

Pushkar Bajracharya, Mohan Das Manandhar and Rojan Bajracharya.
2019. *Nepal's Economy in Disarray: The Policies and Politics of*
***Development*. New Delhi: Adroit Publishers**

Authored by Pushkar Bajracharya, Mohan Das Manandhar and Rojan Bajracharya, this book attempts to provide a holistic analysis of development from 1950 to 2019, with a brief account of the economy during the Rana regime. The first chapter focuses on geographical adversaries, lack of connectivity and social infrastructures as hindrances to Nepal's expected development despite the initiation of planned economy in the 1950s. The politicization of development complemented by Maoist insurgency and administrative dilly-dally are also discussed as limitations to economic reforms initiated in the nineties. In the second chapter, the authors examine policymaking after 1951, specifically of the Panchayat era. The authors discuss how gradual economic growth during this period slumped in the 1980s. The reasons cited are inconsistencies in planning and budget, lack of coherence and coordination in its implementation and the protection of the interest of the monarchy. The third chapter focuses on the shift from semi-controlled economy of the 1980s to liberal economy. Authors claim that although the 1990s witnessed substantive growth, it came to a halt by fiscal year 2016/17. Reasons cited are lack of innovation, inconsistency in planning, deviation of budget on Maoist insurgency, political disputes, corruption, bureaucratic red-tapism, lack of good governance etc.

Succeeding three chapters attempt to provide a detailed analysis of significant sectors of the economy, i.e., agriculture, industry and services within the template of pre and post-1990s. In spite of land reform and reform in tenancy policy, the overall picture of agricultural growth was not satisfactory. The reasons for this inefficiency were lack of irrigation and technology, failure of land reform, appropriation of subsidies by large landholders, middlemen and others. In discussing state controlled industrialization, the authors claim that industrial growth was not at par with South Asian countries due to lack of incentives to privatization and due to corruption, administrative bottlenecks and rent-seeking tendencies of the state. Additionally, load shedding, Maoist insurgency, political instability and lack of investment environment are also cited as other significant hurdles. Although the service sector flourished after liberalization of the 1990s and

contributed to revenue through taxation policies and the development of commercial markets, trade dependency on India is questioned.

The authors emphasize that education as well as social and physical infrastructure is the foundation of development. A crawling modern education system started during the Rana regime witnessed some progress after the 1950s with foreign aid, especially from the United States. Nonetheless, conservative approach, namely *cākari* (sycophancy) and *cāplusi* (flattery) prevailed. Physical infrastructure, the other foundation, witnessed gradual progress majorly due to the aid from bilateral and multilateral donors. The authors note improvements especially in road networks and communication but a lack of progress in hydropower, drinking water and other sectors.

This book resembles a Eurocentric linear approach of Rostow's model with its five universal stages—traditional society, the pre-conditions for take-off, take-off, drive to maturity and the age of high mass consumption (Rostow 1960). The pre-1950s is depicted as traditional. From the post-1950s to 1990s, the authors seem to imply that the country is introduced to the world with the slight unfolding of modernity. This phase can be equated with pre-conditions for take-off since the authors establish pre-conditions in terms of the donor's aid, institutional developments, legal and social reforms and the boom of nationalism. The portrayal of the post-1990s liberalization as the panacea for the economic disarray and underdevelopment imply aspirations for take-off.

Overall, the book is a poorly-argued heap of secondary data and information. As an analysis of underdevelopment in Nepal and as a contribution to the discourse on the development, the book is inconsequential. Information is provided in tables but requires analysis throughout. For instance, the book contains a table showing economic growth in agriculture with a decrement in GDP and job shares. The reason, the authors claim, is the expansion of the service sector. However, they do not explain the shift of human resource to the service sector. Additionally, the authors put forward romanticized claims of Nepal's food surplus before the 1980s and food-deficit after. They fail to discuss the reasons. Authors claim that agriculture is modernizing, despite hurdles. They are unable to connect agriculture with other sectors that play a significant role in deploying major workforce and contributing to GDP. Authors repeatedly mention the 1980s balance of payment crisis and its effect in exchange rates. They completely ignore the role of monetary and fiscal policy of that period.

The book depicts development as high economic productivity and growth. Factors such as politics, society and culture are dragged to footnotes. Development is a contested, multifaceted concept. In Nepal, several scholars have contributed to the discourses on development from different vantages. For instance, foreign aid, one of the variables of development, has received much critical assessment. Prevailing discourse argue that aid not only favors the political interest of the donors but also affects the functioning of democracy and civil society. Similarly, qualitative and quantitative fluctuations in foreign aid due to geopolitics and factors such as climate, insurgency and remittance have also been studied in connection with development.

In the book, there is hardly any conversation with existing literature. Instead, the authors portray foreign aid as a benevolent factor in development. This uncritical attitude is subtly manifest in descriptions of the termination of the 1990s Multi-fibre Arrangement (MFA) policy between the United States and the third world countries concerning garment imports quota from third world countries to restrict the excessive import of garments as pressurized by domestic labor unions and to boost geopolitical interest. The authors deliberately present “arrangement” in MFA as “agreement” since it connotes a legally binding understanding between Nepal and the United States. Thus the blame for the termination can partly be imposed on Nepal. Using “agreement” shows the authors’ disposition to the United States, preferably overlooking the vulnerability of Nepal, by not portraying the Americans as entirely responsible for the termination of MFA. This later resulted in mass unemployment of 90,000 workers in Nepal (Shakya 2018).

Other critical assessments of standard development paradigms in Nepal see development as a threat to indigenous knowledge, as a means of reinforcing animosity between class and spatial settings and as a depoliticized apparatus, with particular emphasis on Panchayati nationalism. This book does not engage with these assertions either. Instead it endorses the “robustness” of Panchayati nationalism. Panchayati development’s marginalization of non-Pahadi high caste Hindus and, in the case of the Madhesis, land dispossession due to East-West highway construction and land-reform programs go unstipulated. Finally the narrative of depoliticized development gets concluded in the book by discounting the constitutionally assured fundamental rights and freedom-which itself is a political act of another kind.

The book's entry point is an analysis of economic disarray and underdevelopment from within standard development paradigm. It has also failed to engage with positive outcomes of development such as the *kamaiyā* freedom movement or with cultural attributes such as fatalism. In a nutshell, the authors suggest a free-market economy with stable government—regardless of democracy—where depoliticized development can be achieved. Thus, the so-called idea of the book, if it is necessary, can be illustrated in an op-ed of any daily newspaper. This book does not add any kind of knowledge in the existing literature of development discourses.

References

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