

International Conference on Sustainable Business and Management- 2024

**A keynote speech presentation on Sustainable
Development: Perception, Preparedness and Action**

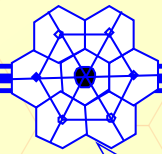
by

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Policy & Planning and Human Settlements Development
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**Pokhara
6 July 2024**

Structure of the presentation



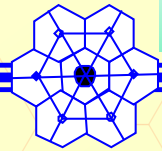
- **A short political history of Nepal**
- **Political transition to transformation in Nepal ??**
- **State of the society and social engineering in Nepal**
 - **Social structure**
 - **Social engineering and social inclusion**
- **Economic situation in Nepal**
 - **Facts and figures on national economic situation**
 - **Economic characteristics & features**
 - **Assessing the capital investment**
 - **Land coverage in Nepal**
 - **Forest, protected and reserved areas**
 - **Economic policy and political propaganda**
 - **Slogan at the current FY, 2023-24**
- **Development efforts in Nepal**
 - **Expected outcomes of development**

Structure of the presentation



Structure of the presentation - *continued*:

- Perceived national strengths by development agents
- My meaning of development
- Planning principles and approaches
 - Nepal's planning efforts: Village development approach
 - Nepal's planning efforts: Sectoral approach
 - Nepal's planning efforts: Thematic approach
 - Nepal's planning efforts: Regional approach
 - Nepal's planning efforts: Agriculture & rural development approach
 - Nepal's planning efforts: The federal approach
 - Nepal's planning efforts: Missing comprehensive planning approach
 - Address to poverty and vulnerability among W&C



A Short Political History of Nepal

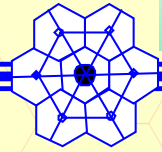
Nepal \approx Nepal Valley = Kathmandu Valley

- **Till the 1740s, there were about 60 principalities in Nepal**
- **The indigenous community of Newar**
- **Hinduism and Buddhist faiths**
- **Most hilly areas were occupied by indigenous people headed by tribal heads or small principalities**

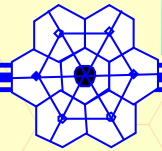
THE RISE OF SHAH DYNASTY AND THE STRUCTURE OF NEPAL

- **After 1740s, two prong political strategies:**
 - (i) **Unification of principalities and territories;**
 - (ii) **Stopping the expansion & aggression of the British Empire**

A Short Political History of Nepal

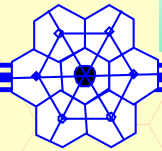


- Power struggle within the Palace, between the Palace and Nobles supported by Generals/cronies in both sides
 - Prithwi Narayan Shah (reigned 1742 – 1775)
 - Warriors, national heroes and nobles
- Centralized political power
- Centralizing diversities ??
- Networking of regional and local elites – power exercise
- **1788-92 : War with China and Tibet**
- **1809 : War with Sikh Kingdom in Punjab**
- **1814-16 : Anglo-Nepalese War & the Sugauli Treaty, 1816**
The present day boundary of Nepal was set
- **1846-1951 : Rana era/Regime – Oligarchic system**
 - Gurkha soldiers recruiting in British Indian Army



A Short Political History of Nepal

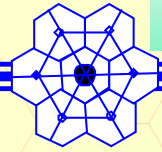
- **1951** : Agreement between Rana-Nepali Congress (Freedom fighters) and the emergence of Democracy
- **1951 – 1959** : Power struggle between parties & the King
- **1959** : General Election held and a Government of a single party – Nepali Congress formed
- **1960** (15 December) : Royal coup and the Government on the King's leadership
- **1961** : Emergence of a party-less political system, named *Panchayat*, yet with indirect election for a Parliament incorporating class representation: Women, Youth, Farmers, Elders, Laborers, Ex-soldiers and Graduates
- *Panchayat* was 4-tier system (Local level, district, zone and centre)



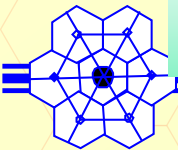
A Short Political History of Nepal

- Local *Panchayat* elections held almost regularly
- *Panchayat* in terms of political system gradually became dictatorial.
- **1979** : Student unrest ➔ **National Referendum** to choose between Revised *Panchayat* System and Multiparty System.
- Revised Panchayat System won the referendum by a margin of 10 per cent votes.
- *Panchayat* was not reformed.
- **1990** : People's Movement ➔ Overthrew the Party-less *Panchayat* System and **restoration of democracy**
- **1991**: New Constitution with Multiparty Democracy and Constitutional Monarchy

A Short Political History of Nepal



- General Election held and Nepali Congress won the majority seats in the Parliament
- Local level election held
- **1996 – 2006** : Maoist Insurgency/Maoist Revolution led by the Communist Party of Nepal (Maoist) (CPN-M)
- **2001** : Royal Massacre
- **2002 – 2006** : Suspension of the Parliament
 - : King's direct rule
 - : Democratic (Loktantrik) Movement
- **2006** : Comprehensive Peace Agreement between the Government of Nepal and the Maoist
- **2006** : Reinstate of the Parliament & end of King's direct rule



Political Transition to Transformation in Nepal?

➤ **2007 : Constitutional Assembly Election I**

➤ **2007 – 2015/16 : Madesh Movement**

2008 : Abolition of monarchy & establishment of federalism

➤ **2013 : Constitutional Assembly Election II**

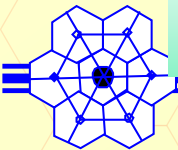
➤ **2015 : New Constitution → Federal Structure (3 tiers)**

➤ **Governments: Central, Provincial (7), Local (753)**

➤ **Direct (165) and proportional (110) election of the HoR**

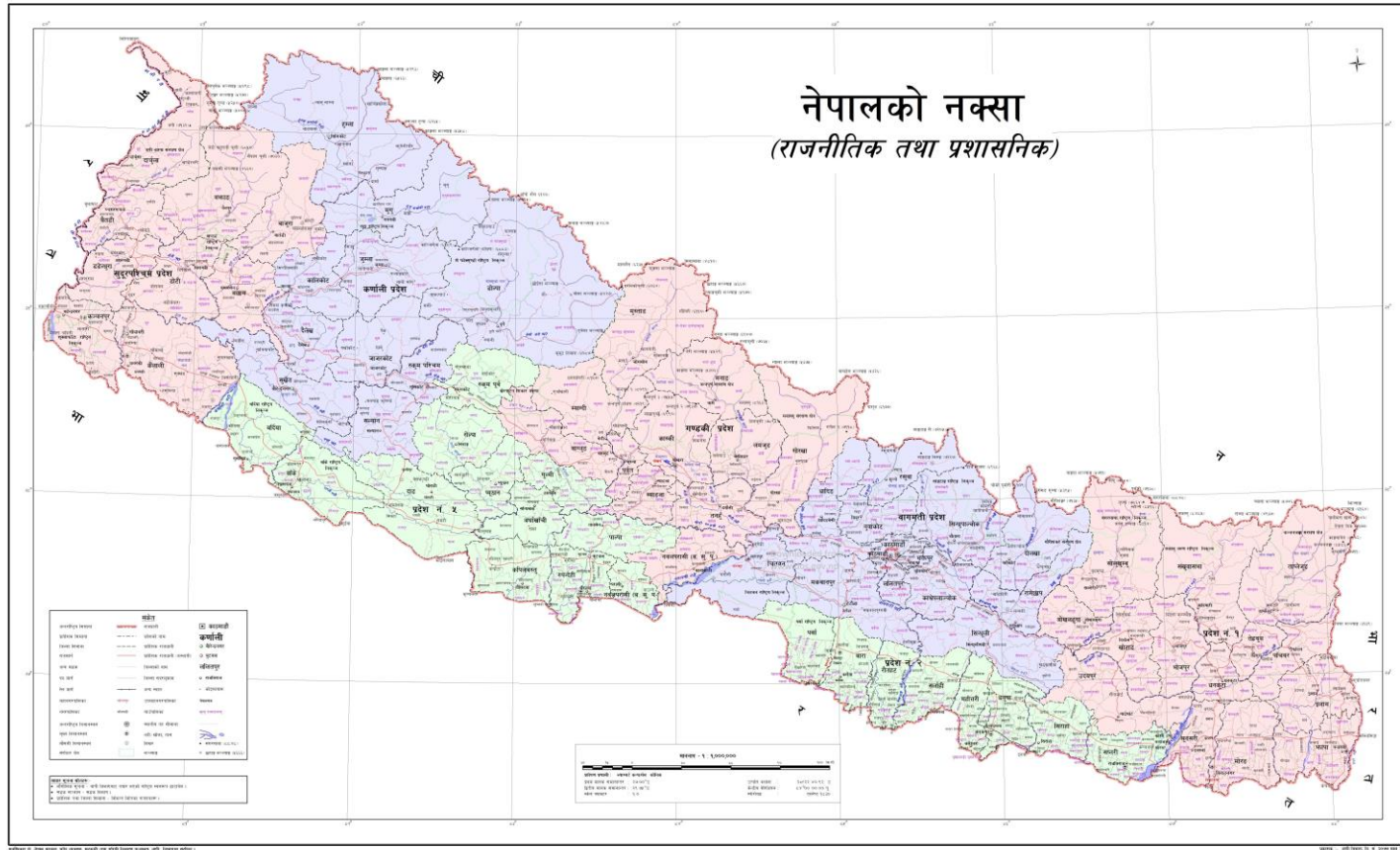
➤ **Reservation under the proportional electoral system:
women, *Dalit*, indigenous people, *Khas Arya*, *Madhesi*,
Tharu, Muslims and backward regions**

➤ **Women's proportion in Federal & State elections (33%)
in Local Government (40%)**

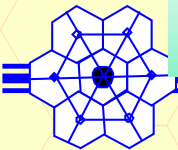


Political Transition to Transformation in Nepal?

NEPAL Political Division of Provinces & Districts



Total No. of provinces = 7 | Total No. of districts = 77



Political Transition to Transformation in Nepal?

Nepal's Political Structure: Local Governments



Metropolitan City
6



Sub-Metropolitan City - 11



Municipality
276



Rural Municipality
460



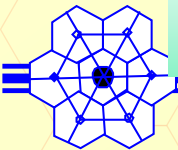
Total Local Governments
753



Total No. of Wards
6743



Total Population
29,164,578

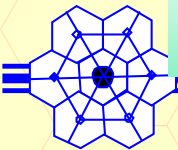


Political Transition to Transformation in Nepal?

- **2017 (May) : Election of Local Governments - NCP**
- **2017 (December) : Elections – House of Representatives, National Assembly & Provincial Assembly – NCP**

**A TRANSITIONAL PHASE IN POLITICAL SITUATION
(transition of power from the Centre Government to
the Province and Local Governments)**

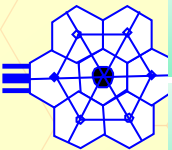
**The people had believed that political stability would prevail
and the nation would move to the economic and social
prosperity**



Political Transition to Transformation in Nepal?

Basis for External Relations

- P2P relation with East, West and North India
- G2G relation with Indian Kingdoms and principalities
- Cultural, trade followed by political relations developed across the Himalayas (Tibet) long ago
- Relationship with China established in 7th Century, ➔ relation depended upon the relationship b/ Tibet & China
- Expansionist policy and conflict with all neighbors
- Wars with Tibet and China - twice, Punjab, British India and Nepal lost these wars
- Seclusion policy with British India during Rana regime
- Now friendly relation with most nations as part of Non-aligned Foreign Policy

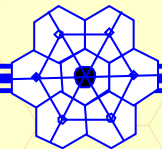


Political Transition to Transformation in Nepal?

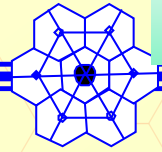
Basis for External Relations (*continued*)

Nepal has diplomatic relations with 158 countries & bilateral relationship with 176 countries:

Before democracy	4	Britain, USA, India & France
From 1951 to 1960	22	China, Russia, Japan, major European, South Asian, Southeast Asian, Egypt, Israel, Australia etc.
1961 - 1970	22	Nepal is a member of most UN organizations, The World Bank, IMF, ADB, Colombo Plan Regional Association: SAARC, BIMSTEC World Trade Organization
1971 – 1980	29	
1981 – 1990	19	
1991 – 2000	18	
2001 – 2010	18	
2011 to date	26	



State of the Society & Social Engineering in Nepal



Social Structure

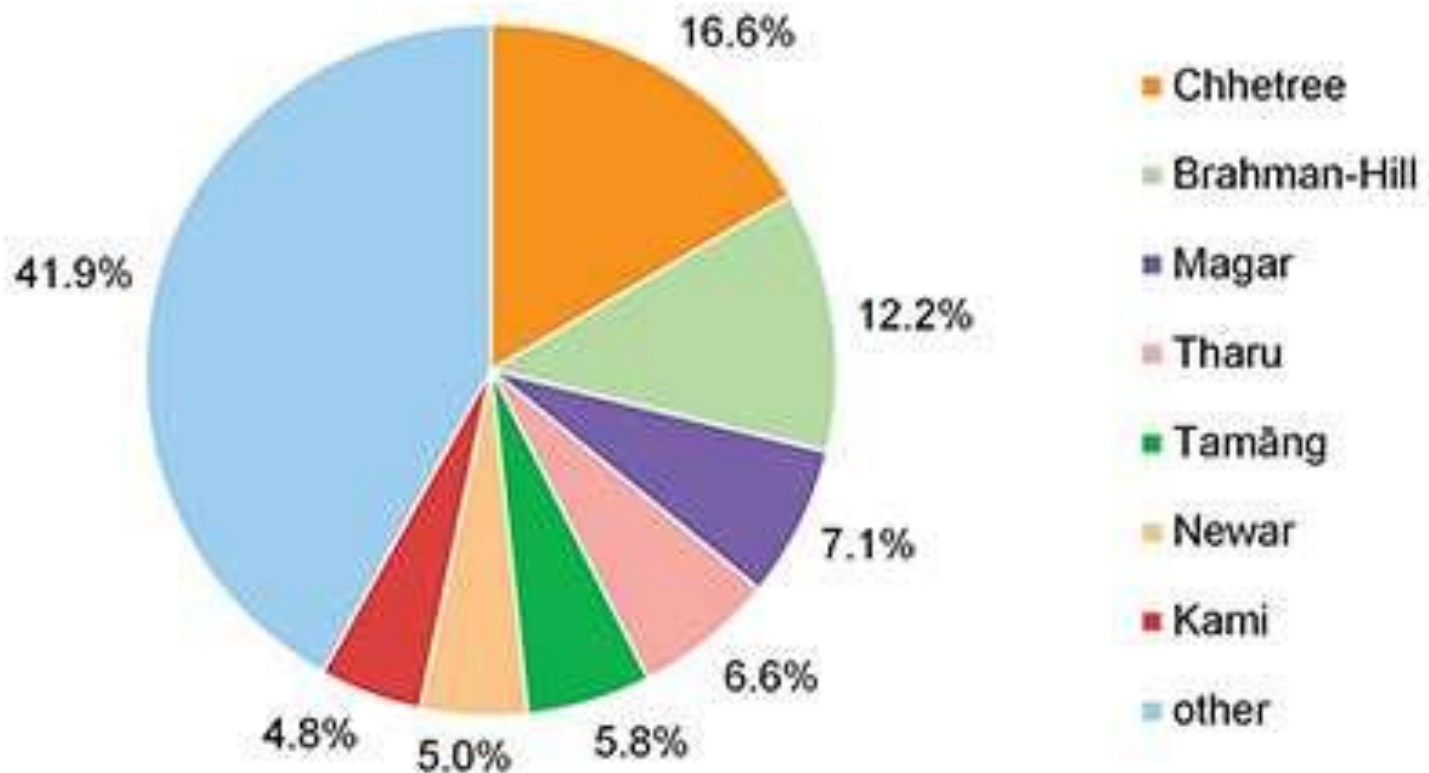
Structure of the Nepalese population: A mix of indigenous and migrants (Indo-Aryan and Tibetan/Mongoloids)

DIVERSITY: ETHNIC, LINGUISTIC, RELIGIOUS

- **Over 142 ethnic groups - Highest with 16.45% (Chhetri) followed by 11.29% (Brahman) and lowest, 36 people (figure at next 2 pages)**
- **Over 121 mother tongues**
- **Language: Nepali can be spoken by large majority of Nepalese though it is a mother tongue of only 44.86%.**
- **Caste affiliation**
- **Ethnic groups, minorities and backward areas**

Social Structure

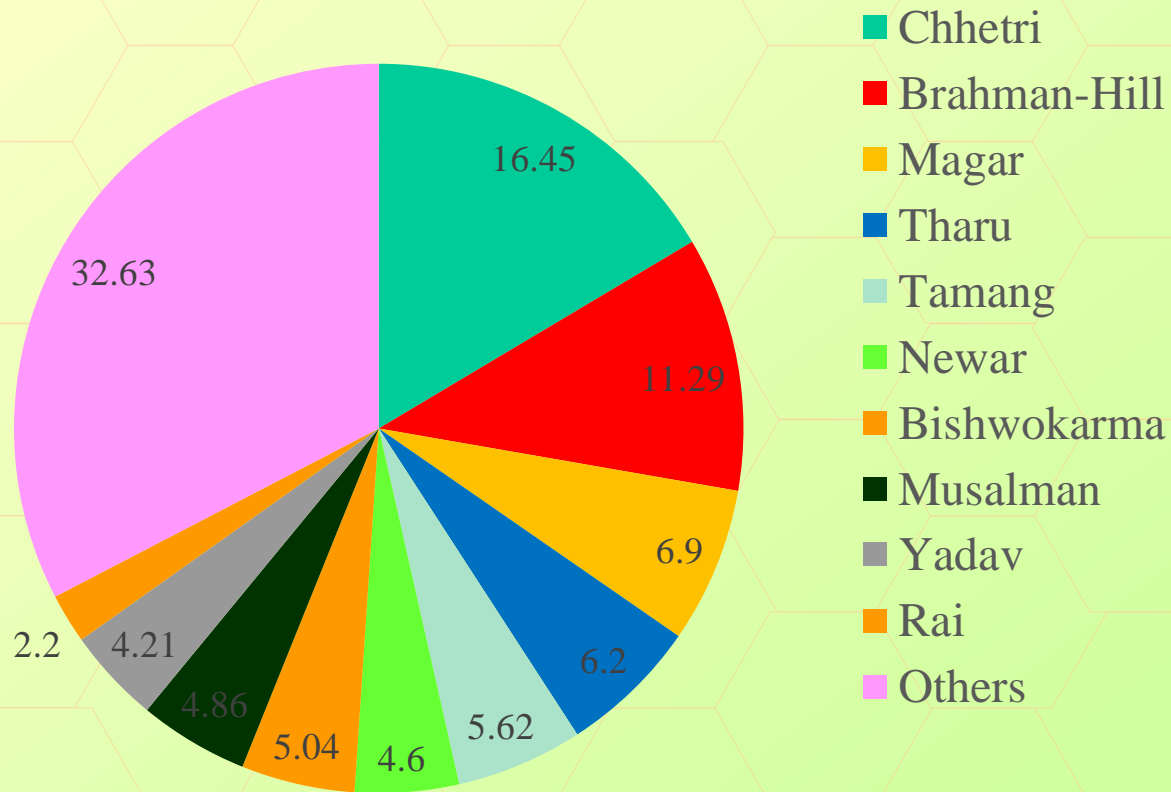
Nepal caste/ethnic composition (2011)



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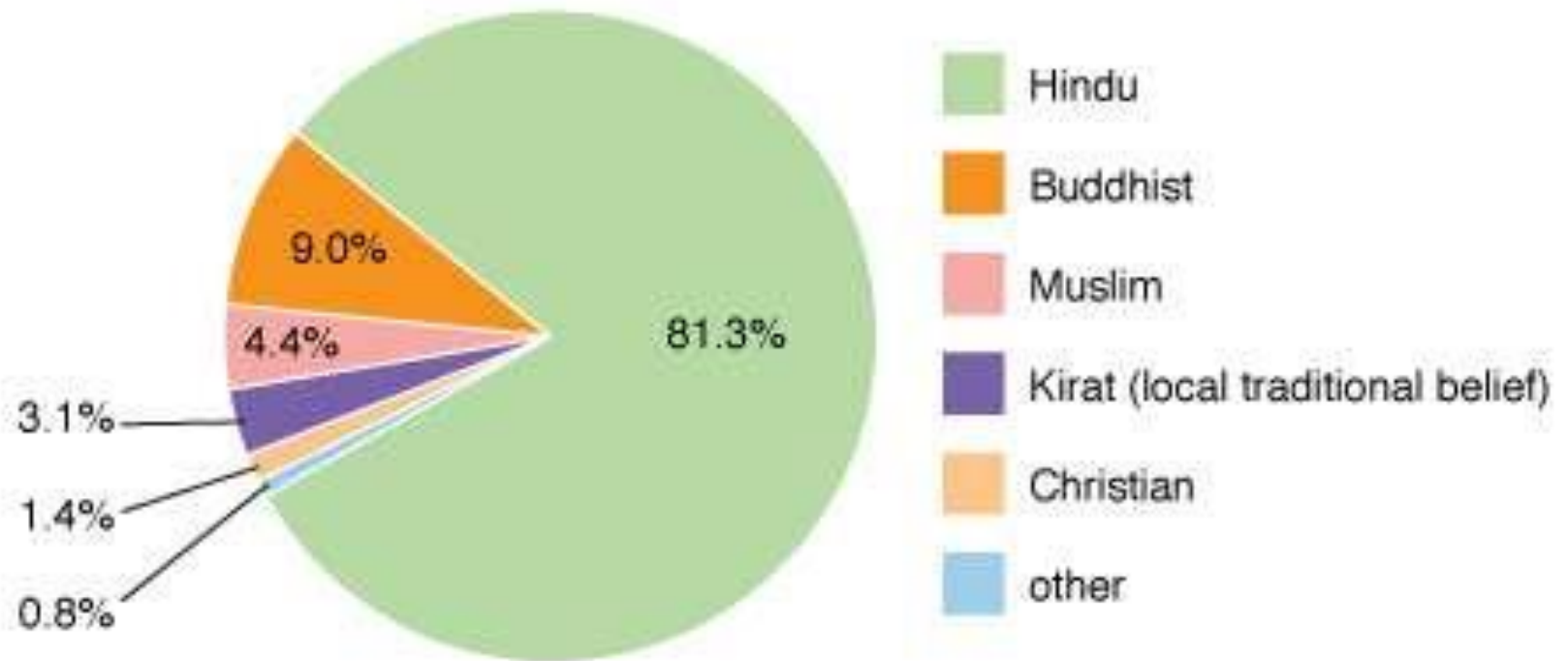
Social Structure

Nepal caste/ethnicity composition, 2021



Social Structure

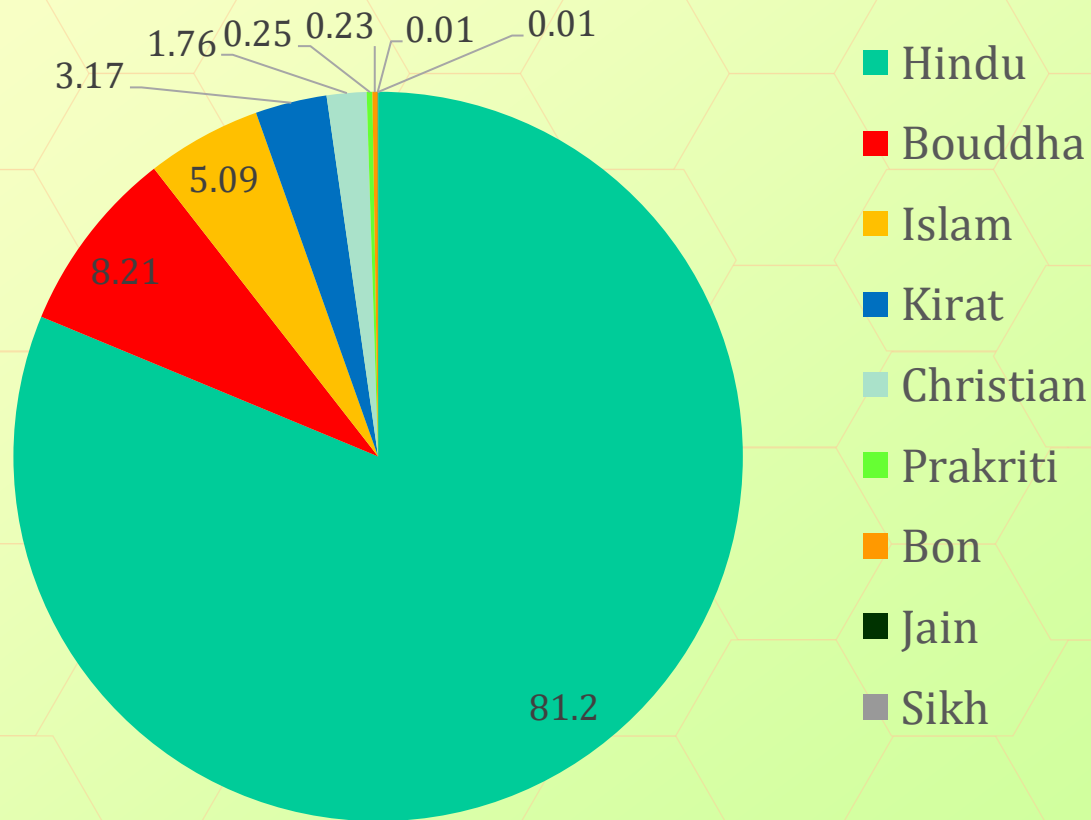
Religious affiliation (2011)

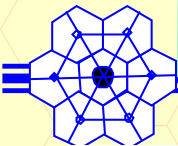


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Social Structure

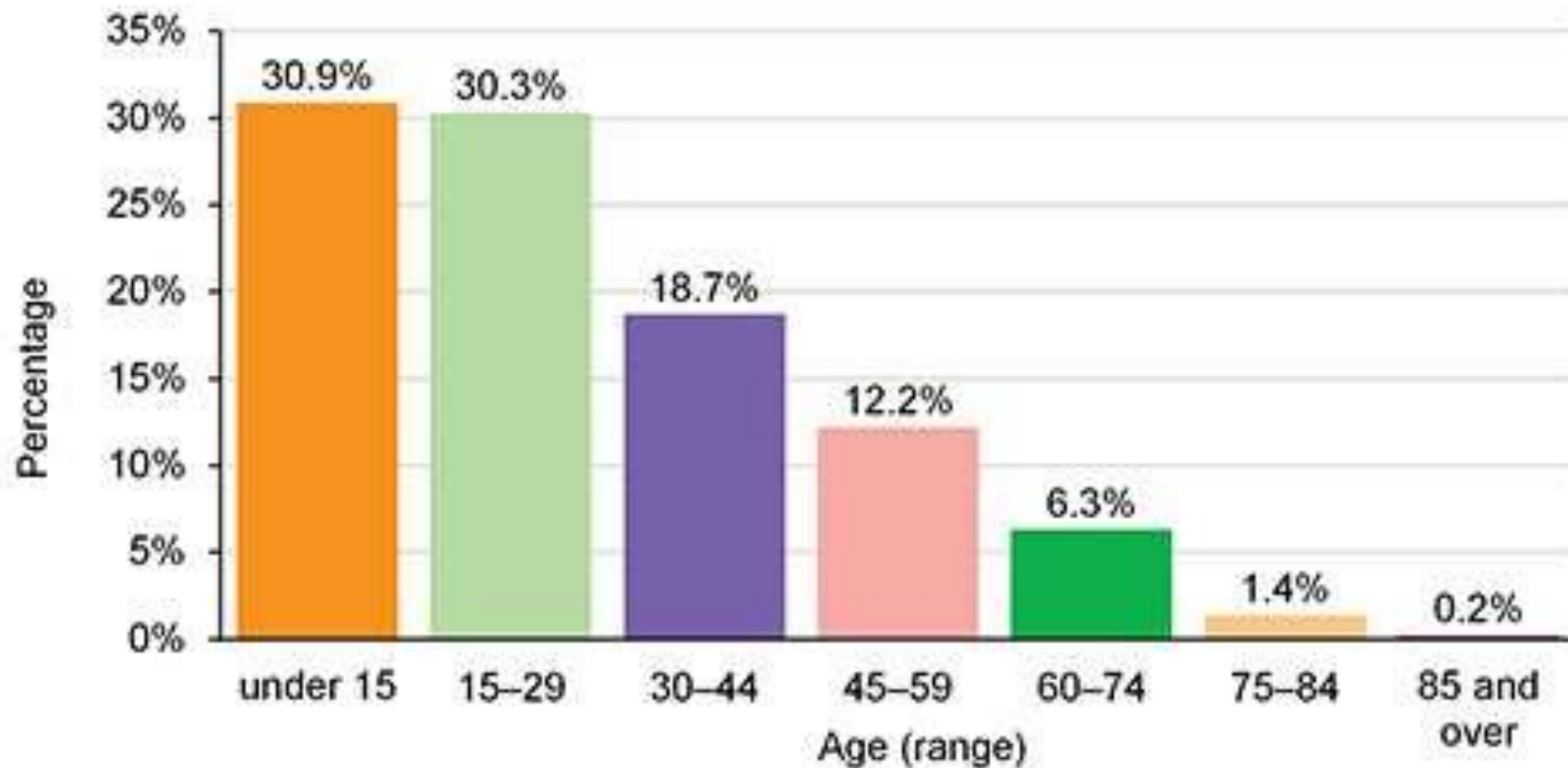
Religious affiliation, 2021



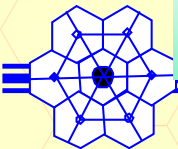


Social Structure

Nepal age breakdown (2016)

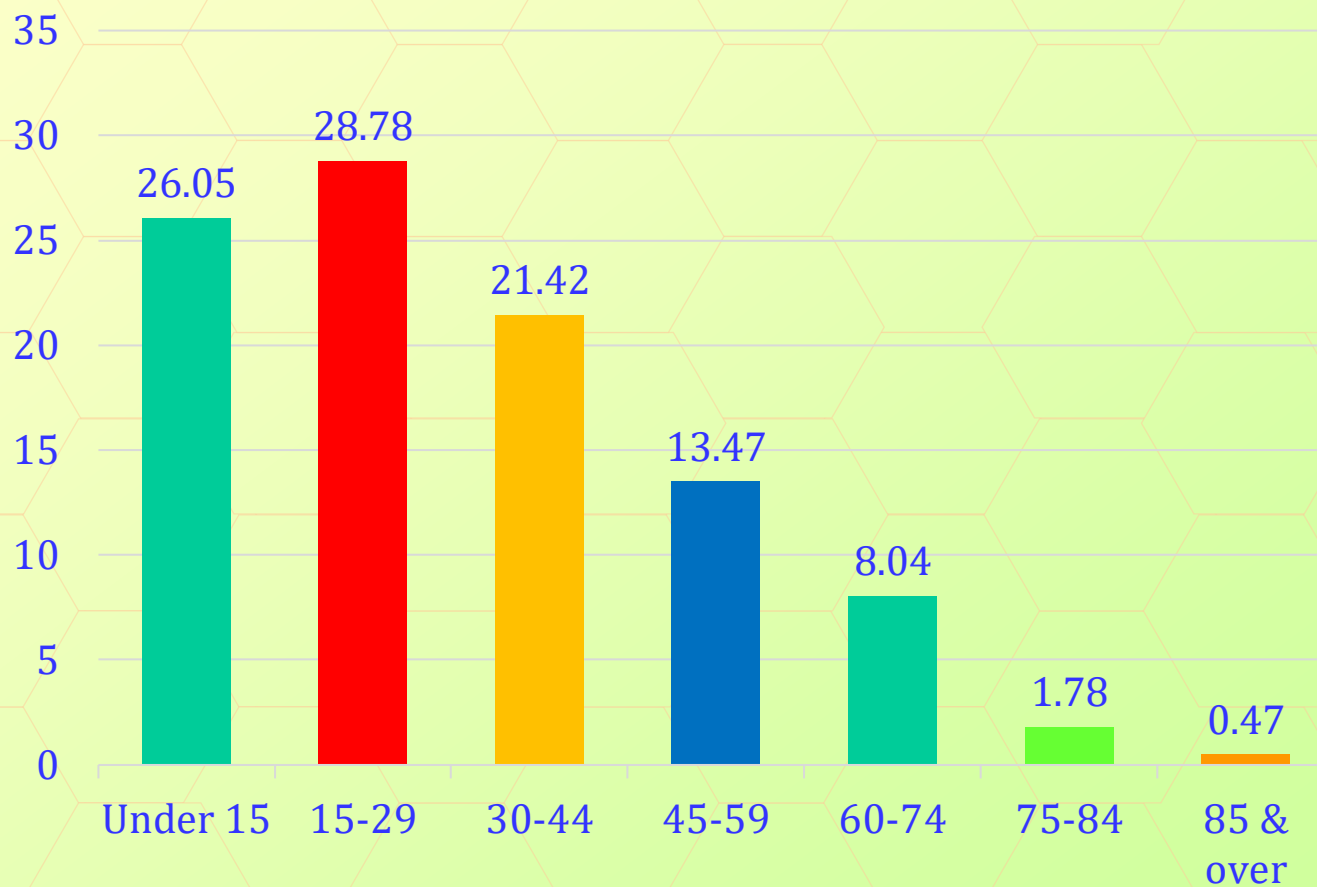


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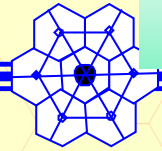


Social Structure

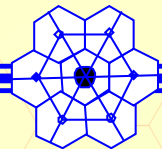
Age structure (broad group), 2021



Social Engineering and Social Inclusion

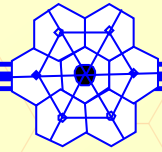


- **Reservation**
- **Positive discrimination**
- **Gender equality and social inclusion (GESI)**
- **Language: National language policy, multi-lingual working policy**
- **No discrimination on the basis of castes**
- **Wide coverage of social security (Empowering the feeble, left behind, marginalized, endangered communities, remote areas, socially discriminated so far)**



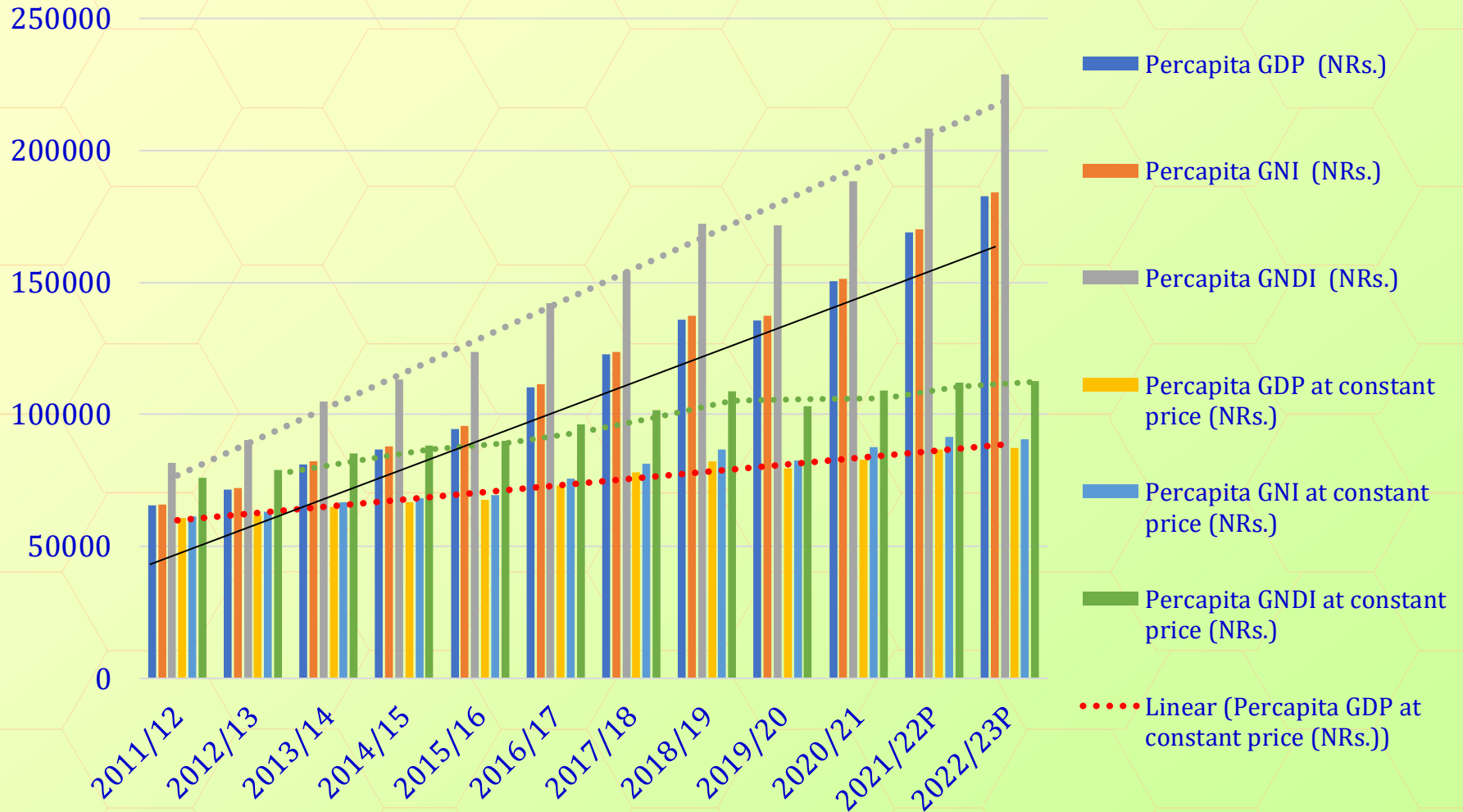
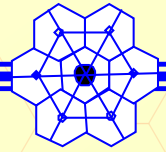
Economic Situation in Nepal

Facts & Figures on National Economic Situation

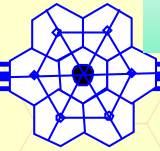


- Nominal GDP: NRP 5381.3 billion (Oct 2023)
- Real GDP at Producers' Price (Base Year : 2000/01 = 100): Rs 2674148
- Real GDP at Basic Price (Base Year : 2000/01 = 100): Rs 791144
- Nominal Per Capita GDP (USD): 1399
- GDP growth rate: **1.9 %** (declining from previous 2 years)
- Annual National Consumer Price Index (Base: 2014/15 = 100): **6.8**
- Remittance growth:
- Foreign direct investment:
- Import-based economy

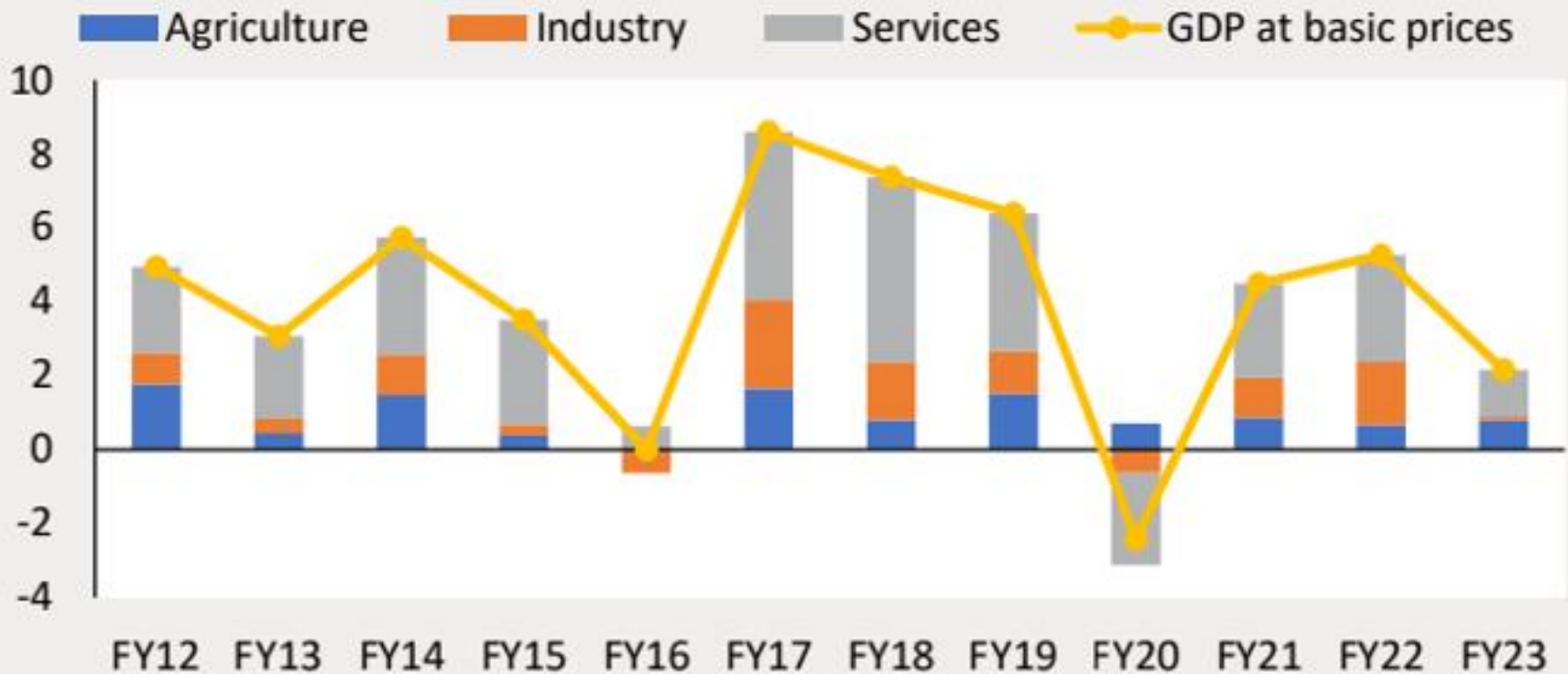
Facts & Figures on National Economic Situation



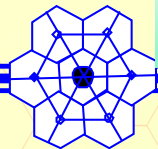
Facts & Figures on National Economic Situation



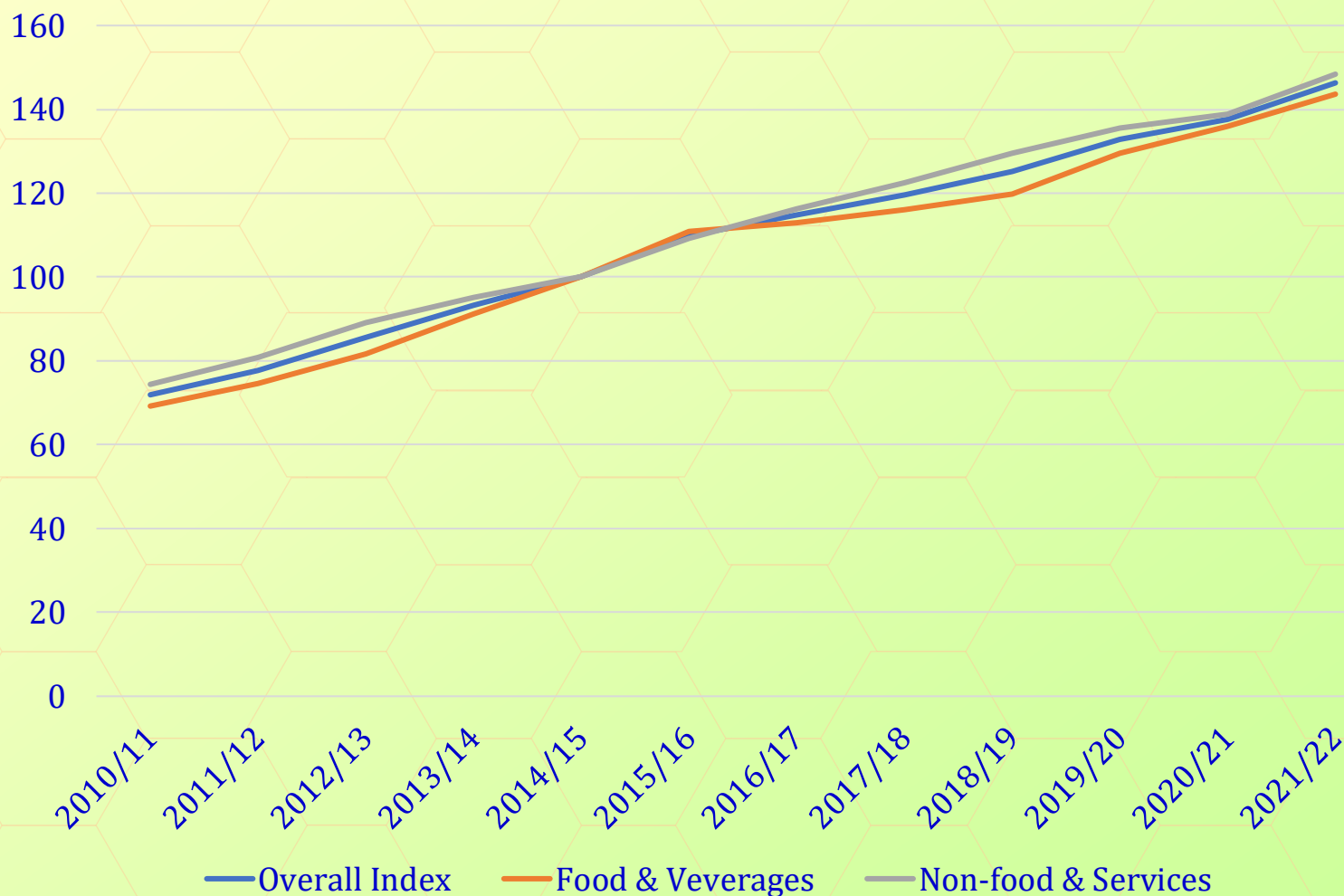
(contribution to real GDP growth, percentage points)



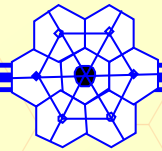
Facts & Figures on National Economic Situation



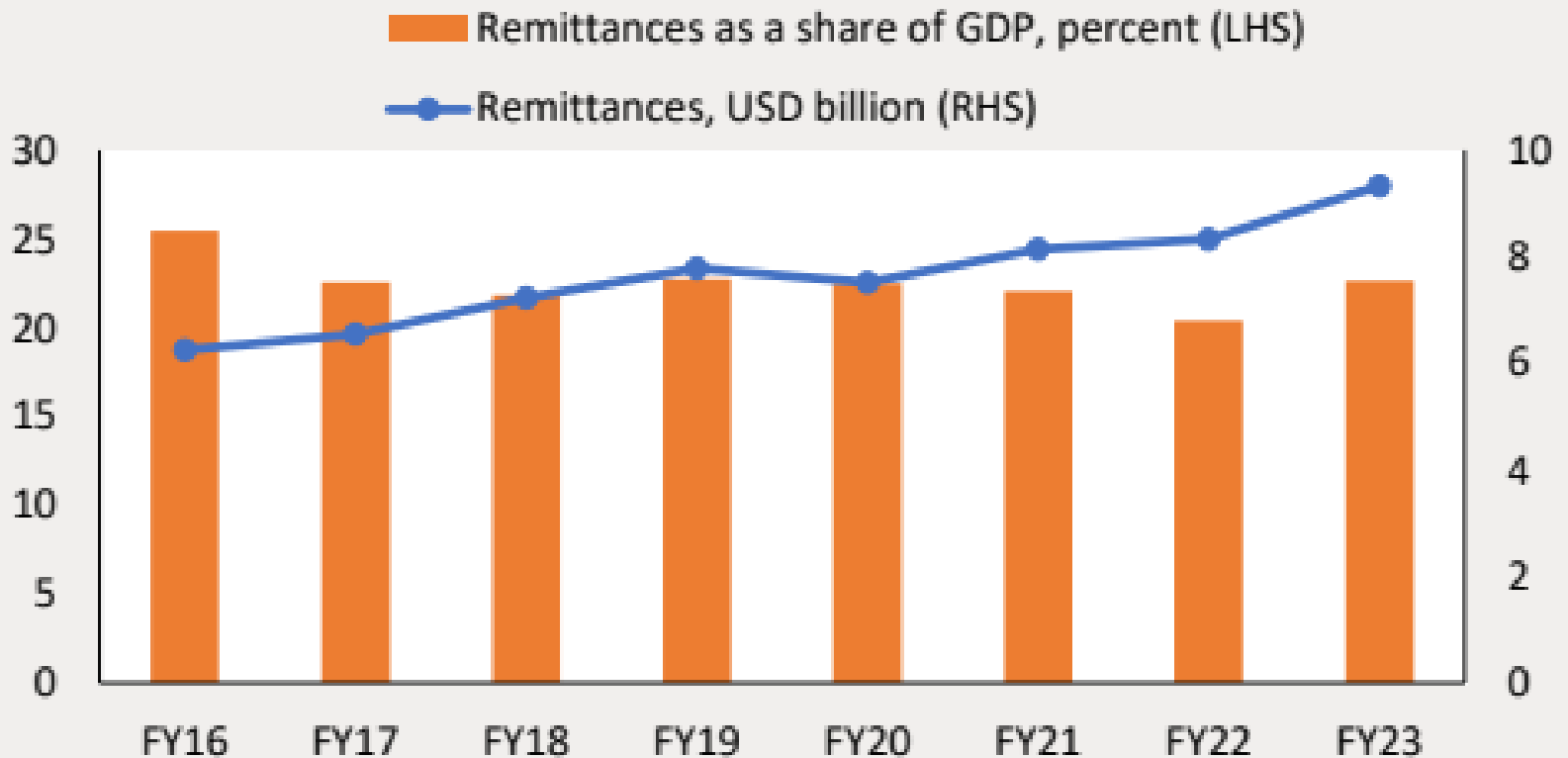
Annual National Consumer Price Index



Facts & Figures on National Economic Situation

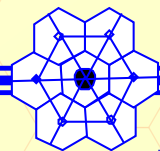


Remittance flow and as a share of GDP and



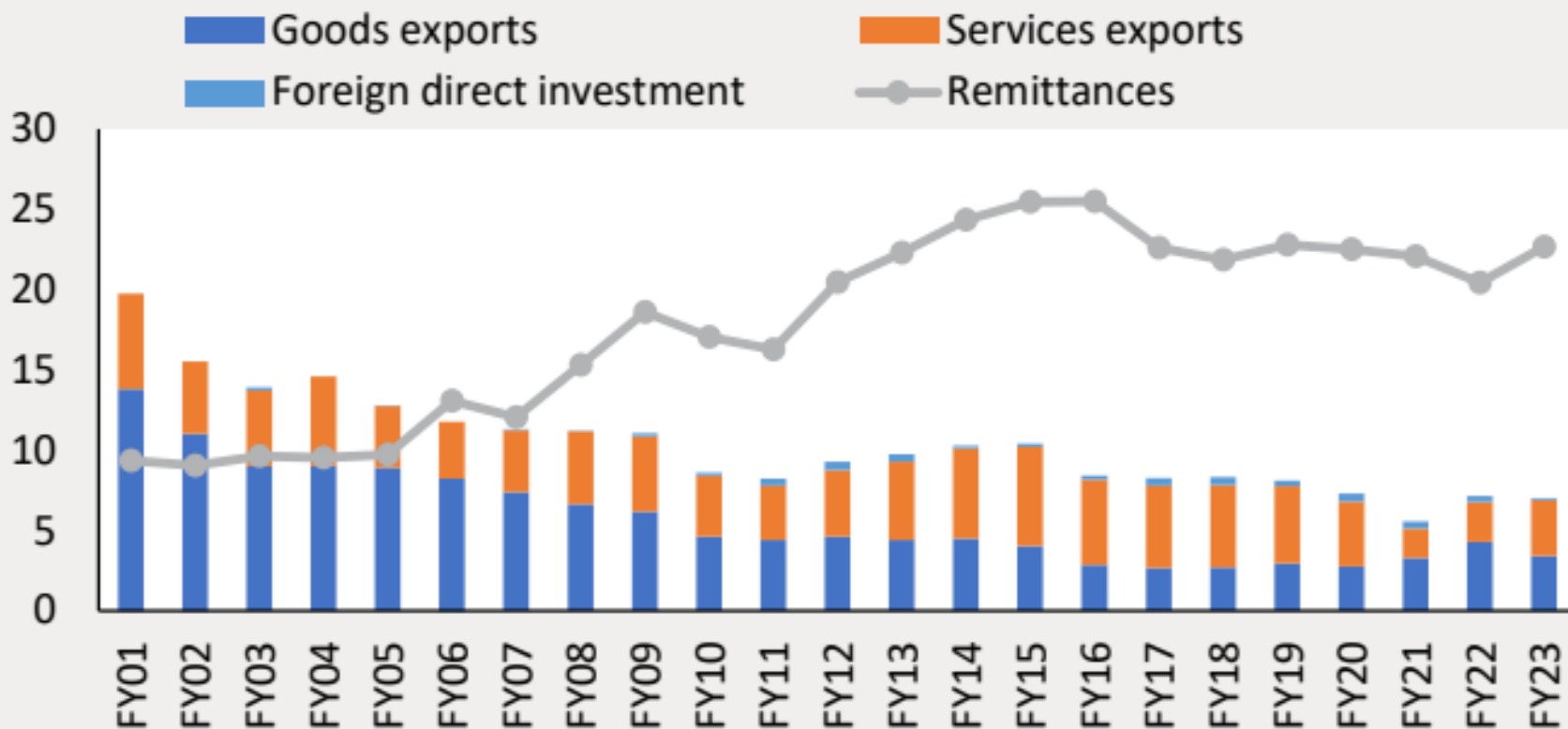
Sources. Nepal Rastra Bank and World Bank Staff calculations.

Facts & Figures on National Economic Situation



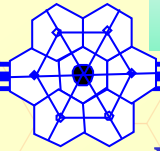
Nepal's sources of foreign exchange earnings

(as a share of GDP, percent)

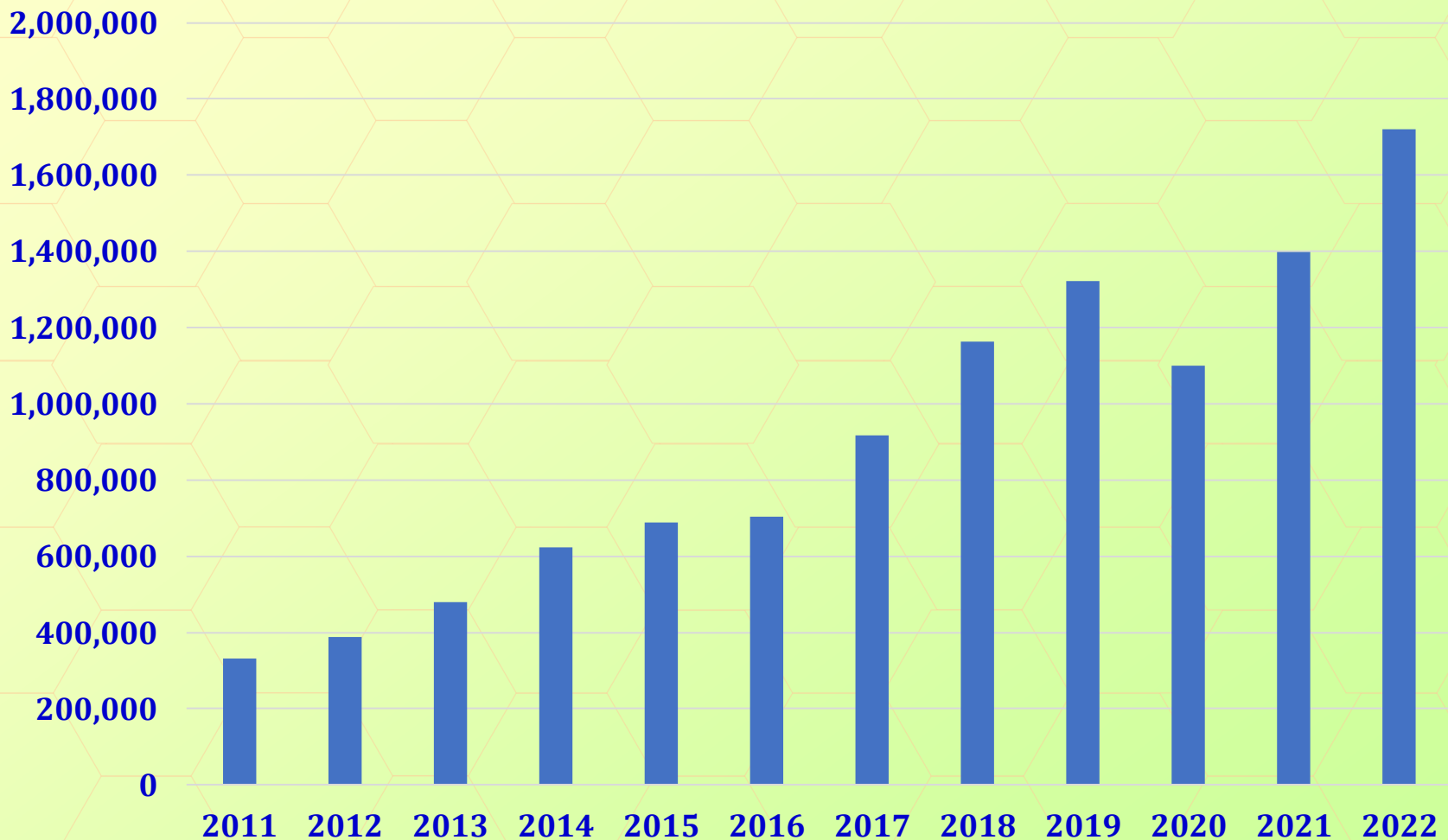


Source: The World Bank, 2023, p. 38

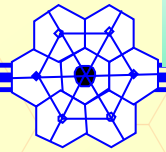
Facts & Figures on National Economic Situation



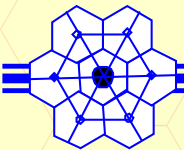
Nepal's trade deficit (2011-2022)



Facts & Figures on National Economic Situation



- **Trade deficit: \$10.9 billion equivalent to 37.7% of GDP rising from 33.9% in FY2017**
- **Foreign currency deposit: Rs 1039920 million (less than 8 months purchasing worth) – declined**
- **Growth on tourism arrival: 23.9 % and No. of tourists: 1,238,589**
- **Global Competitiveness Rank: 109 (of 140 countries)**
- **Corruption Rank: 124 (of 154 countries)**



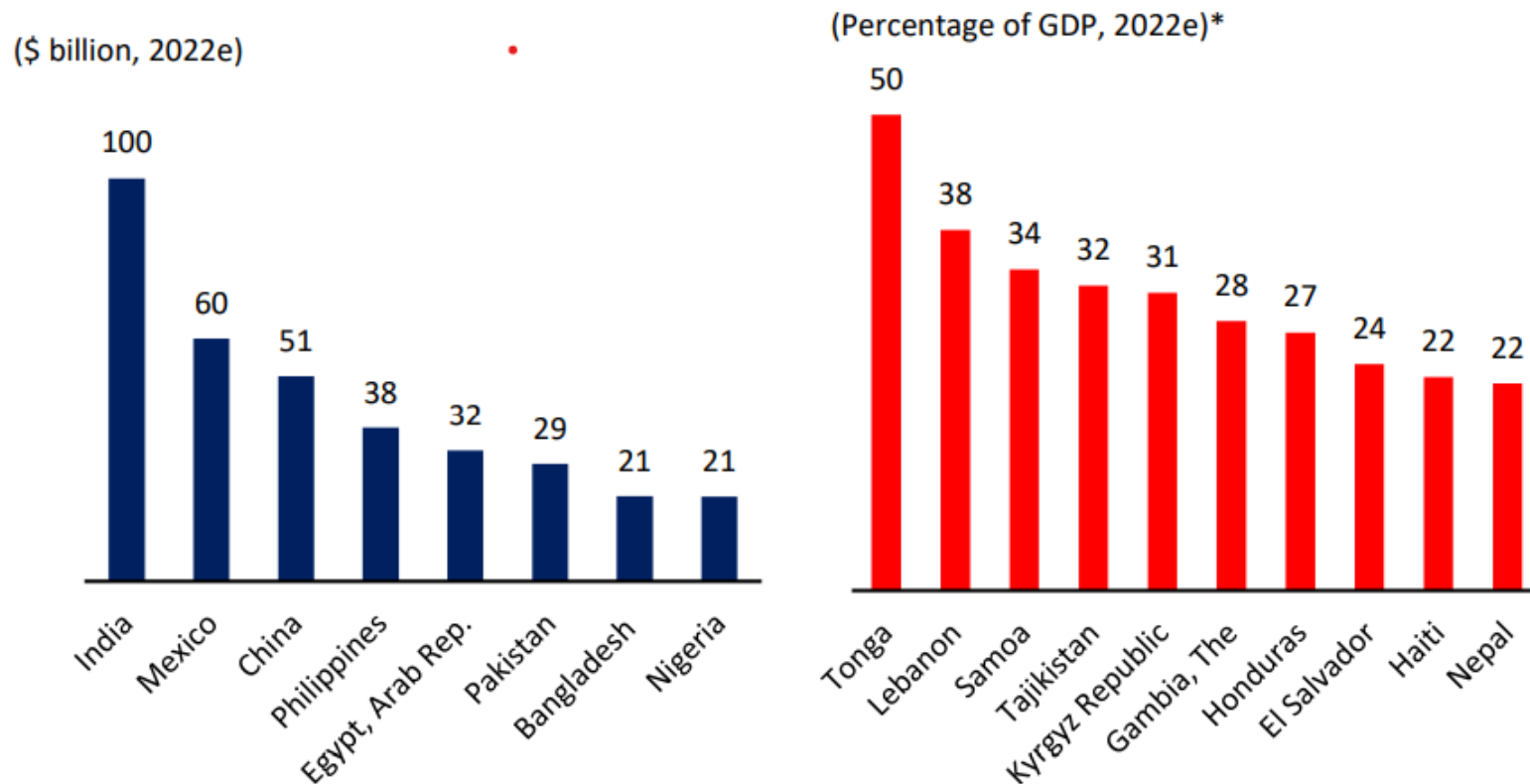
Economic Characteristics & Features

National economic characteristics :

- Still Least Developed Country (LDC)
- Mixed economy & Tri-pillar economic policy
 - Government, the Private Sector, Cooperative
- Government's policy to control economy
- Remittance based economy
- Import-based economy
 - The total value of exports (FOB) is US\$ 1,666 million.
 - The total value of imports (CIF) is US\$ 15,830 million.
 - At the HS6 digit level, 764 products are exported to 126 countries and 4,137 products are imported from 170 countries.

Economic Characteristics & Features

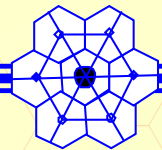
Figure 1.2 Top Recipients of Remittances among Low- and Middle-Income Countries, 2022e



Source: KNOMAD/World Bank staff.

Note: GDP = gross domestic product; e = estimate.

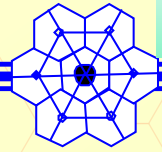
*South Sudan is excluded due to data validity.



Economic Characteristics & Features

National economic characteristics (*continued*):

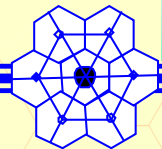
- Very poor industrial base
- Gradually increasing service based economy
- Low level of infrastructure (poor transport, power shortage)
- Gradually widening the trade deficit
- Middle size area and population
- Relatively young population
 - Motivation to go abroad
- Landlocked, cannot get the benefit of trade facilitation
- Subsistence based
- Rural economy not connected with mainstream economy
- Lacking innovation and entrepreneurship



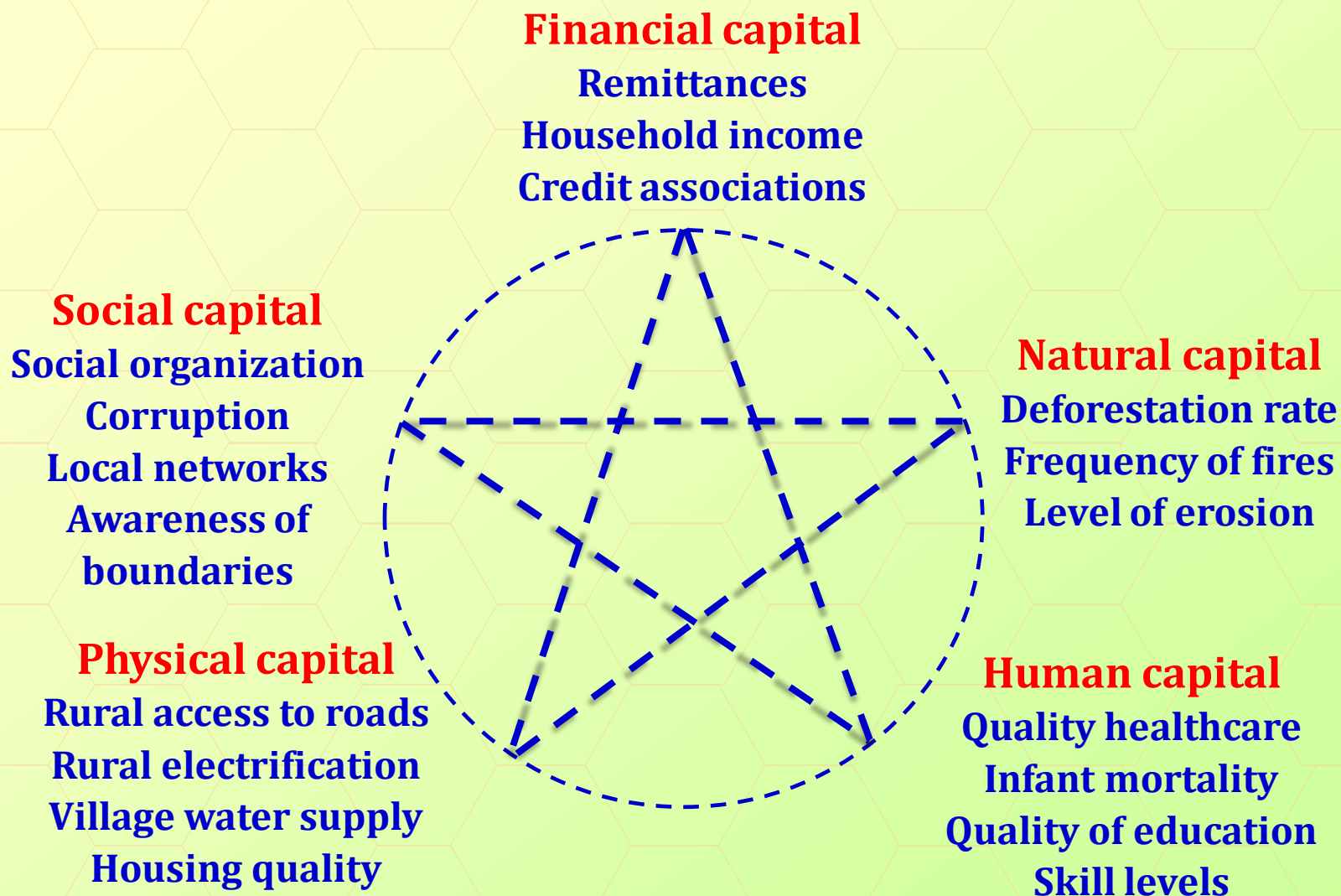
Economic Characteristics & Features

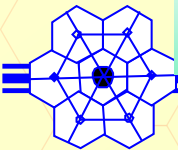
Resources :

- High depletion of forest resources
- Poor mineral resources
- High potential of water resources
- High potential, but low availability of human resources
- Very low level of national saving
- Very low FDI <https://unctad.org/publication/world-investment-report-2023>



Assessing the capital environment

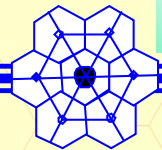




Economic Characteristics & Features

Agriculture and Forestry:

- Subsistence
- Lack of all four dimensions of agriculture: modernization, commercialization, diversification, and specialization
- Low value products
- No properly functional marketing channel
- Declining food security
- Agricultural demand exceed supply
- No interest of the youths in agricultural activities
- No diffusion of agricultural innovations
- Poor exploration on the utilization of forest
- Confusing and repressive economic land use policy

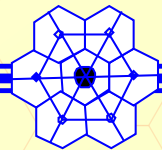


Economic Characteristics & Features

Industry and Trade :

- Low level of industrial development
- No particular policy and plans for MSEs
- Low value products
- No clear direction to value added production system
- No good market channeling

- Concentrated trade to the neighboring countries and no trade diversification
- Unclear policy for the management of globalization
- No initiation for functional localization

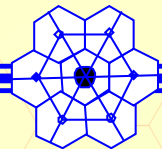


Economic Characteristics & Features

Tourism :

- Major source of national product
- High prospects on special tourism (but low absorbing capacity)
- No tourist oriented products
- Low number of visitors
- Poor quality of visitors

- High prospects
- Increasing trend



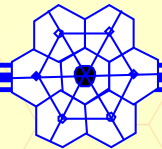
Economic Characteristics & Features

Tourism :

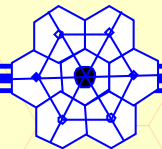


Nepal Tourism Decade 2023-2033

Economic Policy and Propagandas

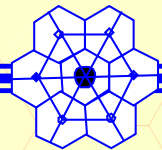


- Land redistribution: *Political propaganda for ever*
- Agrarian reform: *Never in agenda*
- Agricultural transformation: *Talking agenda*
- Labour rights
- Slogan of the 15th plan: *Prosperous Nepal Happy Nepali*
- Smart cities and villages (Election slogan)
- Extension of modern social services in all major localities (Poor implementation)
- Youth self-employment (Always political propaganda)
- Sectoral special policies & strategies (Prepared without any comprehensive study)
- 100 days work on demand (Yet to be seen)
- Unemployment benefits (Impact on national economy)
- Priority sector and deprived sector investment (Cosmetic policy)



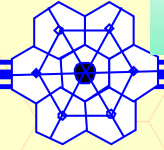
Slogans at the current FY (2023/24)

Sector	Slogan
Production, Employment and Innovation	Basis of a self-reliant economy: Production and Employment at Home
	Make in Nepal' and 'Made in Nepal
Transformation of the Agricultural Sector	'Production in Place, Subsidy in Hand
	Let's be proud of Indigenous
	Technical services on spot, support to production
Land Management and Cooperatives	Good Governance in Land Administration
Industrial Development	Production and Employment: Basis of Prosperity
Labour and Employment	Respect of Labour, Nation's Campaign
	Rest of the Life in homeland
Tourism <i>"Atithi Devo Bhava"</i>	Visit Nepal, Know Nepal
Basic health services	"Quality Health Care: Citizens' Right
Social security	social security from womb to tomb
Irrigation	Investment in Irrigation, Water in Farms



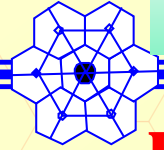
Development Efforts in Nepal (Major Development Approaches)

Development efforts



Expected Outcomes of Development by general public

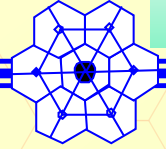
- good schooling facilities to their children;
- good health facilities;
- basic infrastructure of roads, electricity and irrigation;
- Basic services of power supply, transport and communications;
- a gainful employment and regular source of income;
- affordable and easy access to consumer goods;
- a decent lifestyle;
- a social status of equality/equity; and
- faith on the government



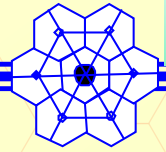
Perceived national strength by development agents

- Nepal houses an abundant accumulation of wealth;
- It has vast potential for development;
- Development agents expected a fully capable and enthusiast human resources;
- Development agents entrusted to their unique and rich culture and history;
- Development agents assumed, democracy and good governance, peace and tranquility; and
- Development agents visualized that the national governments can transfer the expectations to reality

My Approach to Development

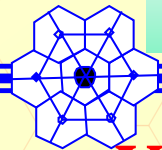


- (i) increasing knowledge* on living, working, socializing and governing;
 - (ii) increasing material possession*, i.e. increasing wealth for raising the standard of living, working, socializing and governing;
 - (iii) increasing production and productivity* by increasing the status of work, i.e. removing drudgery and bringing easiness at work by improving methods and technologies;
 - (iv) raising social status*; and
 - (v) attaining peace, freedom and liberty*,
- And maintaining these achievements without any cost for the future.



The Policy Regime

- Macroeconomic policies
- Sectoral development policy
- Regional development policy
- Infrastructure development policy
- Rural and agricultural development policies
- Industrialization policy
- Interrelated/Crosscutting development policies
- Poverty alleviation, peace and good governance
- Inclusive development

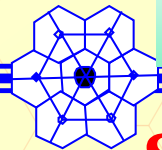


Village Development Approach

In 1952 “**Village swaraj**” literally meaning village self-governance or the ***village republics*** of Mahatma Gandhi, which incorporated rural development components of democratic participation, decentralization, empowerment, use of appropriate technology, conservation, education, health, and sanitation, among others.

Implementation of the approach: Jointly initiated and sponsored by India and the USAID under a US Point Four Programme. It was designed for almost all aspects of village community with three consecutive stages:

- (i) the nucleus village development;
- (ii) the dehat rural development; and
- (iii) the intensive village development.

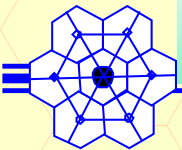


Nepal's Planning Efforts

Sectoral Approach

Nepal adopted as most developing countries adopted a sectoral approach to development with the following major sectors.

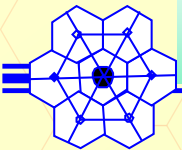
- Agriculture
- Industry
- Transport
- Forest
- Tourism



Nepal's Planning Efforts

Thematic Approaches

- Integrated development (rural) strategy
- Special programmes during the 1980's and 1990's
- Human Development Approach with HDI since 1990's
- Millennium Development Goals (MDGs) of the new millennium (2000-2015)
- PRSP (Poverty Reduction Strategy Paper)
- Sustain Development Goals (SDGs) (2016-2030)



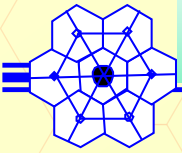
Nepal's Planning Efforts

Regional Approach

Nepal adopted the growth pole model of regional development since the fourth plan period (1970-1975), with the following five objectives.

- i. Reducing interregional disparities;
- ii. Integration of the national economy;
- iii. Breaking the vicious circle of poverty;
- iv. Elimination of imbalances among projects; and
- v. Analysis of the regional economic structure (National Planning Commission 1972).

The country divided into four development regions, earlier and reorganized into five in 1975

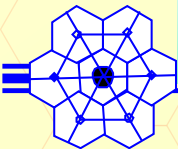


Nepal's Planning Efforts

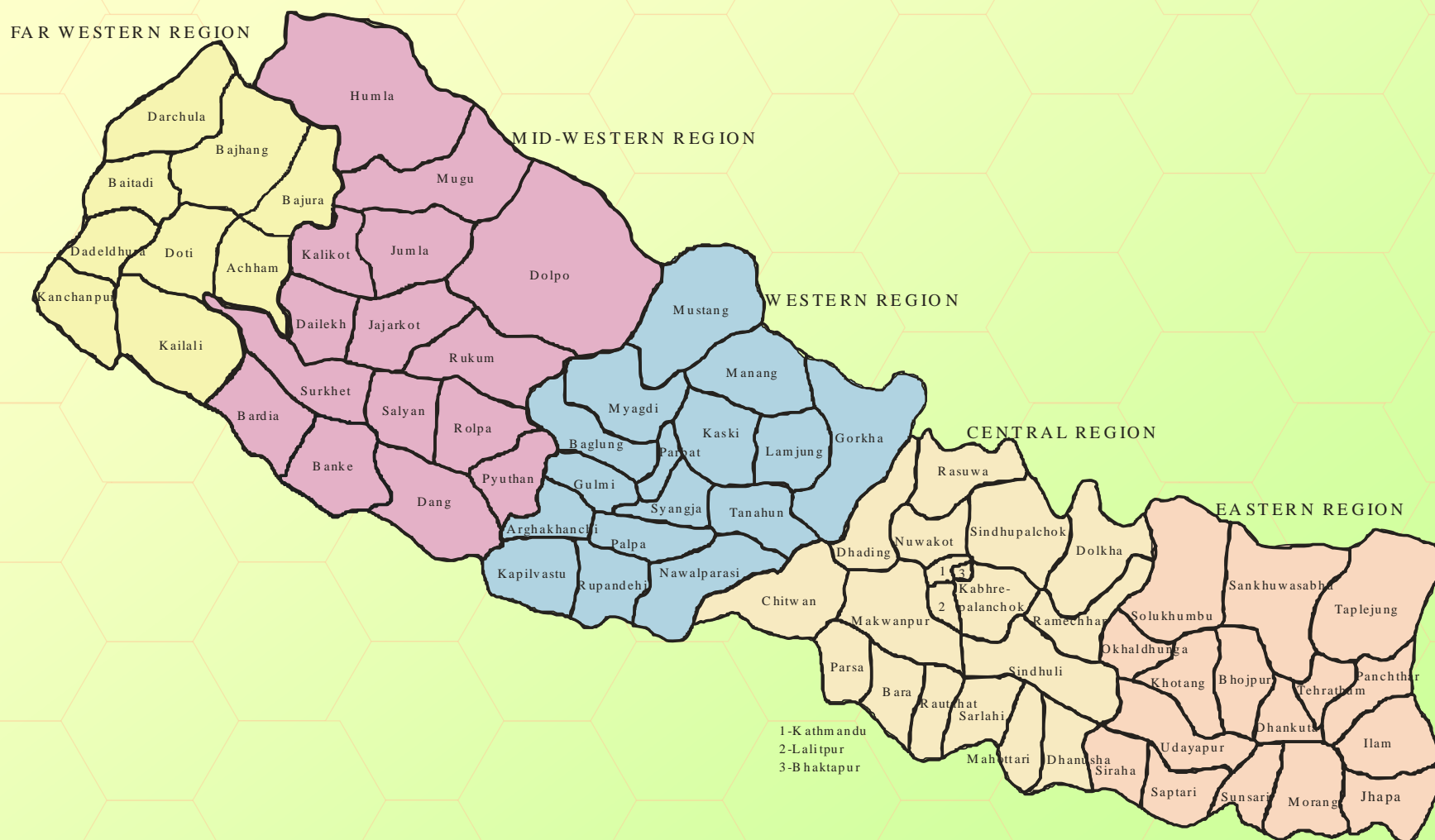
Regional Approach

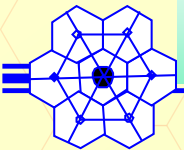
Still the regional policy initiatives and implementation mechanism should be continued with the following seven major thrusts (Gurung, 2006):

- i) spatial reorientation,
- ii) land use planning,
- iii) transport access,
- iv) industrial location,
- v) urban system,
- vi) decentralization and
- vii) organizational change.



Nepal's Planning Efforts





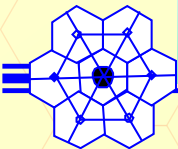
Nepal's Planning Efforts

Regional Approach

Each region incorporates the three longitudinal distinct physiographic divisions of Nepal, i.e.

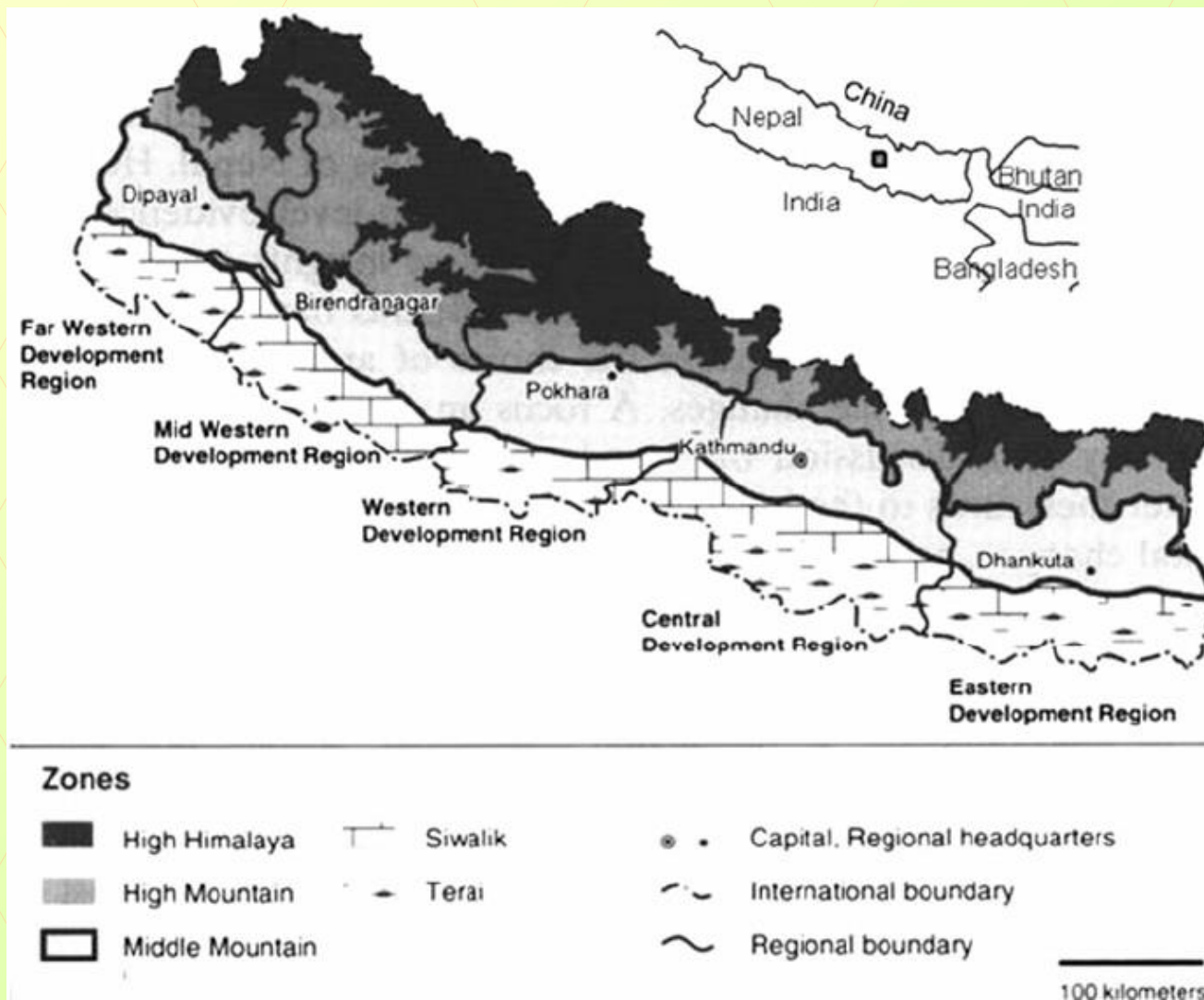
- (i) mountains zone in the north,
- (ii) hills and intermittent river valleys zone in the middle, and
- (iii) plains in the south.

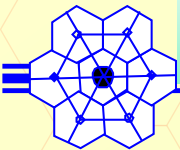
Growth poles, growth centres, corridors, transport network, including the mid-mountain road network, Hulaki highway, and strategic road network



Nepal's Planning Efforts

Regional Approach: Ecological zones





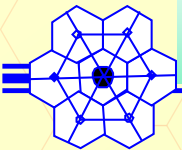
Nepal's Planning Efforts

Agricultural and Rural Development

- Land reform (vested interest with land redistribution)
- The Green Revolution (lost in paradise)
- Sustainable Agricultural Development Programme (SADP)

This programme had seven major objectives, namely

- (i) intensive development of arable horticultural and livestock farming;
- (ii) improved transport facilities;
- (iii) afforestation and soil conservation;
- (iv) minor irrigation projects and water management;
- (v) improved social services; and
- (vi) development of cottage industries and other non-agricultural activities



Nepal's Planning Efforts

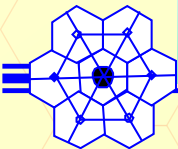
The Federal Approach

Three tier national structure and so is the spatial organization

- Federal structure
- Provincial structure: Seven Provinces
- Local level structure: 753

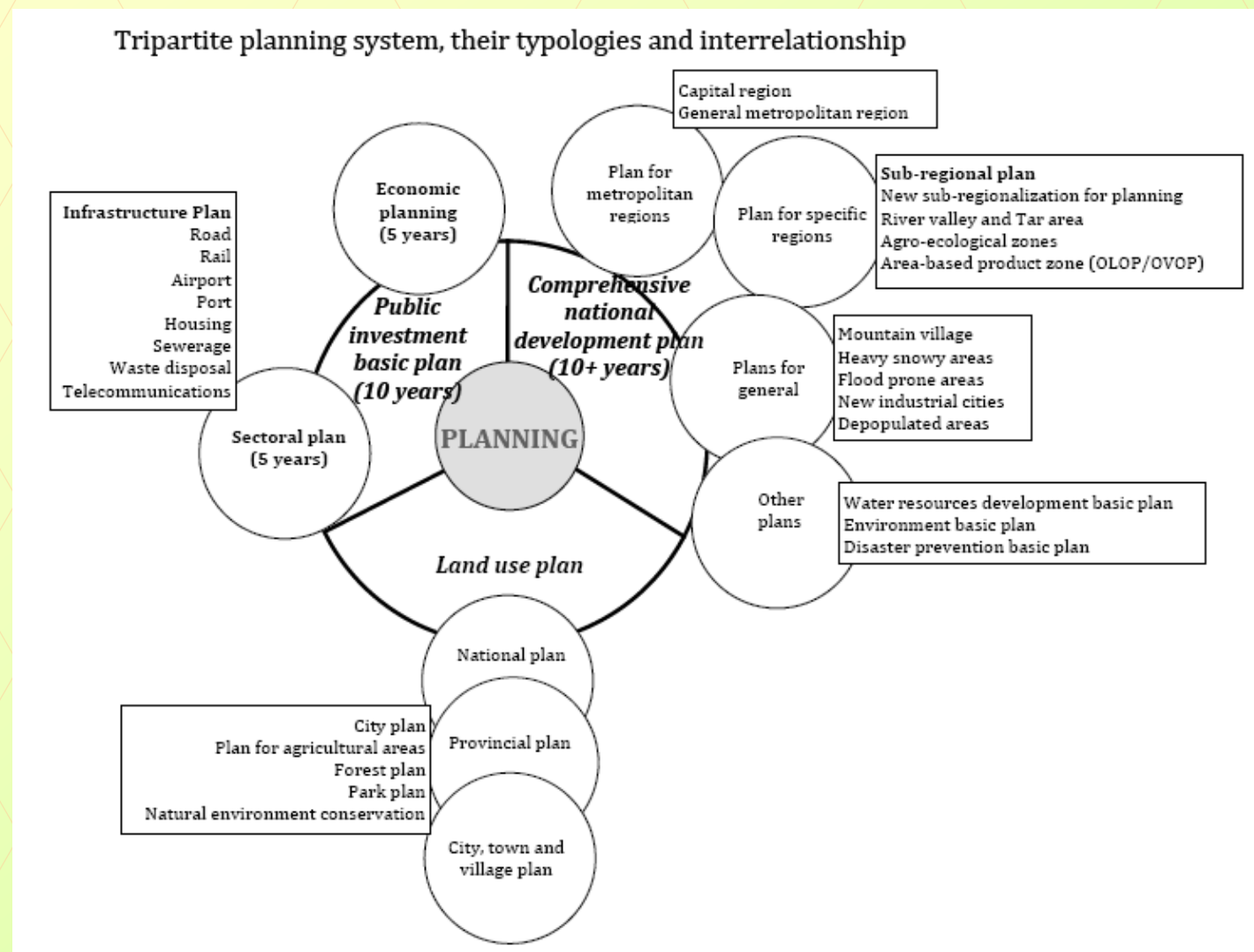
Salient features and major characteristics at local level:

- Inclusive development
- Agricultural development
- Industrial development
- Social development (Schooling, health facilities)
- Smart and environmental friendly human settlements
- Social security coverage

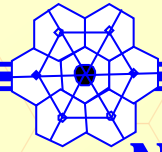


Nepal's Planning Efforts

Missing comprehensive planning approach



Address to poverty and vulnerability among W&C



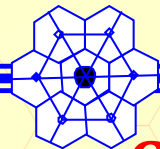
Nepal Multidimensional Poverty Index, 2021

TABLE 3.1: Incidence (H), Intensity (A) and Multidimensional Poverty Index (MPI), Nepal 2019

Poverty Cut-off (k)	Index	Value	Confidence Interval (95%)		Number of Poor	Total Population
					(Millions)	
k value=33%	MPI	0.074	0.067	0.082	4.98	28.61
	Headcount ratio (H, %)	17.4	15.8	19.1		
	Intensity (A, %)	42.5	41.8	43.2		

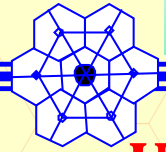
Source: Calculations based on data from NMICS 2019. Population figures from UNDESA (2021). Own calculations based on MPI results and population projection from 2019. This was computed by multiplying the headcount by population of 2019 and rounding to the nearest thousand.

Women and Children Service Centre – working for them with offices at district level to work for Gender Equality and Empowerment of Women.



Critical provisions for providing opportunities and protection from poverty and vulnerability

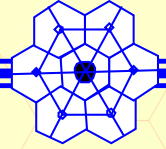
- Reservations in politics, government scholarships, government jobs
- Positive discrimination
- Gender equality and social inclusion (GESI)
- Wide coverage of social security (Empowering the feeble, left behind, marginalized, endangered communities, remote areas, socially discriminated so far) – mostly women and children are benefitted.
- SAIVAC (South Asia Initiative for the Violence Against Children)
- More girls remain in schools than boys – enrollment and dropout
- Women, Business and the Law index, 2022–Nepal in top at SA
- <https://tkpo.st/3Mgl404>



Unfinished business towards overcoming poverty and vulnerability among women and children

Violence against women and girls: a challenge for sustainable human development

- Choice of boy over girl and girl fetus abortion
- Resistance to send girls to school/better schools
- Choice of girls at technical education
- Teenage marriage and pregnancy
- Woman and child trafficking
- Women's reproductive rights
- Women's participation in training – easy first
- Choice for women at job
- Choice for women at politics and decision making
- Implementation of equal property rights



THANK YOU FOR YOUR ATTENTION

Discussion
Question & Answer