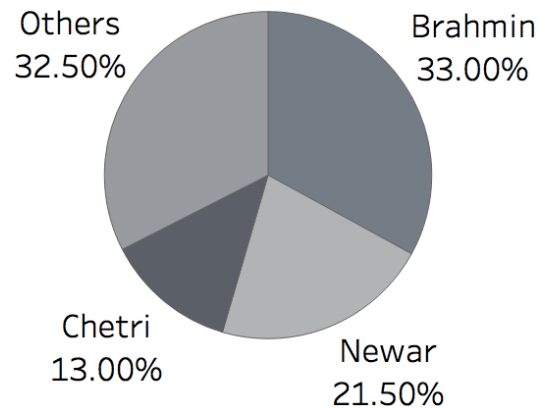


Figure 4. Distribution of the respondents according to caste

Figure 5 shows the average values for each question item in Q1-2 asking for the present condition about economic confusion due to the political crisis using the five-point Likert scale. From Figure 5, it is understood that Q1-2.4, Q1-2.8, Q1-2.11, and Q1-2.13 represent numerical values close to 0, compared with other items. Especially the respondents' average values of Q1-2.4 (It has become difficult to get water) and Q1-2.8 (People in your city have moved away) are very close to 0. From this result we conclude that it was not difficult to get water and many people did not move away from the city. In addition, from Q1-2.4 and Q1-2.8, there were no situations in which the number of crimes increased, or the amount of garbage increased. Conversely, Q1-2.2, Q1-2.5, and Q1-2.10 show particularly high scores. This result indicates that cooking gas and fuel were extraordinarily hard to obtain, and the prices of goods rose. As a whole, the averages for other question items were also positive. From this result, it became clear that the political crisis widely influenced people's lives from both an individual and social-economic standpoint.

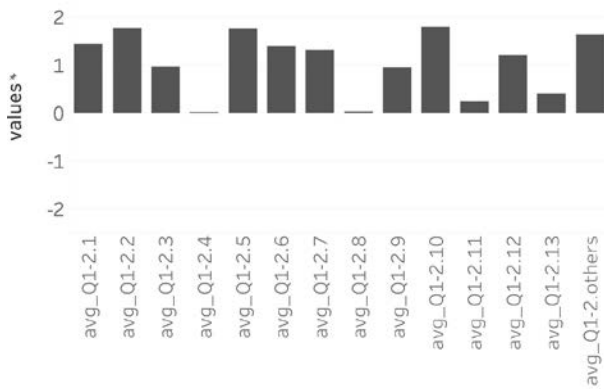


Figure 5. Average values of respondents' answers for the questions in Q1-2

Figures 6, 7, 8 & 9 show the results for each question item in Q1-2 when stratifying by job, sex, region and caste respectively. From these results, we found that the political crisis made Nepalese experience some inconvenience in their lives, regardless of sex, job, caste and etc. And it can also be seen that there are different tendencies within each job or region, regarding feelings and opinions for the present condition concerning the economic confusion due to the political crisis. For example, from Figure 6, in particular, observing the result of stratification by occupation, farmers show negative values for Q1-2.4 and Q1-2.8. And from Figure 9, overall, we see that people in Chitwan feel the crisis more than people in Kathmandu with the exception of water and migration issues in the impacts of economic confusion to them life from Figure 6 and Figure 9.

On the other hand, from Figure 7 and 8, no significant difference was found between males and females or any castes when stratifying by sex or caste and comparing them with the results of other factors.

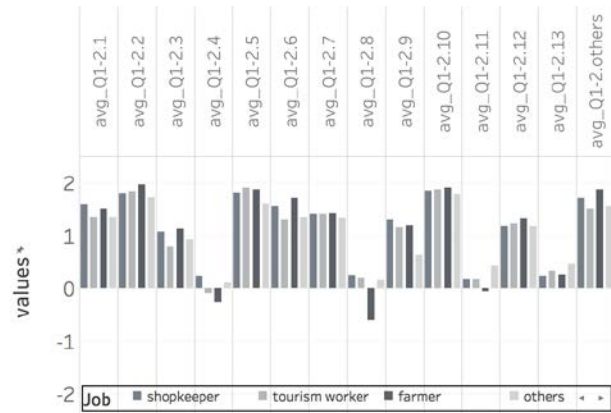


Figure 6. Average values of respondents' answers for the questions in Q1-2 when we stratified into job

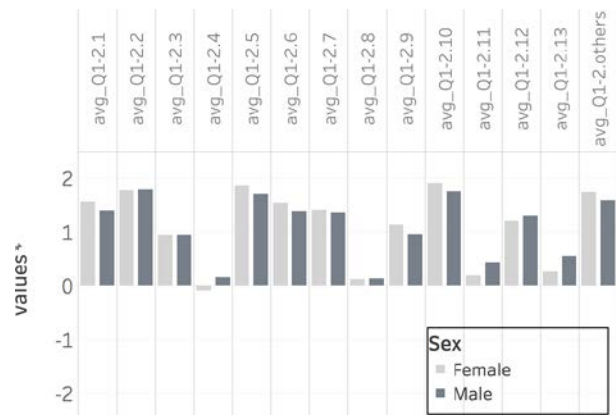


Figure 7. Average values of respondents' answers for the questions in Q1-2 when we stratified into sex

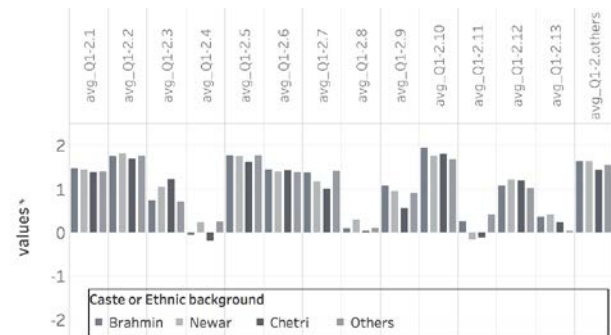


Figure 8. Average values of respondents' answers for the questions in Q1-2 when we stratified into caste



Figure 9. Average values of respondents' answers for the questions in Q1-2 when we stratified by place

Based on the five point Likert scale, Figure 10 shows the average values of each question item in Section 2 asking what kinds of impact occurred in the Nepalese industry due to the political crisis. The Figures below represent the results of each question item in Section 2, “A” means the question items of agriculture, “T” means that of tourism and “C” means that of commerce. Looking at this result of Figure 10, we can see that the local people feel that the political crisis has had an adverse effect on the three industries considered which are agriculture, tourism and commerce. Especially tourism seems to have had the biggest adverse effect. It is thought that this is attributed to the political crisis which resulted in a negative image of Nepal from the perspective of other countries. Indeed, tourists arriving from other countries in 2015 when the political crisis occurred decreased by 32%, compared with the previous year [21].

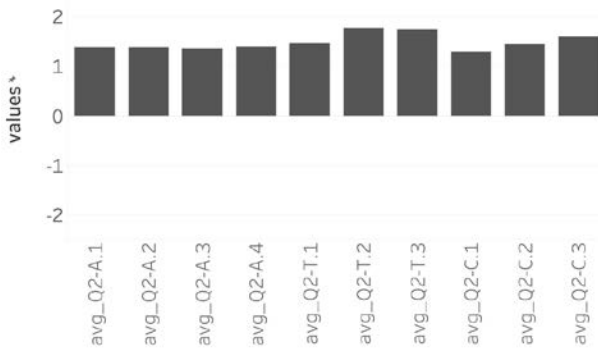


Figure 10. Average values of respondents' answers for the questions in Section 2

Figure 11 to 14 displays the results of each question item in Section 2 when stratifying by job, sex, region and caste are shown. From Figure 11 and 14, it can be seen that farmers (Figure 11) and people living in Chitwan (Figure 14) responded with higher scores for almost all the questions in Section 2. In other words, farmers and people living in Chitwan recognize that the political crisis this time had a very serious adverse effect on the Nepalese industry. In addition, compared with tourism workers and shopkeepers, there is a particularly large difference in the tendencies of the responses for agriculture. In other words, it can be thought that the political crisis made a big negative impact on agriculture compared with those people engaged in other industries. This is probably attributable to the fact that Chitwan, which is a strong farming community, depends on markets in Kathmandu and destinations in India for its income from agricultural products. However, due to the political crisis, the supply of gasoline and other fuels from India stopped, and transportation became difficult. As a result, much of the agricultural produce could not be transported, which resulted in the escalation of tension and greater difficulties for the farmers in Chitwan. Additionally, from Figure 12, regarding the differences between males and females, the results are very interesting. More Women than men indicated that the political crisis created adverse effects on

the local industries. This finding points to the fact the women often take charge of domestic and agricultural work in Nepal [22],[23] and people in the agriculture sector feel the biggest influence of a political crisis. It is considered that women are more aware of the price of agricultural commodities increasing when they buy food, and thus they may have a more negative image of the political crisis. Also, from the Figure 13, depending on the caste or residence, there were no significant differences in the tendencies of the responses to the question in Section 2.

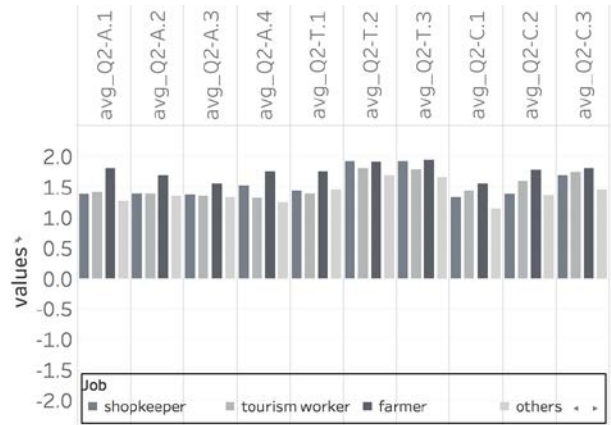


Figure 11. Average values of respondents' answers for the questions in Section 2 when we stratified by job

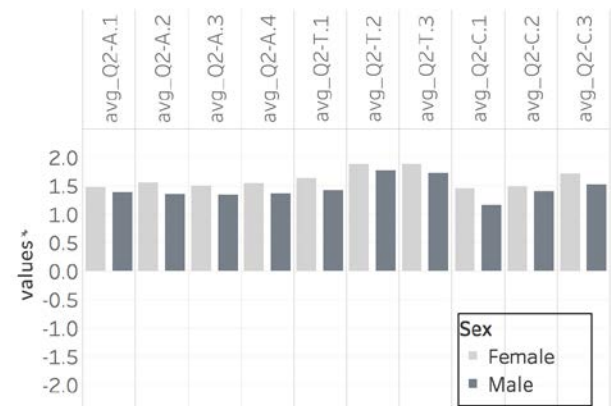


Figure 12. Average values of respondents' answers for the questions in Section 2 when we stratified into sex

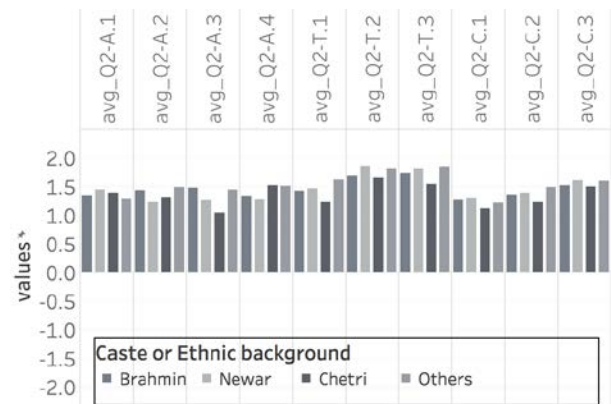


Figure 13. Average values of respondents' answers for the questions in Section 2 when we stratified into caste

Appendix 2

Below, we post the results of the questionnaire items which we could not post in this paper.

Figure 20. Distribution of the answers for the Q3-6 by all answers when we stratified into place

Figure 21. Distribution of the answers for the Q3-8 by all answers when we stratified into place

Figure 22. Distribution of the answers for the Q3-10 by all answers when we stratified into place

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