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Centralized Fiscal Design in Federal Nepal

Binay K Mishra

(Ph.D.in Federalism, Andhra University, A P, India)
binay0138@gmail.com

After the enactment of the federal constitution in 2015, Nepal is moving towards implementing division of power following the elections of all the three level of governments. For proper demarcation of jurisdiction in regards to intergovernmental rights and responsibilities, various laws and enactments are being made by the federal, provincial and local governments. The constitutional scheme for division of revenue raising powers & sharing is supplemented by other necessary acts like Intergovernmental Fiscal Arrangement Act (IGFA) 2017 & National Natural Resource and Fiscal Commission Act (NNRFC) 2017. Still disgruntled voices are heard from some provincial level leaders particularly in regard to scarce resources and sharing in revenues. They argue that the scheme of revenue raising power is centralized with a narrow base for provinces. In effect the 'provincial governments are made to fiscally dependent on the whims of centre'.

This grievance of centralized fiscal mechanism has been complained time and again by some Chief Ministers (CM). For example, just after expansion of his cabinet,

CM of Gandaki Province Prithvi Subba Gurung demanded for forty percent of share in revenues from tourism in August, 2018. Other assembly members of the Province reported to have supported such claims. The CM of province-2, on many occasions, has also expressed in similar vein. Even, during the Inter-Provincial Council meeting held in December, 2018 provincial leaders urged Prime Minister for revising revenue sharing mechanism. Thus, provincial governments are exploring avenues for federal cooperation so as to tune the state of their affairs in the face of fiscal hardship and scarce resources available to them. This existing problem at sub-national level of federal Nepal has necessitated tracing the revenue generation capacity of the provinces so as to understand the actual need of federal support they are direly needed for. Based on such exploration of revenue raising & sharing mechanism and the budgetary documents the article finds the incidence of centralized fiscal federal design and variability of revenue raising capacity among provinces.

Revenue Raising Powers

With the enactment of IGF Act-2017, the power to levy tax, non-tax and royalty at all three levels got specified without having contravention to national economic

policies. The act also arranges modality for collections of various kinds of revenues by provisioning single tax administration. The items like motor vehicle tax, entertainment tax, and land registration and advertisement tax are domain of provinces. However, except motor vehicle tax all other taxes have very least contribution in the net revenues. Additionally, a mechanism for divisible pool has also been devised in the act for sharing revenues with provinces, generated from VAT (15%), excise duty (15%) and royalties (25%) of total proceeds to be levied and collected by centre.

Based, on the analysis of the scheme of fiscal division of power, it is evident that the sub-national entities are left with narrow base of revenue raising power and revenue sharing and in effect their fiscal autonomy is dependent on the centre. Even with this narrow revenue base some provinces are better off than others. There are variations in this regard among provinces.

Inter-provincial Variation

The exploration of provincial revenue raising capacity demonstrates substantive state of variability among provinces. As shown in Table 1, the revenue capacity of province three, five and two seems to be considerably larger than province six, seven and four. Apparently, Province three has the highest revenue capacity at a glaring more than fifty percent of the total collection.

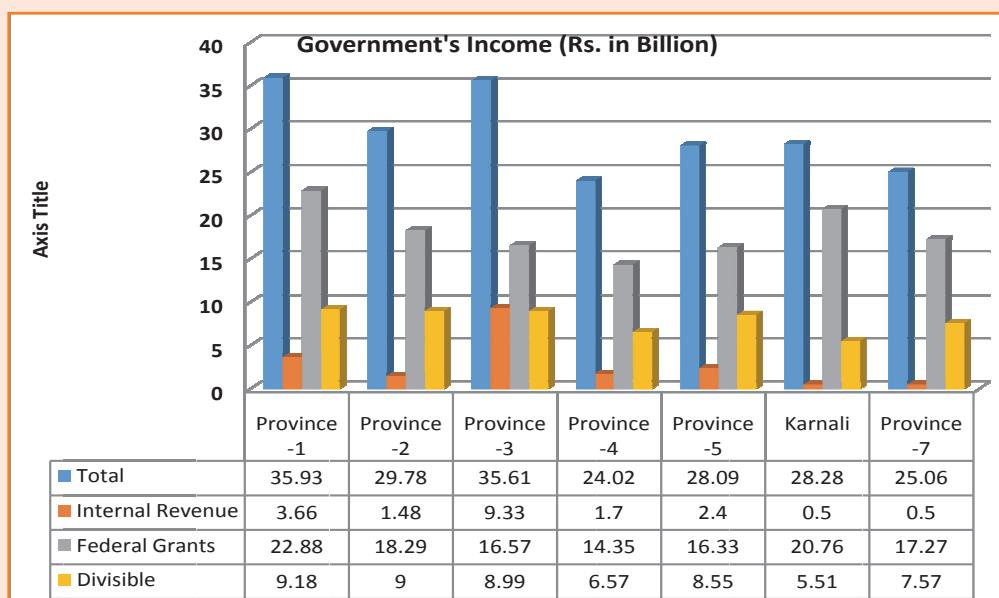
	Revenue Capacity in Billion NRs. (FY2015-16)	Percent	Percentage of Custom Duties in total Provincial Revenue (FY2015-16)
Province-1	42.21	8.76	71.29
Province-2	86.98	18.05	79.7
Province-3	247.12	51.28	4.9
Province-4*	8.45	1.75	0.42
Province-5**	89.13	18.50	78.48
Province-6	0.99	0.21	0.09
Province-7	7.01	1.45	47.87
Total	481.89	100	

Source: Consolidated Financial Statements 2015-16, Financial Comptroller General Office-Nepal

Note: Both parts of the district of Nawalparasi and the district of Rukum have been considered in Province four* and five** respectively as the data on revenue collection of newly arranged two separate districts were not found.

To figure out the actual revenue raising capacity of provinces, it has to be borne in mind that bulk of these provincial revenues hails from *custom duties* which indeed is the federal revenues. In province two, five and one, more than seventy percent of their revenues are collected for federal fund. Thus their actual collection capacity comes down to less than mere thirty percent of their total revenue collection. Similarly, the contribution of such custom duty in the total provincial revenues of province seven is almost fifty percent that will be transferred to federal fund. But province three still remains well capable in revenue generation by considerably larger margins as the contribution of custom duty in its own revenue, is around a meager five percent.

Thus, the above data presented in the table above indicates two things: a) thin revenue capacity of provinces and b) variation among internal revenue capacity of provinces.



To strengthen the argument further, a quick analysis of data and facts from the recent provincial budgets could be discernible here.

Provincial Budgets (FY 2018-19)

The low revenue generation capacity of provinces has further reinforced by exploring their budgetary documents. As shown in Figure 1 below, all the provincial governments have to largely depend on the federal government's grants.

As in the figure above, except in province three which has a relatively hooping higher internal revenue generation capacity with 26 percent of its total income, rest all governments fall far behind in this regard as the share of its own internal revenue is mere 10 percent in province-one followed by province five and four with nine percent and seven percent, respectively.

And thereby the province two, six and seven remains far behind even below five percent of internal revenue capacity in their annual income. As a result, the provinces have to substantively dependent on federal grants provided to them under various headings. In effect, the fiscal autonomy is eroded due to low internal tax raising capacity.

Conclusion

It reveals that all the provinces, except province three, have very limited actual revenue raising capacity so as to match their expenditure assignments. Consequently, provinces inevitably will have to depend on the federal government for the disposal of their public goods. Thus, the provinces need technical support for enabling them capable of raising their own revenues sources on the one hand and revision of revenue sharing scheme on the other.

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Editor

Tikaram Poudel, PhD

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Santosh Acharya

Contact

Ujagar, Triannual Newsletter

Post Box No:10217, Sinamangal
Kathmandu-09, Nepal
Phone/Fax No: 00977-1-4110924
Email: ujagar2076@gmail.com

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Solid Waste Problem & Management in Kathmandu

Yogesh Bhattarai
ybhattarai25@gmail.com

Introduction

Solid waste management is a common problem in most of the developing country. It is common scene seeing a person throwing garbage just near the bank of the river, or municipalities just dumping around the open ground without thinking about the harm it could cause to the environment. It is necessary to develop a self-sustaining eco-system, where the solid waste does not present itself as a problem but a solution and source of income to many of the people. In this context some of the methodology developed in developing country like India, Bangladesh is discussed and an idea of using this method in our country is presented

Solid waste composition and generation in Nepal

The per capita waste generation of Nepal is 300g/person/day (Ministry of urban development, solid waste management technical support centre (SWMTSC), 2015). The major portion is organic i.e.

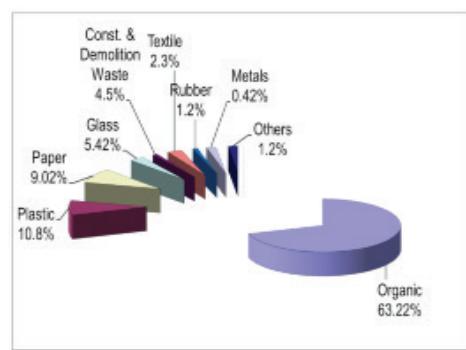


Figure 1 Composition of waste in Kathmandu (Ministry of urban development, solid waste management technical support centre (SWMTSC), 2015)

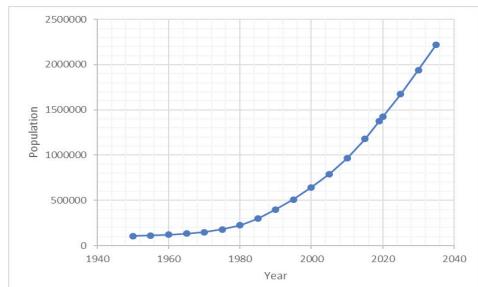
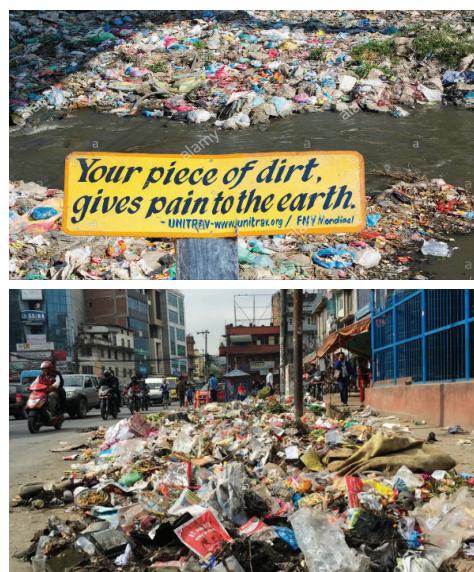


Figure 2 Population of Kathmandu (<http://worldpopulationreview.com/world-cities/kathmandu-population/>, n.d.)

63.22%. The composition is shown below in Figure 1. The population of Kathmandu is about 1376108 people in 2019 as shown in figure 2. (<http://worldpopulationreview.com/world-cities/kathmandu-population/>, n.d.). The total waste generated is about 412 ton/day. The total waste generated per year is 150683.8 ton.

If a land fill of 100m x 100m x 1m is constructed (ie land fill of 1 hectare area and 1m height) total land fill required for 1 year waste deposit is 50 Hec. This goes on increasing every year adding massive load to land requirement, more over there will be additional problem of leaching.

In the Kathmandu Valley, Sewage flow untreated into rivers. There are no proper slaughter houses in any municipalities and no rule for disposing of the city's dead cows and dogs. They end up in shallow graves near river banks, leaching into the water supply. Hospitals are responsible for disposing their own hazardous waste such as needles, tissues, organs and other body parts, but the government has not provided dumping site. Some hospital burn their waste products in open, and other use incinerators that release dioxin and furan, two highly carcinogenic pollutants, except for Bir Hospital which has its own bio gas plant in its premises.



from capital is almost full and during the monsoon is frequently cut off from the city by floods and landslides.

Politicians are quick to point to a new landfill as the solution but only 40-50% of valley's garbage goes to Sisdo and most of it enters the dump sites unsegregated (source: <http://tangledjourneys.com/2014/04/11/will-kathmandu-be-buried-in-garbage/>, n.d.).

Solutions

The Municipal waste can be separated in two bins (red and green). Green for bio-degradable and organic and red for non-biodegradable waste. This thing is implemented by general awareness and bin collector who by instruction will refuse to take unmanaged waste. This can be done in local level too reducing pressure to government. A company in Tamilnadu, Solid & Liquid Resource Management (SLRM) has made this residential waste management sustainable and profitable. They segregate the organic and inorganic items, collecting waste daily twice. They feed fresh organic item to cattle and use cow dung for making fertilizer and many other useful products. The rotten organic waste is composted using aerobic reaction, using vermiculture, ducks/fish for eating worms of waste and finally left in sun creating fertilizer and sold to the market. This model is cheap, affordable and can be done in rural level too.

Figure 3 SLRM waste collection & processing model (Srinivasan, n.d.)

Solid and liquid Resource Management - Rural area model					
S.No		No of Families	Capital Expenditure (Rs)	Monthly Minimum Income (Rs)	Monthly Minimum Expenditure (Rs)
1.	Integrated & Sustainable Solid and Liquid Resource Management	Less than 300 families	600K	18K	15K
2.	Integrated & Sustainable Solid and Liquid Resource Management	300 to 600 families	1140K	36K	31K
3.	Integrated & Sustainable Solid and Liquid Resource Management	600 to 1200 families	2160K	72K	65K
4.	Integrated & Sustainable Solid and Liquid Resource Management	1200 to 1800 families	3060K	108K	98K
5.	Integrated & Sustainable Solid and	1800 to 2400	3840K	144K	126K

Figure 4 SLRM Cost estimate for Rural level (Srinivasan, n.d.)

Similarly a pioneer in waste management (Waste Forum in Bangladesh) founded by Iftekhar and Maqsoodhas given a report on waste management in Bangladesh. The area of Nepal and

Bangladesh is almost same (ie. 147,181 sq. km & 147,570 sq. km respectively). However population of Bangladesh being large since it is rapidly urbanizing. Nepal will too face similar situation in future. According to their model (Iftekhar Enayetullah, 2014), if all waste generated of Kathmandu is collected and efficiently managed, it will create around 150,683 tons of waste and that can produce 9,526 ton of organic fertilizer, 4,128 jobs for people, and earning carbon credit of 39,177 tons. The carbon credit can be sold to international market to high carbon emission industries like coal industry, petroleum industry and revenue can be earned. If just Rs. 100 is taken per house, this waste management industry can earn about 47 crore in gross per year selling fertilizers, carbon credits and collecting fees and even save land fill area of about 32 hectare per year. If a system is process for inorganic waste management they can earn even more.

Conclusions

It is high need of time for a change in the management of solid waste in Kathmandu. If managing whole of the Kathmandu city waste is difficult, we can opt for decentralization of waste where waste is managed in a community model like slam (Tamilnadu) where space required for waste management is less and there is a eco-system developed where waste is treated in community level and harmony is maintained with the nature, or if it needs to be done in large scale we can follow waste forum model of Bangladesh, where whole waste is managed as whole in large isolated area and organic matters is converted to fertilizers.

Both the solutions are working examples of solid waste management and are feasible. It helps to generate economy and also organizes the unorganized rack pickers, and the people of dump yard as a systematic part of eco-system creating an employment opportunity.

Nepalese Tourism in Fact and Challenges Ahead

Keshav Raj Panthee
kpanthee@gmail.com

"Travel, in the younger sort, is a part of education; in the elder, a part of the experience." – Francis Bacon

Travel, now a day, as said by Bacon, has become a part of education as well as a part of the experience of new places, new culture, and new tradition and so on. People's movement in several parts of the world from south to south or north to north or from any region has become an attractive means for promoting economic growth and development. This is the reason why many countries, even poor countries are emphasizing tourism.

Nepal, as a naturally beautiful and attractive country, is also initiating several activities for promoting tourism in Nepal. Tourism Vision 2020 is one of such ambitious plan of Nepal. This vision includes the goals of increasing annual international tourist arrivals in Nepal to two million and augmenting economic opportunities and increase employment in tourism sector to one million. With this background this article attempts to summarize the major tourism statistics and potential challenges in tourism sector of Nepal.

Nepalese Tourism in Fact

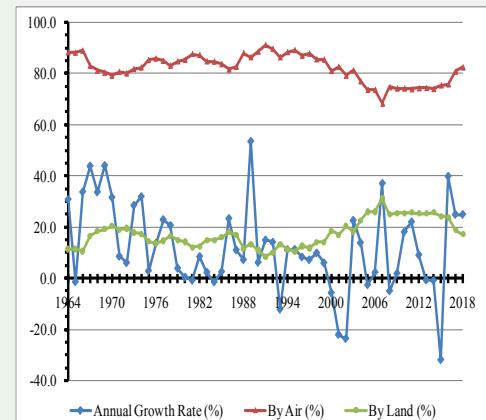
Nepal as a tourism center was initially popularized around the world in 1953, the year when Edmund Hillary and Tenzing Norgay Sherpa first climbed Mt. Everest. Thereafter Nepal Tourism Master Plan 1972, Tourism Policy of 1995 and 2008, formation of Civil Aviation Authority of Nepal and Nepal Tourism Board in 1998 and other several initiation of the government have supported to uplift the tourism sector in Nepal.

Total number of tourist arrival in Nepal has reached from 9,526 in 1964 to 1,173,072 in 2018. If we overview the tourism statistics of the government from 1964 to 2018 (Fig 1), the annual growth rate of tourists is found fluctuating. It is found negative in 12 different years. Since 2000 we have experienced negative growth eight times. Highest growth rate was achieved in 1969 (44.2%) and lowest growth rate was realized in 2015 (-32%). Inflow of tourist by air and land on an average during the period seems 82.4 % and 17.6 % respectively. It indicates the possibility of expansion and development of air transportation. Though tourism industry is contributing to the national economy from different sides yet due to its volatile nature of growth sufficient

alternative plans and programs should be made for attracting tourists.

Foreign exchange earnings from tourism as % of total foreign exchange earnings, total value of merchandise exports and GDP during last 18 years on an average is 5.1%, 36.9% and 2.2% respectively. Due to greater possibility of attraction of tourist in Nepal via development of sufficient infrastructures these indicators might improve further.

Fig 1: Trend of Annual Growth Rate of Tourist Arrival in Nepal



Source: Nepal Tourism Statistics (2018), Ministry of Culture, Tourism & Civil Aviation

Table 1 below shows that during the period 2012 to 2018, five countries contributed around 50 % (on an average 47.23%) of tourist inflow in Nepal. India and China are on top two positions where as the U.S.A., Sri Lanka, U.K. and Thailand are found in last three positions. The two growing and emerging powerful neighbors, India and China only contributed on an average 30.17% during the same period.

Table 1: Top Five Countries with Largest Number of Tourist's Arrival					
Year	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
2012	India (20.6)	China (8.9)	Sri Lanka (8.7)	U.S.A. (6.1)	U.K. (5.1)
2013	India (23.2)	China (12.4)	U.S.A. (5.9)	Thailand (5.1)	U.K. (4.5)
2014	India (17.1)	China (15.7)	U.S.A. (6.3)	Sri Lanka (4.8)	U.K. (4.7)
2015	India (13.9)	China (12)	U.S.A. (10)	Sri Lanka (8)	Thailand (6)
2016	India (15.7)	China (13.8)	Sri Lanka (7.6)	U.S.A. (7.1)	U.K. (6.1)
2017	India (17.1)	China (11.1)	U.S.A. (8.4)	U.K. (5.4)	Sri Lanka (4.8)
2018	India (16.6)	China (13.1)	U.S.A. (7.8)	Sri Lanka (5.9)	U.K. (5.4)

Source: Author's calculation based on Nepal Tourism Statistics published by Ministry of Culture, Tourism & Civil Aviation in different years, figures in parenthesis indicates percentage share in total tourist inflow in Nepal

Nepal Tourism Statistics of Ministry of Culture, Tourism & Civil Aviation (2018) shows that the arrival of Indian tourists out of total tourists in Nepal reached at peak in 1995 (32.27% of the total) and at lowest level (13.88% of the total) in 2015 (the year of earthquake). Yet due to open boarder the data might be guessed a little bit more than it. During 1993 to 1999 the recorded flow of Indian tourists on an average was 30.62 % of total tourist flow and this figure declined to 20.04 % during the period 2000 to 2018. Though Indian tourist flow in Nepal occupy first place yet the reasons for declining trend of Indian tourist than that of 1990s should be studied.

Similarly, last 26 years data of the number of tourist by purpose of visit showed that 50% tourists on an average came to Nepal for holiday celebration and pleasure followed by trekking & mountaineering (18%), pilgrimage (8%) and other purpose (24%). Since last three years, the share of tourist visit for pilgrimage is found increasing and has reached to 13.47% on an average. These figures indicate possibility of further flow of high value tourist as well as fostering religious tourism in Nepal. Along with this, development of Ayurveda sector might promote medical tourism as well.

Challenges in the Tourism Sector

Sufficient and modern infrastructure facilities, good air and surface connectivity with major and possible tourist destinations, sufficient number of rescue expertise, plan for adverse impact of climate change and environmental degradation are the necessary components for the success of modern tourism industry in the world. But the status of such factors in Nepal is not satisfactory. Still we have only one international airport (Tribhuvan International Airport). Out of the total length of road only 44.9 percent is black topped up to FY 2017/18 (Economic Survey 2018/19). Still populous tourist destinations like Rara Lake of Mugu do not have good road network. Similarly, incidence of fake rescue, insurance fraud, etc. have raised question on monitoring and management of tourism activities in Nepal.

In these days, climate change has become a serious matter of concern which might have adverse impact on several macroeconomic variables in the future. Though, ongoing tourism and infrastructure development show chances of numerous positive spillover effects in Nepal yet several research studies of ICIMOD, World Wide Fund Nepal, Nepal Rastra Bank, etc. have revealed the fact that being a mountainous country there is a greater risk of climate change and environmental damage. CO₂ emissions in Nepal from manufacturing industries, construction and liquid fuel consumption is increasing significantly. CO₂ emissions per capita have reached to 0.35 in 2018 from 0.11 in 2007 (World development Indicators, 2019). Higher air quality index indicates the higher level of air pollution and greater threat to health. Unhealthy level of air quality index (ranging from 151 to 200) of Bhaktapur and Ratnapark (Kathmandu), Sauraha (Chitwan), Jhumka (Sunsari) as mentioned in the government site (pollution.gov.np, accessed on November 14, 2019) indicates that pollution level in major city areas is increasing rapidly. Low level of environment sustainability index of World Economic Forum, 2018 report (134th position out of 140 countries) also justifies this fact. Tourism industry of Delhi, capital city of India, is facing the problem of less flow/stay of tourist in recent years due to pollution. On the basis of such facts we cannot deny that the prevalent

trend of environmental pollution will not have negative impact on Nepalese tourism sector in coming days

According to World Economic Forum's global Travel and Tourism Competitiveness Report (2019) Nepal is in 102th position among 140 countries. It is far below than India (34th position) and Sri Lanka (77th position). In terms of price competitiveness, Nepal is in 15th position but it is unable to attract visitors at high level in comparison to other low cost countries.

During last 44 years, average length of stay (based on Nepal Tourism Statistics) is around 11.65 days on an average. We are unable to increase the length of stay of tourists in comparison to the past years. The whim and symptoms of global slowdown in 2020 have created uncertainty in tourism sector. India has already faced slowdown in tourist arrival. This might have impact in Nepal as well in coming days. In this scenario, it seems difficult to meet the tourist arrival target as two billion. So, a lot of groundwork is needed to make 'Visit Nepal Year 2020' successful.

Conclusion

A short highlight on tourism as mentioned above indicates that two neighbors having big economy, India and China are the major source of tourism industry in Nepal. Along with other type of tourism there is the possibility of increment in religious tourism. Major source of religious tourist is India. But, in recent years inflow of Indian tourist seems decreasing. Similarly, from a long time period we are unable to increase the average length of stay of tourists. The speed of development of tourism infrastructures is not satisfactory. Possible impact of environment pollution and climate change has not been discussed widely in tourism sector of Nepal. Such issues are to be addressed in time.

No doubt, 'Visit Nepal Year 2020' is a campaign of government of Nepal like that of Visit Nepal Year 1998 and Nepal Tourism Year 2011 for promoting economic development via tourism. But its success lies on how tourism administration and the government tackle the upcoming internal and external bubbles in the economy. Good neighborhoods relation with India and China and campaign for tourism in these two giant nations might support to minimize the possible impact of less flow of foreign tourist in 2020 due to uncertainty and fear in the recent global economy. Let's hope, the year 2020 will be a remarkable year for the tourism sector of Nepal.

Standardization of Border Security

Aspects of Nepal

Dr. Krishna Kumar Tamang

Insp. Gen. (Retd.), Nepal Armed Police Force
Security Expert & Analyst
lamagole@yahoo.com

Neal known for its peace-loving nature has recently been subject to border encroachment by neighboring countries and exposed to the world. The principles of Panchasheel inspire Nepalese people to be tolerant nonetheless amiable. Ironically, the border disputes create misunderstanding whereas Nepal-India and Nepal-China, the friendly countries have mutual respect for one another. These days are of much commotion pertaining to border deals that fetch sentimental and emotional value of people to which leaders are accused of advertently ignoring them. Analytical study and their meticulous findings would reveal what is deserved for public in general. In short, the following drawbacks, dues and proposals are brought to expect minimum attention for mutual benefits of border sharing people and their lands.

The root cause of the disputes

Nepal-India and Nepal-China borders are made of running rivers at places. The absence of reliable and immovable points makes room for uncertainty. Water bodies like rivers are subject to swell in rainy seasons and dry in summer leading to confusion as to ascertain exact location of pin points. Rivers tend to change courses following flow and current of water. Should there be erected structures no such dilemmas would occur. The adjacent provinces within a country may not need any demarcation whereas two sovereign countries desperately need it. The ministries of Home, Finance, Forest, Defense, and Land Conservation though coordinated still need to do extra homework. It should be clear that open border and secured border do not occur simultaneously if they do that is compromise.

Way Forward

The current issue of border encroachment seems crucial as was handled improperly although the then governments did their best. What could be the reasons

for border sharing parties to differentiate from the neighbor's soil? Are there hidden interests that hinder the concept of secured borders? There should be no viable reasons for any objection and there is no ground for reluctance either in making distinguishable demarcation. Still indecisiveness for proper authentication is real bewilderment. Frank and honest submission would be admirable for both the parties to do the joint venture in securing borders and tightening the safety of their territory. Despite the presence of the security mechanism the border encroachment and relocation of border pillars do not cease because;

- a. Border has no distinct demarcation
- b. Border pillars are not updated
- c. Frontier has no complete coverage of security personnel
- d. Deployed forces are poorly furnished
- e. Nepal Police and Armed Police Force envy for ownership of border security whereby conciliate proper norms
- f. Absence of linkage with BORDERPOL, the world border organization.

Time to correct drawbacks

The border matters are in due process and still incomplete as for unfinished and indetermination of the past statecrafts. Nepali Congress regime did nothing for strengthening the borders, communist parties of United Marxist and Leninist (UML) and Maoists proved superficial in convincing the counterpart politicians whilst in government but made hue and cry during elections. Further deep into the history the Rana and Panchayat rulers for unseen fear of influence from India did not dare put up the matter to resolve. Present government with two third majority should take initiatives in this regard correcting the bygone overlooked issues. Even sitting Prime Minister of Nepal has on an occasion expressed his determination to raise voice of border issue in stake of his premier chair. Alas, his frustrated but heightened attitude.

Dealing in different way

Diplomatic talks without the participation of respective experts but

inclusion of political figures only yield formality with no tangible outcomes. Political leaders lack professionalism in respective disciplines of history, geography and likewise technical subjects of mapping, record keeping, negotiating and etc. It is highly appreciable that there should be involvement of specific technical experts whilst conducting diplomatic talks. Without the knowledge and know-how on the topic the politicians would be no more than mannequin pieces. Political idealism is totally different from practical doing on the ground reflecting the voice of the land and its people. Theoretical and philosophical views do not tally the actual realities. In order to settle down for permanent harmony the following options could be considered as;

- a. to make visa/documentation mandatory if the border remains open
- b. to strengthen friendship with clear demarcation ending indefinite differences

Open border benefits third parties

In absence of extradition treaty open border was exploited as in the past for Pakistani terrorist hideout, Naga Indian separatist and Dr. Amit, the Indian underground kidney racketeer to cite a few. The illegal entrants from Bhutan, Tibet, and Rohingyas of Myanmar could creep to Nepal territory with ease that is a misfortune for the country. Logs of illegal sandalwood and quintals of smuggled gold; getting access to Nepal is of much concern, too. Despite these all if Nepal ignores the factual truth what is left to doom.

Conclusion

Stable and reliable means of land marking make the public aware of own limitations. The bosom friendship and relations demand more measures for the security of the borders. The dependence upon water courses and rivulets leads to confusion and disputes. Securing the border with a barrier of fencing would be the best alternative if visa or documentation is not desirable. Raising obstruction on the border would not stop friendship but feelings of occasional irritation.

Nepalese Economy: An Overview

Dr. D.N.S. Dhakal
deodhakal@gmail.com

Agriculture

Nepal is an agrarian country. Terai, which comprises 19% of the land area, was once considered breadbasket of Nepal. Its middle hills have enormous potential for development of horticultural crops, and the upper Himalayan region could grow medicinal plants and develop pasturelands. These are not new ideas; they were identified in the 1960s, during the reign of King Mahendra.

Today, Nepal spends NRS 200 billion for importing agricultural goods such as cereals, fruits and vegetables. However, Nepal was self-sufficient in food production and used to export them to earn foreign exchange.

Rice and maize are major staple crops in Nepal. Average paddy yield is 3.9 MT per hectare which is 40% and average maize yield is 2.67 MT per hectare. This is much less compared to our neighboring countries like India and China. This indicates the need for increasing the productivity of these staple crops in our country.

Hydropower

Hydropower and tourism are other two important resources for Nepal. At present Nepal's hydropower installed capacity is less than 1200 MW, i.e., 200 MW short for peak load capacity. This is in sharp contrast to what is happening in neighboring Bhutan whose installed capacity is twice that of Nepal. Bhutan earns 27% of its total revenue from hydroelectricity export, for which India has played the key role in financing and managing electricity.

Nepal's economically exploitable hydro power potential is 40,000 MW at 40% plant load factor. Its major hydroelectric sites are close to key load centers in India and Bangladesh. Nepal can generate at competitive prices some 140 billion kWh of electricity annually, which can fetch in revenue over 8 billion USD.

Hydroelectricity is renewable resource which is clean and a substitute for fossil fuel electricity. The storage water would have additional value for irrigation, navigation and

household uses in Nepal and downstream riparian countries.

Tourism

Tourism in Nepal, which was considered a key driver for economic growth, has not performed as expected. The arrivals of foreign tourists have exceeded 1.3 million in 2018, which is a welcoming development.

Nepal has enormous potential for recreational and spiritual tourism. Of the ten highest peaks in the world Nepal has eight: Sagarmatha, Kanchenjunga, Dhaulagiri, Annapurna and Manaslu mountain ranges are exceptionally panoramic.

Then there are spiritual heritage sites for the Hindus and Buddhists. Lumbini and Boudhanath are important religious sites for the Buddhists; Pasupatinath, Muktinath and Janakpur are for the Hindus. With a billion Hindus in India and growing interest of Chinese on Buddhism, Nepal enjoys good prospects for spiritual tourism from the neighboring countries.

Nepal needs support of India and China to convert such economic endowments into marketable products. Investments are needed for building tourism infrastructures, improvement in land and air connectivity and educate the Nepalese population on sanitation and hygiene. Tourism could make significant contribution to Nepal's development because of huge potential in creating business opportunities all along the value chain.

Manpower

Nepal ranks 49th in the list of 195 countries in the size of population. Its total population is 30 million, of which 18.24 million are adults, making it one of the youngest nations. Because of its younger population Nepal is able to provide surplus manpower to the Middle East and Malaysia earning in annual remittances about 25% of GDP. This amount is essentially export revenue, which is primarily financing the imports.

An interesting development in Nepal is that there is small but ambitious population focus at education for upward mobility. There are currently 52,000 students in Australia, around 14,000 in USA and many more in the

region. In fact, Nepal ranks 10th among the countries in the world sending students to USA for higher education.

Many of these students are finding jobs in international market earning handsome income. Those who dare to return are building partnership with foreign companies bringing businesses and jobs into Nepal. Some of the private banks in Nepal are providing hard currency loans for foreign education, particularly to those students securing admission in the US universities.

Recent ADB report suggests that growth in service sector export is performing better than merchandise export in Nepal, and there is non-resident Nepalese community interested to channel talent and resources back into the Nepalese economy.

Nepal has some half a million overseas population residing in United Kingdom, United States of America, Canada, Australia, Japan and South Korea. The non-resident Nepali population have strong cultural attachment with Nepal. Nepal can tap this resource by framing appropriate policy incentives.

Foreign Aid

Nepal relies heavily on foreign aid, and donors coordinate development aid policy through Nepal Development Forum. For 2018-19, the international community pledged USD2.83 billion in development assistance.

Among the bilateral donors, the UK ranks the first in the list. It is followed by the United States of America and Japan. More recently China and India are increasing their share of assistance to Nepal. India has taken the fifth position in the donor list trailing behind China. Chinese are expected to ramp up bilateral assistance to Nepal. President Xi Jinping has pledged Rs56 billion financial aids during his recent visit to Kathmandu for the next two years.

At present, there are fifteen bilateral and twenty multilateral development partners for Nepal. In addition there are host of International non-governmental organizations channeling funds through their own networks which are not included in official development assistance.

Macroeconomy

Nepal's gross domestic product in July 2019 was USD28.81 billion generating USD 1034 in per capita income. This is a remarkable change from the state of subsistence, agrarian economy in 1964 when the per capita income was USD 64 in current price level. Since then the economy has undergone transformational changes pushing the share of agriculture to 25% in GDP.

However, Nepal is not able to create productive capacity in industrial or agriculture sectors. It runs huge trade deficit with India, China, Bangladesh and other trading partners. Its current account deficit is 12.5% of GDP, and its dollar reserve has slide down to 6.78 billion USD, just enough to meet 4.4 months' of imports. The remittances which fund the imports is now USD 9 billion but it could be disrupted easily with political disturbances in the Middle

East. Nepal runs the risk of social instability in the event of such disruption.

Nepal has no much success in luring foreign direct investment (FDI) in development of infrastructures and industries. Annual FDI flow has averaged at USD 40 million from 2001 to 2018. Political uncertainty, push and pull of geopolitics and lacuna in public policy frame work are some of the constraints.

Also, the country is yet to take bold steps to borrow money and invest in productive assets. Its public debt stands at 34% of the GDP which is low by developing countries' standard. The much talked about public private partnership (PPP) projects are non-starters because of political meddling and lack of credible feasibility studies.

Nepal Rastra Bank tweaks monetary policy of Reserve Bank of India since Nepalese rupee is pegged with Indian currency. At present, as in India, the inflation

rate is single digit, GDP growth rate is 6%, and exchange rate is hovering around Rs 110 per US dollar. The depreciation of currency is making the import costly; Nepal does not benefit from currency depreciation since it does not have much exportable products.

Political Economy

More importantly, what happens in Nepalese economy is largely dictated by unfolding of events in the neighboring countries. Its geographical location has both advantages and disadvantages. Recently China is showing keen interest in Nepal's development not so much on based in economic opportunities but on real politics. Nevertheless, Nepal has unique opportunity to gain from the rising economic and technical competency of both India and China should it play an appropriate balancing act in geopolitics.

Extract: Social Chorus vs. Social choir

Bimal Subedi

bimalnsd@gmail.com

Major sensitivity of drone scanned cultural profile of mass as a commodity with the gaze of preoccupied view finder lens may traumatizes the ownership and capture free will of local community and society. The lens which can be an different agencies later and comes through predominant notion, practicing as a colonial process of invisible cultural pesticide, conquered dreaming as illusionistic single pattern of individuals interpreted base approach evoke influential sociopolitical vulnerability towards Cultural dialect and dismantle the equation of natural process of adaptation on social elevation. In this wave, structural and nonstructural Intellectuals should play vital role to deliver a path for peaceful salvation or departure to seeding them for the truthful reflection with deepest realization and may lead towards texture of cultural dews and in horizon of meadows in layer. Jamaican political activist, Journalist Marcus Garvey says; "A people without knowledge of their

past history, origin and culture is like a tree without root". Which means that can't be sustain, survive itself, can't be living, can't be beings and never able to collaborate with nature and geography.

The role of Protagonist and the compulsion of repeating the given lines of chorus in society may anticipate hymn by choir as the same rhythm can be a beautiful experimentation but beauty of being melts together and beauty of coming out to its own shape gives reflection of cultural diversity from sociological perspective and own engraved philosophy. Modern schooling Practice culture as separate component than education. And eastern philosophy practices cultural as a part of education, more than that; wisdom. The dilemma of standing for Individual cultural Identities and its social beliefs is lifelong Learning Process. Writer and cultural experts Thomas Wolfe says, "Culture is the art; elevated to set of beliefs". And Brazilian educationist Freire gives emphasis on different way of approach which seems contradictory but deeply rooted and

connected "The Oppressor is not humble, arrogant. The oppressed is not humble either, but humiliated. He gives emphasis on the eastern tradition of learning process that makes People humble, kind and full of humility, cultivate wisdom within. The tradition and organic process seems stand non accuracy sometimes with the gaze of drone mapping but long term partnership and collaborative process of insights. This relationship is heavily pedagogical.

Information vs. Wisdom, University vs. Universe is based on Contextual interpretation or scientific approach of theory of Darwinism giving respect to experienced based liberal democratic rather principles of ethos during practicing cultural values as learning methodology. The melting points of art, culture, education and possibility of Individuals ownership as they practice should be diagnosed through their own social context being foreground and background, being protagonist as well as chorus and choir by shifting the fixed colonial gaze.