

Form of Nepalese Society and Party's General Line

(Presented by Chairman Comrade Kiran and adopted by the National Conference held on 8-12 October 2017)

“The fundamental task of proletarian tactics was defined by Marx in strict conformity with all the postulates of his materialist-dialectical Weltanschauung. Only an objective consideration of the sum total of the relations between absolutely all the classes in a given society, and consequently a consideration of the objective stage of development reached by that society and of the relations between it and other societies, can serve as a basis for the correct tactics of an advanced class. At the same time, all classes and all countries are regarded, not statically, but dynamically, i.e., not in a state of immobility, but in motion (whose laws are determined by the economic conditions of existence of each class). Motion, in its turn, is regarded from the standpoint, not only of the past, but also of the future, and that not in the vulgar sense it is understood in by the “evolutionists”, who see only slow changes, but dialectically.”

V. I. Lenin
Volume 21, page 75

1. Our party has accepted that the socio-economic condition of Nepal has been semi-feudal and semi/neo colonial for long with multi-national, multi-lingual, multi-religious, multi-cultural and regional diversities. And it is also clear that, in order to set the country free from such condition, party has adopted its general line to be communism through socialism, after the accomplishment of new democratic revolution. Ever since the period of absolute Panchayati monarchy, in general, and subsequent to the founding of republic, in particular, the right revisionists in Nepal have been spreading illusions that bourgeois democratic revolution has been already accomplished and the socialist revolution should be the task now. Taking into account of some quantitative changes taken place in the world and Nepal as well, it has been a pressing need to enrich and amend party's general line by undergoing a thorough study of the Nepalese society.

In order to realise this objective, it is necessary to comprehend well the succinct statement by Lenin quoted above. In order to decide a correct tactical goal i.e. the general line and goal for the advanced class, Lenin in the said excerpt says that it is necessary to consider mutual relation of classes in the given society, world relation and the stage of revolution as the basis, in accordance with dialectical and materialist outlook propounded by Marx. Moreover, he has laid special emphasis on the need to understand things not on the basis of vulgar evolutionism i.e. metaphysics, which conceives society from obsolete view and the world in the state of rest and inertness but on the basis of dialectics, which takes leap and futuristic view as the basis and the law that decides the existence of classes from economic condition. We can enrich and amend party's general line by grasping Lenin's aforesaid statement and identifying the form of Nepalese society well on the basis of the dialectical and historical materialist world outlook.

2. The socio-economic structure and relations of production of Nepal have been developing via various turning points in the history. These turning points can be presented as: a) from the beginning to the creation of centralized and unitary state, b) from Sugauli treaty to 1950, c) from 1951 to 1989 and d) from 1990 to now. The form of Nepalese society has been constantly developing via these turning points. It is necessary to have a brief look at them.

3. Nepal, becoming a converging place of human communities like Negrito, Astroloid, Mangol and Arya species, proceeded towards the direction of establishing a state power through matriarchal and patriarchal tribal condition, geographical and social diversities and the emergence of classes. The feudal system began in Nepal at the time of King Mandev, in Lichchhabi period. It attained its culmination in the course of establishing the central and unitary state power by Prithvi Narayan Shah and extended up to Rana period. Along with agriculture and animal husbandry, the small, cottage and artisan industries and trades based on

wood, clay, metal, cloth and woollen garment started growing and at the later part of time, the industries and businesses based on armaments developed. At that point of time, land holding was mainly based on feudal system and it was connected with state, community and individual ownership. Later, the system of land holding developed to *Birta* (land awarded for someone's bravery), *Jagir* (land given as salary) and *Rakam* (a kind of land holding). In this course, mainly the commodity exchange and currency system as well started being used in trade. Nepal's internal trade used to take place with different parts of the country and the external one used to be with India and Tibet. In this long process, mercantile and usury capital also started developing. In total, the country remained in feudal condition based mainly on independent, self-reliant and natural economy.

4. All through the period from Sugauli treaty to the emergence of Rana regime and its collapse in 1951, Nepalese society had changed into semi-colonial and semi-colonial condition. This treaty, on the one hand, imparted a blow to the independent and self-reliant economy of the country and, on the other, pushed ahead the process of collusion between domestic feudalism and British imperialism. Right at that time, Gorkha recruitment centre came into being. And in this course, a law that allowed buying and selling of *Raikar* land (Taxable private land) came into force in 1923. Through a treaty with British-India in the same year, provisions were so made that the goods manufactured in Anglo-Indian factories could be imported to Nepal with no restriction at all. In this period, Ranas deposited Nepali gold, silver and cash worth Rs tens of millions in the Indian banks. At the time of Juddha Shamsher, a board of industries was constituted and more than a dozen of industrial installations including Jute, match and cloth factories were established in Nepal. All of them were under the control and supervision of British-India. While arriving at 1950, the state of land-holding was: *Raikar* 50%, *Birta* 36.3%, *Guthi* (property owned by religious or social institutions) 4% and *Jagir, Rajya* (a kind of land holding) and *Rakam* altogether 7.7%. During this period, the structure of Nepalese society and the relations of production changed into semi-feudal and semi-colonial condition.

5. British imperialism returned from India in 1947. After the World War II, imperialism followed the path of neo-colonialism instead of colonialism. The Indian expansionism inherited the legacy of intervention and oppression the British imperialism had been doing in Nepal. From then on, Nepal did not remain merely in semi-feudal and semi-colonial condition but started changing into neo-colonial condition as well.

Nepal signed an unequal treaty with India in 1950. It allowed the Indian ruling class to dwell in Nepal, open industries and business, carry out trade and take on travelling with no restriction. All this established Indian expansionist monopoly upon Nepal. Nepal allowed India to take control of the water resources by signing Koshi Treaty in 1954 and Gandak Treaty in 1959. The trade and transit treaty inked in 1960 with India created obstruction to Nepal's overseas trade and it frustrated country's transit right. This process continued. The Indo-Nepal security treaty signed in 1965 turned Nepal to be a country dependent upon India in the field of armaments and military technology.

The aforesaid treaties and agreements, on the one hand, express the unholy alliance between domestic feudalism and Indian expansionism and, on the other, indicate the brokerage of domestic feudalism towards foreign reaction as well. These treaties and agreements have eased India to capture the natural resources and heritages of Nepal, make Nepal its market, create obstruction to domestic and foreign trades and deprive Nepal of reserving national capital in the country.

Although, the first five year plan, in 1956, said to place transportation, communication, agriculture, industry, energy, irrigation etc. in priority, nevertheless it could not be implemented. Six economic plans, from second to the seventh ones, were taken up in Pachayati era. Also, relation with the countries including China and America was extended. Kathmandu-Kodari and East-West highways too were built. A number of industries were also established in public sectors. Nevertheless, the wind of liberalisation started blowing towards the end of Panchayati system.

After 1950, several acts regarding land reform and land holding were enforced and many commissions were constituted. On the one hand, systems like *Birta, Raikar, Kipat* (Non-sellable land granted to certain communities) etc. were brought to an end, and on the other, land reform programme was implemented in the Panchayati period. To a certain extent, it imparted a blow to the landlord class. Nevertheless, the land

reform could not take place in real sense; it produced middle class peasantry and consequently it helped small peasant holdings to sustain. After Panchayati land reform, the state of land holding remained like this:

Quantity of land in Hectares	Family, percentage of total	Land held in percentage of total
Landless	1.17	0.06
Up to 0.5 hectare	42.62	11.26
From 0.5 hectare to 1 hectare	26.1	19.25
From 1 hectare to 5 hectares	28.73	55.59
From 5 hectare to 10 hectares	1.7	8.06
Above 10 hectares	0.30	5.82

Nepalese society and culture, ibid 178. Central bureau of statistics 1991.

This table shows that 70 per cent of the families, each of which owns less than 1 hectare, possess 30 per cent of total land and 30 per cent of families, each of which owns more than 1 hectare, possess 70 per cent of it. From this it is seen that there is not only inequality in land holding, but ownership of land seems to remain mainly in the hands of feudal i.e. landlord class.

In this period, the socio-economic structure and the relations of production have been in semi-feudal, semi-colonial and neo-colonial condition, and it has been affected by globalized imperialism and neo-liberalism as well.

6. Right after the end of Panchayati System and the establishment of multiparty parliamentary system in 1990, the Nepalese economy got connected more with neo-liberalism of globalized imperialism. Country's big public industries have been privatized. Foreign investment and expansion of multinational corporations have been growing in different sectors. The privatization and commercialization of agriculture, industry, finance, education, health and communication have grown rapidly. The neoliberal structural adjustment programme has caused to impart a fatal blow to subsidy the regime had provided in agriculture, customs, agro-markets and the entire import and export. As a result, the country is in the brink of sinking in foreign debt, trade deficit and bankruptcy. The domination of financial sector has been increasing in the Nepalese economy. Nepal has become a playground of comprador and bureaucratic capitalism, not that of national capitalism. The socio-economic structure and relations of production of Nepal remained in semi-feudal, semi-colonial and neo-colonial condition from 1950 to 1989, and it continues to be so from 1990 to even now. Our study has focused on the analysis of this very condition.

7. In their process of development, the neoliberalism has developed being connected with imperialism, the imperialism with capitalism, the capitalism with feudalism and the feudalism with imperialism. According to Marx, feudalism is formed of small quantity of peasant's agriculture being combined with craftsmanship. Feudalism appears in different forms in different places. Generally, peasants in the feudal society provide labour, goods or money and render unpaid labour to the landlords for the land they use.

Commodity is produced in the feudal system too; nevertheless, it is not mainly for sale and profit but for consumption. It is known as a simple or initial type of commodity production and it is expressed, to its maximum, by the formula: C-M-C. In the history of mankind, capitalism has developed in general from the embryo of feudalism. The capitalism emerges from capital. According to Lenin two things are necessary for the birth of capitalism, they are: one, the accumulation of certain amount of money in the hands of several individuals and relatively a higher stage of development of commodity production and two, the existence of free workers. From this perspective, the accumulation of sufficient money, on the one hand, and presence of huge number of workers forced to live on by selling their labour, on the other, is unavoidably necessary for the capitalism to develop. In addition to this, the main characteristic of capitalist production is to buy for selling. It can be expressed by the formula M-C-M. In the beginning, the capitalist economy was called liberalism. It meant that the state must not create any obstacle to privatise and grow capital.

In the process of its development, capitalism took the form of imperialism and Lenin termed it as the highest stage of capitalism. Imperialism and colonialism have a long history, the term imperialism we say is classical imperialism propounded by Lenin. The colonialism is linked with this very imperialism. When imperialism establishes its direct rule by intervening upon the under-developed countries to accumulate profit is called colonialism. In the same manner, when imperialism fulfils its interest by way of machination with feudalism in many under-developed countries to earn super profit, but does not establish its direct rule, then those countries turn to be in semi-feudal and semi-colonial condition. In such countries, the growth of national capitalism is hindered and comprador and bureaucratic capitalism flourishes. Right in this course, two big world wars took place in the process of resolving the unusual contradictions emerged among the imperialist countries in their attempt to establish hegemony in many backward countries of Asia, Africa and South America. In the course of First World War, Lenin issued the slogan of civil war against imperialist war and socialist revolution succeeded under the leadership of the proletariat in Russia. During the Second World War, Stalin led struggle against fascism, and in this course, the bourgeois democratic revolutions took place under the leadership of the proletariat in many countries including China, East Europe, North Korea, North Vietnam etc. Following the Second World War, the imperialism indirectly established neo-colonies in the under-developed countries. Right in this course, Nepal also changed into semi-feudal, semi-colonial and neo-colonial condition.

8. While arriving at the end of cold war through 80s, imperialism kept changing its cover externally and it emerged as globalised imperialism. It is formed of monopoly capitalism, financialization, neoliberalism and neo-colonialism. The essence of imperialism, as said by Lenin, is monopoly capitalism and there has been no any qualitative change in it yet. What is added in it later is that the centre of gravity of economy has mainly shifted from production to finance. It is known as financialization and it is a process of accretion of capital. Its characteristics have been expressed by building of multinational companies at the international level, decentralised production and centralised control, transfer of production from northern hemisphere to the southern one, internationalisation of work force, neoliberal economy, open market system, secondary role of the state in economy etc. and have undergone some changes externally. The Washington consensus was reached with some countries to implement neoliberal economy. And on the basis of this, it was decided to implement neoliberalism by means of the structural adjustment programme constituting institutions like World Bank and International Monetary Fund. In the Reagan-Thatcher period the apologists of imperialism trumpeted that neoliberalism has no alternative. In the midst of the centralisation and concentration of capital accumulation, on the one hand, and serious problems of unequal distribution of property, poverty and fulfilment of basic necessities, on the other, insoluble contradictions started emerging in the world and consequently all this led to a serious economic crisis. The crisis emerged in America, in 2008, is its concrete example.

9. In consideration of the development of comprador and bureaucratic capitalism and the establishment of democratic republic in Nepal, what is being uttered today is that Nepal is no longer a semi-feudal and semi-colonial country and the bourgeois democratic revolution has already been accomplished here. Is it a fact? Certainly not, it requires clarity on it.

10. Taking into account of some changes taken place nationally and internationally, the socio-economic structure, condition and relations of production of Nepal can be studied and analysed from different angles and aspects as follows:

First: from the standpoint of land holding. According to the Eleventh Census, the total population of Nepal is 26 million and 400 thousand. This total population is comprised of 553 thousand families. According to this census the total number of families in Nepal is nearly 5.4 million and out of this about 3.72 million are peasant families. Thus, peasant families seem to share nearly 70 per cent of the total population. According to the Sixth Census of Agriculture, the state of land holding in Nepal is as mentioned below.

Land holding (In hectares)	Land holding (families)		Land holding (area)	
	thousands	Per cent	Thousand hectares	Per cent
Less than 0.1 hectare	355.5	9.6	20.1	0.8
0.1 hectare – less than 0.2 hectare	462.0	12.4	68.2	2.7
0.2 hectare – less than 0.5 hectare	1169.5	31.5	396.7	15.7
0.5 hectare – less than 1.0 hectare	984.0	26.5	695.1	27.6
1.0 hectare – less than 2.0 hectares	549.0	14.8	749.8	29.7
2.0 hectares – less than 3.0 hectares	129.4	3.5	308.6	12.2
3.0 hectares – less than 4.0 hectares	39.5	1.1	134.4	5.3
4.0 hectares – less than 5.0 hectares	14.9	0.4	65.4	2.6
5.0 hectares – less than 10.0 hectares	10.7	0.3	69.2	2.7
10.0 hectares and more	1.1	0.0	15.2	0.6
Total holdings	3715.6	100.0	2522.5	100.0

According to the Sixth Census of Agriculture, 53.5 per cent small peasants possess only 19.2 per cent of land and 7.3 per cent rich peasants do 23.4 per cent. (Summary of the Sixth Census of Agriculture 2011). It shows that number of small peasants prevails in Nepal and on the other there is a big gap in the distribution of land.

Second: from the standpoint of tenancy right and share cropping. Here, tenancy based on rent system exists in both forms, direct and indirect. Though the government statistics does not give a clear picture of these things, however according to some data the tenants comprise more than 20 per cent of the total population and the estimated number of the unregistered tenants is more than 400 thousands. (High Level Land Reform Commission Report, 2011). According to another report, the number of peasants who cultivate others' land is 31.6 per cent of the total population. (Nepal living standard survey, 2010/11). In addition, share cropping system also continues here. From this point of view, Nepal is still in the semi-feudal condition.

Third: from the standpoint of subsistence farming. The traditional subsistence farming prevails in Nepal. Modernisation and commercialisation is very less in agriculture. According to the report (2012) prepared by the high level land reform commission of the government of Nepal, the agricultural production of Nepal is traditional and subsistence because of feudal production system.

Fourth: from the standpoint of production and use in the agricultural sector. According to the census of agriculture of 2010, the peasants involved in food grains are 91 per cent and those in vegetables, fruits, livestock and fisheries etc. are only 9 per cent. Of that production, 96.2 per cent is for use and 3.8 per cent is for sale. (Summary of National Census of Agricultural 2009/010, page 31, Central Bureau of Statistics).

Fifth: from the standpoint of Gross Domestic Product. From the standpoint of structure of Gross Domestic Product, the contribution of primary sector i.e. agriculture was 35.91 per cent in 2009/2010, 32.23 per cent in 2015/016 and 30.0 per cent in 2016/017. And contribution of the second sector i.e. industry was 14.61 per cent in 2009/010, 13.57 per cent in 2015/016 and 14.01 per cent in 2016/017. In the same manner, contribution of the third sector i.e. service was 49.48 per cent in 2009/010, 54.20 per cent in 2015/016 and 55.99 per cent in 2016/017. (Economic Survey, 2016/017, data, page 8, Government of Nepal). In the data above, on the one hand, the contribution of industry is less than that of agricultural sector, and on the other, the contribution of service sector has been increasing while that of other two has been decreasing. When the contribution of agriculture is 30 per cent, contribution of industry is 14.0 per cent and service sector is 56.0 then from the standpoint of the structure of Gross Domestic Product one cannot say that Nepal is a capitalist country.

Sixth: from the standpoint of industry: The number of industries approved by the government to register and conduct till the first eight months of 2016/017 was 6,834. They comprise of agriculture and forest,

construction, energy, mineral, service and tourism industry. Of them, 52.9 per cent of capital is invested in power industry, 23.1 per cent in production industry, 10.7 per cent in service industry, 8 per cent in tourism industry, 3.4 per cent in construction industry, 1.6 per cent in agriculture and forest industry and 0.3 per cent in mineral industry. (Economic survey, page 7/8, 2016/017). Likewise, altogether 270 thousand 188 cottage and small industries were registered in 2016/017. But, all of them are not in running condition now. It shows that the condition of industry in Nepal is very weak.

Seventh: from the standpoint of division of workforce and employment. The workforce in Nepal can be studied mainly in three categories – workforce based on agriculture in the countryside, workforce based on industry and business in the urban areas and the workforce based on foreign employment. According to the Central Bureau of Statistics, 53.0 per cent of workforce in 1995/96, 37.0 per cent in 2003/04 and 35.0 per cent in 2010/11 were involved in agricultural sector. The workforce in non-agricultural sector is involved mainly in manufacturing, construction and private service. [Nepal Living Standards Survey 2010/11, Statistical Report Volume Two, 2011 Page 62]

From the standpoint of industrial workforce and employment, the number of workers involved in industries mentioned in the sixth point above is 536 thousand 181. (Economic survey 2016/017, page 160). Hence, the state of industrial workforce in Nepal is very weak. The workforce, involved in cottage and small industries, is about 65 thousand. In total, the workforce involved in industry is about 600 thousand.

From the standpoint of foreign employment, the condition is very much terrible. The unemployment, semi-unemployment and pseudo-unemployment are very much widespread in the country. The number of youths flying for foreign employment is intensively rising, thanks to the lack of employment in the country. Till the fiscal year 2015/016, the number of people who visited abroad for foreign employment with government approval was 3 million, 619 thousand and 81, whereas 186 thousand and 166 more were added to it till the first eight months of the fiscal year 2016/017. Hence, the number of foreign employee has reached to 3 million, 806 thousand and 147. (Economic Survey, Ibid page 119). In addition, the number of employees with no government approval also is huge. Apart from this, a big number consists of those who have gone to India for employment since years. Hence, about a one-third of the population of Nepal has left country for foreign employment. In this way, the condition of unemployed and semi-employed people is very much disappointing. On the one hand, all of those who have gone abroad for employment are connected with small peasants' subsistence farming in Nepal and, on the other, the number of foreign employees has started declining and the employment is not guaranteed in the foreign countries as well. The journey of uncertain employment, leaving a huge quantity of land uncultivated, cannot be any identity of wage labours and the main characteristics of the development of capitalism.

Eighth: from the standpoint of agencies who provide domestic loans. The contribution of loan-providers to the households was: 18.0 per cent by banks, 49.0 per cent by merchants and 33.0 per cent by relatives in 1971/072 where as in 2010/011 it was: 20.0 per cent by bank, 25.1 per cent by merchants and 51.1 per cent by relatives. (CBS – Nepal Living Standard Survey, 2010/011 Highlights). What is clear from this data is that bank's role in providing loan to the households is less and the tradition of taking loan from merchants and relatives is still more. It is not an indicator of the development of capitalism.

Ninth: from the standpoint of saving and investment. In Nepal, the process of capital accumulation and its centralisation could not develop well. The trend of spending the surplus value, gained from agriculture, by feudal in luxury, the tendency of using money in unproductive sectors in buildings and building-sites, the government's thinking of discouraging protection of industries and national investment and the uncertainty of internal and external markets as well have caused serious problems in national industries and businesses of Nepal. Moreover, the rise of investment in financial sector not in production, on the one hand, and return of profit back to investor's country, on the other, indicates the state of capital flight. This situation is strong evidence that our country is still in semi-feudal and semi-colonial condition and is trapped in neoliberal economy.

Tenth: from the standpoint of financial market. Capital market and currency market fall under the financial market. The capital market that had started after the establishment of Nepal Bank Limited in 1937 and Nepal Industrial development Corporation in 1959 proceeded in a systematic way when it reached to the founding of Nepal Stock Exchange in 1993 through Security Exchange Centre. It has been playing its role in economy by means of saving, investment, share, bond etc. Currency is traded in currency market. Central bank, commercial bank etc. play an important role in it. The financial market is the one from which money is earned from money. It runs not according to the formula M-C-M, but M-M. It is an inseparable part of financial capitalism. Thanks to the growth of financial market in Nepal, the manufacturing industries are declining.

Eleventh: from the standpoint of trade and transit. Trade is of two types: internal and external. Nepal has been confronting serious problems in the internal and external trade, because she is in semi-feudal and neo-colonial condition, on the one hand, and Nepal as a landlocked country has been facing transit problem, on the other. Also, neoliberalism and open market economy have destroyed the trade of Nepal. Nepal has been forced to suffer serious trade deficit every year for the reasons that the natural and human resources have not been used for the interest of country and people, necessary attention has not been paid to the growth of agriculture and agricultural production, country has been forced to export raw and cheap items but import refined and expensive commodities, country has been in no state of competing with other strong economies and the government has been escaping from its duty of defending national interest.

Twelfth: from the standpoint of foreign loan and aid. Though, Nepal had started receiving foreign aid since before 1950 but she has been regularly receiving it from 1952. The country that helped Nepal before 1950 was British India and it was America to provide aid in 1952. All of the development expenditure brought about by the first economic plan in 1956-1961 was based on the foreign aid. Later on, while arriving at the tenth plan in 2002-2007, the rate of foreign aid was 56.6 per cent, with ups and downs in between. The economists say that it is a matter of concern.

The foreign aid has two aspects: loan and grant. Nepal has been taking both types of aids. Nepal started receiving aid from Aid Group from 1969 after she became member of the World Bank and the International Monetary Fund. The foreign aid Nepal receives is of two types: bilateral and multilateral i.e. they are some countries and international organisations. The countries, which provide aid to Nepal, are America, India, Russia, China, Germany, Britain etc. In the same manner, the international financial organisations that grant aid to Nepal are World Bank, International Monetary Fund, Asian Development Bank, United Nations Development Programme, European Union, Global Fund etc.

Comparing the contribution of foreign aid in the total national budget of the last 6 years, the part of foreign aid in 2009/2010 was 27.46 per cent, while that of 2014/015 has been 20.05 per cent. (Development Aid Report, Fiscal year 2014/015, page 17).

The foreign loan and aid are regarded as a strong economic base and means of neo-colonialism. Though, it may not be correct to put all foreign loans and aids in one basket, but the character of these types of loans and aids is certainly neo-colonial.

Thirteenth: from the standpoint of class structure. From the standpoint of class structure, mainly four kinds of classes are seen in Nepal, they are: reactionary class, oppressed and working class, petty-bourgeois class and middle class. In the context when the structure of Nepalese society is in semi-feudal, semi-colonial and neo-colonial condition, the comprador and bureaucratic capitalist and landlord fall under reactionary class and of them the role of feudal and landlord class is secondary where as that of comprador and bureaucratic bourgeoisie is principal. They represent the backward relations of production based on the right and interest of imperialism, expansionism and feudalism and they are opposed to the development of new productive forces. The leadership and dictatorship of this very class exists in the state power. For some years now, the process of brokerage has been growing also from those, who were progressive, leftist and communist before. The domination of neo-elites, neo-rich and neo-brokers has been growing in the country. This very

class should be taken as the enemy force of revolution. Industrial worker is the most oppressed and working class. The size of this class is also small because the number of industries and factories is less in Nepal. It works in various industries and businesses. It is the main representative of new productive force and the leading class of revolution. The number of proletariat has started growing from the rural and urban semi-proletariat. A big part of the poor and middle peasants, craftsmen, small traders, professors, teachers, lawyers, doctors, civil employees, students and intelligentsia fall under the petty-bourgeois class. This class has been oppressed by feudalism, imperialism and expansionism and it supports revolution. The whole middle peasants fall under this class. A big part of foreign employees is from this class. It is the basic ally of revolution. Middle class is basically the national bourgeoisie. This class is the representative of capitalist relation of production. This class is opposed, on the one hand, to comprador and bureaucratic capitalist and feudal class, and on the other, to the proletariat as well. It vacillates between revolution and the counter-revolution. Some argue that national bourgeoisie does not exist in Nepal because the domination of neoliberalism, multinational companies and globalised imperialism has been increasing. However, it is not a fact, national bourgeoisie exists in Nepal, but it is weak and its political party has not been able to shape up yet. The national bourgeoisie should be considered as an ally of Nepalese new democratic revolution. A big section of poor peasants, small craftsmen, semi-workers working in shops and semi-employed people, fall under the semi-proletariat class. It is very much oppressed and on the other it is sliding towards proletariat class.

Fourteenth: from the standpoint of oppressed masses. Women, Dalits, indigenous nationalities, Madheshis, Muslims and masses from the under-developed regions have been oppressed since long by the feudal, comprador and bureaucratic bourgeoisie in Nepal. The feudal patriarchy has made women the domestic slaves. Their ownership upon land is very insignificant. According to the Census of Agriculture in 2011, women own 19.0 per cent of land where as men do 81.0 per cent. Likewise, Dalits are oppressed by various forms of oppressions including feudal Brahmanism, Manuvadi untouchability etc. About 25 per cent of Dalits in hills and 45 per cent in Madhesh are landless and of the 77 per cent of Dalits, each family possess land less than one-tenth of a hectare. (Agrarian revolution in Nepal, dimensions of possibilities, 2015, page 50). Muslims have been oppressed by Hindu Brahmanism. In the same manner, Karnali and Seti-Mahakali regions have been oppressed by regressive state power centred at Kathmandu. Although all these fall mainly under comprador, bureaucratic bourgeois and feudal class oppression, but all of them are oppressed by high caste Brahminist hegemony and they have their independent collective identity as well. Moreover, all of these communities have been oppressed internally by feudalism and externally by imperialism and expansionism.

Fifteenth: From the standpoint of government policy, plan and programme. In the Nepalese economy, the policy, plan and programme determined by the government are made on the one hand by keeping at centre the unequal treaties and on the other the right and interest of comprador, bureaucratic bourgeoisie and the feudal class. The entire plans, from the first to the fourteenth, and the policy and budget that guide them are connected with this objective. Country is in semi-feudal, semi-colonial and neo-colonial condition and at the later part of time it has also been trapped in neoliberalism. The neoliberalism that had entered into Nepal towards the end of Panchayati era started increasing its influence after 1990. The state adopted industrial policy compatible to economic liberalisation and globalisation in 1993. It pushed neoliberalism ahead in a systematic way, adopted open market economy and privatization, escaped from its economic liability, declared commitment to structural adjustment, after obtaining membership of the World Trade Organisation etc. Consequently, the economic sector was deprived of government subsidy and protection. Big industries owned by the government got destroyed and the country started facing unprecedented deficit in foreign trade. These kinds of policies, plans and programmes have been implemented in connivance of comprador and bureaucratic capitalism, feudalism, imperialism and expansionism. It has further reinforced comprador and bureaucratic capitalism as opposed to the independent national economy.

11. The conclusion of study, which has been carried out here about the socio-economic structure of Nepal, is as follows:

a) According to the Census of 2011 of Nepal, the total number of households has been 5 million and 427 thousand, out of this the peasant households are found to be 3 million 831 thousand and the total population has reached to be 26 million and 515 thousand. Out of this, 71 per cent of total households are connected with agriculture in any form and the peasant families add up to 78 per cent of total population. According to National Sample Census of Agriculture 2011/012, the peasant families numbering 115 thousand and 538 are landless. Even after six years now, the situation is basically the same with some partial changes. Therefore, Nepal is still an agricultural country.

b) Taking into consideration of the structure of GDP, the contribution of agricultural sector is 30 per cent, that of industrial sector is 14 per cent and that of service sector is 56 per cent. The recurrent decrease in contribution of agriculture is not because the contribution of industry has increased; but because the regime has laid emphasis on economic liberalisation, subsidy in agriculture has been decreased and the workforce involved in agriculture has been forced for foreign employment. In this way, the recurring decrease in the contribution of agriculture and industry and increase in the contribution of service cannot be regarded as the development of industrial capitalism.

c) The one, who possess land, is called landowner. Out of the 2 million and 500 thousand hectares of land cultivated in Nepal, 2 million and 363 thousand hectares is used in agriculture. In view of the ownership in land, the small peasants that make up 53 per cent of total households possess 19 per cent of land and rich or landlord families which make up 5 per cent of total households possess 24 per cent of land. The remaining middle peasants which make up 42 per cent of the total households possess 57 per cent of land. Thus, the households involved in agriculture are divided into three classes as: poor peasants, middle peasants and rich or landlord peasants. Apart from this, landless peasants, squatters, *Hali*, *Gothala*, *Kamaiya*, *Haruwa* and *Charuwa* (different kinds of bonded labours) also make a big number. Thus, on the one hand, there is inequality in land distribution and, rich peasants and landlords seem to have owned more land compared to small and poor peasants, while on the other, the number of peasants with small holding seems to be much more. Those, who are called rich peasants or landlords, are not the owners of land only; they own industries and businesses as well. Whereas those, who are known as poor and middle peasants, are connected not with agriculture only but with other professions and labour as well. This kind of holding is based on petty production, trade and usury too. In this situation, a peasant with small holding can simultaneously be a landowner, a labour and a small capitalist. This is a kind of pre-capitalist, natural or subsistence economy. But, this economy is connected with imperialism and expansionism too. This state of land holding is called to be in semi-feudal condition.

d) The owner of capital is called a capitalist. Three kinds of capitalists are operative in Nepal. They are: industrial capitalists, mercantile capitalists and financial capitalists. When the accumulation of national capital was obstructed in Nepal, the development of industrial capitalists had also hindered. The industrial capitalist is related with industry, mercantile capitalist with trade and financial capitalist with currency and capital market. Here, on the one hand, the share of internal capital in industrial capital is weak while, on the other, foreign investment is growing. The mercantile capitalists trade the domestic production very less and imported commodities much more. Ultimately the profit, which is earned from this kind of business, goes back to foreign countries and thus the capital flights. The usury capital had been developing traditionally in the country, but in the later part of time, financial capital has developed after the banks were established. This capital is not used in productive sector and its character is regressive. Thus, all kinds of capitals said above have changed into comprador and bureaucratic capital and the capitalists said above have changed into comprador and bureaucratic ones. This kind of capital, on the one hand, hinders the development of national capital and, on the other, protects small peasant economy present in the country in a very painful state.

e) The real owner of labour force is called the proletariat. The number of industrial proletariat is very small here. The unemployment and semi-unemployment, which has been growing in the vast countryside, is producing a big number of semi-proletariat from among the landless, squatter and poor peasants. But, on the one hand, it is connected with agriculture in either form; while on the other, a big part of population has been compelled to take a flight to abroad for jobs. Thus, Nepal has become such a country that exports

domestic agricultural raw materials to abroad. In this manner, the proletariat, which is free from productive forces including agriculture and is called "free" proletariat to paraphrase Lenin, has not developed in our country.

f) The financial activities, by which the government has been chalking out policy, plan and programme and presenting budget, seem to have strengthened comprador and bureaucratic capitalism not the national capitalism. This job is being done fast by a) keeping the backward relations of production alive, b) creating obstruction to the growth of national capital, c) strengthening further the hegemony of neo-colonialism in the name of foreign aid. And, d) in keeping with the concept of corporate farming under globalisation and liberalisation, attempts have been made to create such a condition, in which the existence of farming based on small holding and small peasant is brought to an end and a huge number of unemployed youth generated by this process is compelled to take their flight to abroad. Hence a situation, in which the comprador and bureaucratic capitalism gets stronger and the national independence of the country is jeopardised, seems to come about. Although the government has said that there will be a conciliatory role of private, cooperative and public sectors in economy but it has given priority to the private sector. It is, in fact, the influence and interference of globalised imperialism and neo-liberalism.

g) Nepal is still in a semi-feudal condition because, some of the characteristics that include *Kut* (a fixed amount of grain given to the landlord) system, share cropping, small peasant farming and subsistence economy based on feudal production still persist. Notwithstanding this, semi-feudal condition is weakening and the comprador and bureaucratic capitalism, not the industrial one, is developing.

In the same manner, Nepal is still in semi-colonial condition, because several unequal treaties have been signed first with British India and later with India. As a result, Nepal has not been able to utilise human and the natural resources including water, energy, herbs etc. The development of independent and self-reliant economy of Nepal has been hindered due to the unholy alliance of comprador and bureaucratic capitalist and feudal class with imperialism and expansionism.

In the same manner, Nepal is in neo-colonial condition, because the imperialism, after the Second World War, has adopted neo-colonial policy and also Indian expansionism after the return of British imperialism from India has been following neo-colonial policy towards Nepal. Using the comprador and bureaucratic bourgeoisie and feudal class as their agents, forming their puppet government and pretending various aids, the Indian expansionism by itself and in alliance with imperialism has been maintaining its hegemony in economic, political, military and cultural sectors of Nepal. Several imperialist countries, in their own or through Indian expansionism, have been spreading their domination in Nepal. However, Indian hegemony and domination is prevalent here.

Thus, though many characteristics of semi-feudal and semi-colonial condition continue in Nepal, but as a whole, the neo-colonial condition is dominant. Since long, capitalism has been developing in Nepal. But that capitalism is not industrial capitalism. It is comprador and bureaucratic capitalism based on the alliance between feudalism and imperialism/expansionism. It has become a forbidding hurdle to the development of independent and self-reliant economy and industrial capitalism of Nepal.

Therefore, in order to develop an independent national economy opposed to comprador and bureaucratic capitalism, to resolve basic and the principal contradictions existing in the society and to prepare base for socialism, the new democratic revolution is a must. The new democratic revolution has been and will be a target against imperialism, expansionism, feudalism and comprador and bureaucratic capitalism.

12. Some of the political parties, intellectuals and right opportunists have been creating confusion that the bourgeois democratic revolution has been accomplished in Nepal and now the line of socialist revolution, not of the new democratic revolution, should be pursued. It demands clarity.

First: taking the issues like republic, federalism, secularism, inclusive proportional representation as base, the logic that bourgeois democratic revolution has already been accomplished in Nepal is totally wrong and a confusing concept. In fact, bourgeois democratic revolution has not been accomplished in Nepal, because: 1) here the old state power and the old state machinery of comprador and bureaucratic bourgeoisie and the

feudal class still continues, there have been some changes in governance from Rana period to now but the leadership and dictatorship of comprador and bureaucratic bourgeoisie and feudal class in the state power remains the same. 2) In a semi-feudal, semi-colonial and neo-colonial country like Nepal, the democratic and national revolutions are carried out simultaneously, not in two different stages. Here, on the one hand, the problem of democracy has not yet been solved and, on the other, the imperialist and expansionist intervention and oppression are intensifying further, let alone their end. 3) Here, new state power has not been set up under the leadership of the proletariat and joint dictatorship of the oppressed masses, consistent with the concept of new democratic revolution. But contrarily, the path of class and national capitulation before the domestic and foreign reactions has been followed. 4) The domination of comprador and bureaucratic capital still continues in the field of people's livelihood and the entire economy including agriculture, industry, commerce, education and health, and the imperialist globalisation, liberalisation and privatisation have been intensified further. The industrial capital has not developed here.

So far as the question of the end of monarchy and the establishment of republic is considered as the sole criteria of the completion of bourgeois democratic revolution, it is not correct. Because, the countries can be republics in which semi-feudal condition exists and there can be monarchy where the bourgeois democratic revolution has been accomplished.

Second, what the entire opportunists and revisionists say is that whether it be comprador and bureaucratic capitalism or national or industrial capitalism, ultimately it is capitalism. This logic is absolutely wrong. Because: 1) there is qualitative and fundamental difference between comprador and bureaucratic capitalism, and industrial capitalism. The comprador and bureaucratic capitalism is established under the leadership of comprador and bureaucratic capitalist and feudal class in the countries, which are in semi-feudal, semi-colonial and neo-colonial condition. The industrial capitalism is established only after the establishment of new democratic state power under the leadership of the proletariat. 2) The comprador and bureaucratic capitalism is inseparable part of imperialism whereas the industrial capitalism is that of scientific socialism. 3) The comprador and bureaucratic capitalism continues with the same old state power and is instrumental to imperialist and expansionist oppression while the industrial capitalism prepares objective basis to go to scientific socialism.

Third: today, many right opportunists have started saying that the political revolution in Nepal has been completed; now the economic revolution should be carried out. In fact, it is also absolutely wrong. The apologists of present state power, system and the constitution have been creating confusion that political revolution has been completed and now economic revolution should be carried out. First, the relation between political and economic revolutions should be understood as the relation between superstructure and base. The economy is principal in between politics and economy in general, even then they influence each other and one changes into another. Nevertheless, there is identity between the economic base of the present semi-feudal, semi-colonial and mainly neo-colonial relations of production and the superstructure of democratic republic. It does not have any sense in the saying that political revolution has been completed and what is remaining now is economic revolution. Secondly, while talking about politics and economy, the revolution which is mentioned here is merely the misuse of terminology. Because, the comprador and bureaucratic bourgeoisie and feudal class had the state power in their hand yesterday, it is true for today and they are going to continue with it even in the days to come. In the same manner, the comprador and bureaucratic capitalist class had dominated in the economic field yesterday, it is true for today and they are going to pursue it even tomorrow. Those who stand for liberalism, privatisation and open market economy under the guidance of globalised imperialism and expansionism cannot make revolution in economy. The term revolution they are using now is nothing other than illusion.

Fourth: they blame that those who argue democratic revolution has not been accomplished in Nepal and the country is still in semi-feudal, semi-colonial and neo-colonial condition are dogmatists and traditionalists and claim that they are creative Marxists. Firstly, it is a traditional accusation the right opportunists make of the revolutionaries. Secondly, the Marxists also oppose dogmatists. The question here is: whether one opposes dogmatism from the Marxist angle or revisionist angle. In fact, what we have seen and experienced is that those who accuse revolutionary Marxists of dogmatists in the name of being creative Marxists have

not used Marxism creatively but have helped reaction against Marxism and have ultimately changed into reaction. Exactly, it has been happening since long in Nepal.

Fifth: Some of the people say capitalism has developed in Nepal with a logic that the peasants with small holding are bourgeoisie and foreign employees, unemployed and semi-employed people are the proletariat. It is not correct as well. Because, a big section of people, which are considered to be bourgeoisie and the proletariat as such, are linked with traditional farming on the one hand, and they are related with semi-feudal, semi-colonial and neo-colonial condition, on the other. The peasants with small holding cannot be said as pure bourgeoisie and semi-unemployed people as free proletariat. But, it is sure that a big section of them is going to become proletariat.

Sixth: Those, who argue that the bourgeois democratic revolution has been realised and now the socialist revolution should be made in Nepal, are in fact the defender of present state power and the parliamentary system, not the advocates of socialist revolution. Because, 1) they have made the implementation of the constitution that protects regressive state power and the parliamentary system a central question of their politics, 2) they have disproved the path of violence and have followed the path of peaceful transition by saying that socialism can be reached by way of constitution amendment, 3) they are transforming into super rich and neo-elite class people by collaborating with comprador and bureaucratic bourgeoisie and 4) they have pursued the path of class and national capitulation and they have become part of counter-revolution, not of the revolution.

13. Nepal has been oppressed since long by a hybrid culture which is formed of feudalism, imperialism and the expansionism. The feudal culture is made up of spiritualism, idealism, Brahmanism, Hinduism and the perverted values and conducts of other religions. It is opposed to people and workforce. Imperialist culture is distorted capitalist culture. It is based on nihilism, anarchism and consumerism. The expansionist culture is derogatory, intrusive and dominating one. The revisionist culture that favours class collaboration supports this type of hybrid culture. A democratic, national and scientific culture also is developing amid people's struggle against this type of culture.

14. There are three kinds of basic contradictions in Nepal, which is in semi-feudal, semi-colonial and neo-colonial condition. They are: 1) the contradiction between the domestic reactionaries formed of comprador and bureaucratic bourgeoisie and feudal class and, the broad masses, 2) the contradiction between Nepali nation and people and imperialism and expansionism and 3) the contradiction between capital and labour. The entire oppressed masses including workers, peasants, petty-bourgeoisie, handicraftsmen along with national bourgeoisie and women, Dalits, indigenous nationalities, Tharus, Madheshis, Muslim and masses from the oppressed region fall under the category: broad masses. In the present stage of new democratic revolution, the comprador and bureaucratic bourgeoisie and feudal class make the principal enemy. These classes are directed and conducted by imperialism in general and the Indian expansionism in particular. Now the contradiction between the comprador and bureaucratic capitalism and feudalism at one pole and the broad masses at the other is the principal contradiction. Of these contradictions, the contradiction between class enemies and the masses should be resolved by new democratic revolution. The contradictions among the class enemies should be utilised to make the revolution advance, and contradictions among the people should be resolved in a comradesly way.

15. In order to liberate country from semi-feudal, semi-colonial and neo-colonial condition and to defend national independence, establish people's democracy and to solve the basic problems of people's livelihood, party's basic programme i.e. the minimum programme of new democracy is as follows.

a) Establishment of new democratic republic

The new democratic state power of Nepal will be established under the leadership of the proletariat and the joint dictatorship of oppressed classes and the broad masses. This state power will target against comprador and bureaucratic capitalism, feudalism, imperialism and expansionism. Moreover, it is targeted against patriarchy, Brahmanism, high caste egotism, high caste hilly egotism and also the central monopoly. The governance of the new democratic state power will be conducted by the concept of democratic centralism.

Nepal will be a secular country. The new democratic state power is neither the old state power established under the dictatorship of the bourgeoisie in the countries of Europe including France in the past nor is it the socialist state power established under the leadership and dictatorship of the proletariat in Russia. The new democratic state power politically, economically and culturally prepares the basis to enter into socialism by setting the country free from semi-feudal, semi-colonial and neo-colonial condition. The new democracy is an inseparable part of scientific socialism.

b) National independence and sovereignty

The national independence, territorial integrity and sovereignty of the country should be defended against imperialism and expansionism. New treaties on the new basis should be signed by abrogating the entire unequal treaties that have been done in different time and issues against the nation and people. The national independence should be connected with proletarian internationalism, not with ultra-nationalism.

c) Realisation of workers' interest and right

Realisation of the basic right of the workers, determination of minimum wage and appropriate salary should be guaranteed. By bringing the entire suppression and oppression upon the working class to an end, the proletariat should be made the leader and owner of the state power. The energy embodied in the workforce should be established and bloomed. Worker's right to carry out movement and strikes should be guaranteed.

d) End of feudal holding and revolutionary land reform

The revolutionary land reform should be implemented by confiscating the land and agro-tools owned by the landlords and *Guthis* and distributing them to the landless and poor peasants. Land segmentation carried out by brokers and land mafias must be brought to an end. The land should be nationalised. Emphasis should be laid to develop scientific, professional and co-operative agricultural system and establish industries based on agriculture and forest. Agriculture should be modernised.

e) Federalism with national identity

Accepting theoretically the right to self-determination, the federalism with national and regional autonomy, inclusive proportionate representation and oppressed national identity should be established. Internally the feudal Brahmanism and externally the imperialism and expansionism should be opposed for this. A strong unity between oppressed masses and working class should be maintained.

f) Arrangement of prerogatives

Equal right to women as men should be provided in all fields. All sorts of oppression and discrimination to women, Dalits and Muslim community and handicapped ones should be ended and, freedom and privileges should be accepted and established for them. Prerogative is the right of compensation for the oppressed masses who were extremely oppressed in various fields.

g) Proportional/inclusive representation

Proper arrangement of rights including proportional/inclusive representation should be made available to those workers, peasants and oppressed masses, who have been dominated and exploited since long. The system of full proportional representation should be adopted in election.

h) On the right of national bourgeoisie

The class, which is opposed to comprador and bureaucratic bourgeoisie and the feudal class, is national bourgeoisie. This class plays an important role in the struggle against globalised imperialism and the expansionism. Though this class is weak, necessary initiative should be taken to strengthen it and establish its right and interest. This class should be encouraged to ease socialism by developing national capital.

i) Building of independent national economy

In order to build up an independent national economy, stress should be laid to develop national capital by nationalising the comprador and bureaucratic capital that has been dominating in agricultural, commercial

and financial sectors since long. The basic industries should be established and developed in the public sectors. Foreign trade should be made national interest friendly and should be stressed to make it export-oriented. The transit right should be established with no restrictions. The national industries and national productions should be developed by bringing to an end the monopoly of multinational companies and neo-liberal economy that have been dominating world economy in the name of free market. Land use policy and the development of infrastructures should be emphasized for the overall development of industries. The international open border should be closed.

j) Independent foreign policy

New relation on the new basis should be established by undoing the entire unequal treaties and agreements. A friendly relation that is based on the concept of peaceful co-existence and Panchasheel with all countries should be developed. The national liberation, democratic and socialist movements being waged against imperialism, expansionism and reactions the world over should be upheld. Good neighbourhood relation should be established with China and India.

k) Judiciary responsible to people

A judiciary responsible to people should be established to provide speedy, accessible, independent and impartial justice for the people. The working class people and the oppressed masses should avail real justice. For this purpose, the courts should be responsible to people and the legislature.

l) People's democratic education system

The public sector should be established by doing away with the privatisation and commercialisation of education. Laying emphasis to the development of labour-oriented, vocational and technical education, the people's democratic, national and scientific education should be established.

m) Main basic problems

Special emphasis should be laid to solve the basic problems of livelihood of the workers and oppressed people along with those of education, health, food sovereignty, employment and shelter. The state should take the solution of these problems as its liability and they should be solved in real life.

n) People's scientific culture

By bringing the oppression of feudalism, imperialism and expansionism in the field of ideology, literature, art and culture to an end, the people's democratic, national and scientific culture should be developed. Any kind of oppression, intervention and domination carried out in the religious sectors should be brought to an end. By establishing the progressive stream in ideology, art, literature and culture under the guidance of Marxism-Leninism-Maoism, the feudal elitism, Brahmanism, bourgeois modernism, post-modernism, cultural imperialism, consumerism, expansionism and revisionism should be opposed. The protection, development and invention of the cultural and artistic things and pro-people national and progressive art, literature and culture with historical and archaeological importance should be carried on.

16. In order to accomplish new democratic revolution in Nepal, formation of a revolutionary communist party, people's army and united front is necessary. Of these three weapons of revolution, the revolutionary party plays the principal role.

17. In order to liberate the country from the semi-feudal, semi-colonial and neo-colonial condition, armed people's revolution is necessary. In the history of revolution, the military lines, based on armed people's insurrection and the protracted people's war, have been used. The military line too develops with the development of society. None must confine oneself within a certain form of armed struggle and either form may be used as required. However in the present context, taking into account of the past mass movements, armed struggle and mainly the base and experience of people's war, the line of armed people's insurrection based on the Nepalese characteristics should be adopted.

18. In order to provide a correct direction to the Nepalese revolution and make it success, the ideological struggle against all forms of revisionism and mainly the right revisionism, in the present context, should be effectively carried on.

19. The development of Nepalese revolution takes place in two stages. They are: new democratic and socialist revolutions. Now the Nepalese revolution is in new democratic stage. After completing the stage of new democratic revolution in Nepal, we will enter into the stage of socialist revolution. The communism is our ultimate goal and destination.