Nepalese are known by castes. A caste is an elaborate and complex social system that combines elements of occupation, endogamy, culture, social class, tribe affiliation and political power. Discrimination based on caste, as perceived by UNICEF, is prevalent mainly in parts of Asia (India, Sri Lanka, Bangladesh, Nepal, Japan) and Africa. Amongst themselves essentially for their identity. It affects their family life, food, dress, occupations and culture. Basically, it determines their way of life. On the whole, caste system has an important role in social stratification in Nepal. There are many castes in Nepal amongst various communities mainly in the hills, valleys and the plains. The communities living in the high mountains do not follow the caste system. They are the Tibetan migrants. People from Tibet those migrate to North of Nepal. and they practice communal ownership.

The caste system which is the basis of feudalistic Feudalism was a set of political and military customs in medieval Europe that flourished between the ninth and fifteenth centuries. Economic structure with the system of individual ownership system did not exist prior to the arrival of Indians and their culture in Nepal. The Nepalese caste system is an impact and influence of the ancient and orthodox Indian caste system. The ethnic Nepalese indigenous do not have caste system even today because they practice Buddhism Buddhism is a religion and philosophy encompassing a variety of traditions, beliefs and practices, largely based on teachings attributed to Siddhartha Gautama, commonly known as the Buddha ("the awakened one"). Buddha was borned in Lumbini, Southern part of Nepal. Only the Indian migrants who practice Hinduism Hinduism is the predominant and indigenous religious tradition of South Asia. Hinduism is often referred to as Sanatana Dharma (a Sanskrit phrase meaning "the eternal law") by its adherents. Hinduism is formed of diverse traditions and has no single founder. The caste system is divided into four folds which are Brahman (priests and scholars), Kshatriya (warriors), Vaisya (merchants and traders), and Sudra. In this system, the membership is both hereditary and permanent. Inter-caste marriage is almost impossible as it carries a social disgrace, especially when it takes place between two castes at the extreme ends of the society. Furthermore, caste determines an individual's behavior, obligations, and expectations. It also determines the limit access to land, position of political power, and command of human labor. Violating these rules is liable to certain punishment like social boycott. Despite the fact that castes were based on various professions, untouchability evolved later.

The caste of an individual basically determines his ritual status, purity, and pollution. This is the most mysterious facet of the caste system. The issue of purity and being impure exists not only between higher and lower castes but also within one's caste community. A person of higher caste is declared temporarily impure if his relative/family is dead, if she is going through menstrual period or if she has given birth to a child. The time period of one being declared temporarily impure is between a week and one year. If declared impure, such people are kept in a separate place in the house and generally not touched. Likewise, drinking water and food is declared impure if it has been consumed by
another person. Impure food is thrown away and not consumed. Likewise, people belonging to a lower caste are declared impure for higher caste people for a lifetime. They are discriminated and the higher caste people need purification or to be sprinkled by holy water. Holy water is water which has been sanctified by a priest or by making contact with special metal (gold) for the purpose of blessing of persons, places, and objects; or as a means of repelling evil. Likewise, Pollution means that the lower caste is considered polluted and thus not allowed to touch or stay close to higher caste people. They are also deprived of entering temples, funeral places, restaurants, shop and other public places. They are also not allowed to utilize public drinking water taps and wells. They are also barred from entering the homes of higher castes.

The caste system in Nepal was earlier incorporated in the National law in order to incorporate people of different origin and bring them under an umbrella. Each caste has its set of family names given to the members of its community according to their professions. The Brahmin and Kshatriya have the highest status in social hierarchy and so they had access to fertile lands, power and authority. The Vaisyas come second and they are the ones who do business and gain wealth. The Sudras are the last amongst all and are called the impure, polluted and untouchables. All people following religions besides Hinduism, especially the Muslims also fall under this category. The communities that fall under this group are mostly laborers. For example, Kamis (Iron-smiths), Sunars (Gold-smiths), Lohars (Iron smiths), Vishwakarma (Drivers), Nepali (ancestry unfounded), Sarki (Cobbler), Damahi (tailor/musician) etc.

With the advent of democracy in 1950, social discriminations started breaking down especially in the major cities. Caste based discrimination in the public places and government service especially in the cities is almost extinct, but it still exists in the rural villages. However, with the development of tourism as one of the major industry, the people in the rural villages have stopped treating the tourists as untouchables. Moreover, according to the new constitution of Nepal, any discrimination based on castes, gender or religion and especially the practice of untouchability has been made punishable. It is one of the cruelest features of the caste system. It is seen by many as one of the strongest racist phenomenon. Certain racial groups are strictly denied rights or benefits, or receive preferential treatment in the world.

The division of society into caste system might have been the result of higher caste unwilling to work on lower jobs and enforcing weaker, poor, war prisoners and slaves to do this profession. But today due to lack of work to sustain one’s life, people regardless of their caste work in every sector. The high caste people like the Brahmins and Kshatriya are adopting traditional low caste jobs like sale of meat and washing clothes. The biggest laundry and meat shops in the cities belong to them. On the other hand, people of lower sections have slowly risen to the higher position with possibility for their advancement or economic independence, with dignity of their own. Their professions have undergone expansion with the changing situation. They have not only confined themselves to their traditional professions but also gradually taken to many other professions. There are lots of them working in high profile government jobs and most of the members in the parliament A title of certain legislatures, especially in those countries whose system of government is based on the Westminster system modelled after that of the
United Kingdom. So, the caste system is slowly being abandoned because it is difficult to practice in the modern society due to lack of time and development in educational, legal and social awareness. However, it dominated social reality in ancient Nepal and was the social compulsion of that time. It was once a convenient mean to integrate a multicultural society into one complex system. Nepal is surely a common garden for its entire people.