TERM PAPER

Key Development Challenges For Nepal

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**INTRODUCTION**

**Development is the process that creates growth, progress, positive change or the addition of physical, environmental, social and demographic components. Nepal is one of the least developed countries in the world. Nepal has been known as one of the poorest countries in the world. Nepal is growing but in a very slow pace due to various reasons. Although being very rich in natural resources still Nepal isn’t able to fully utilize those resources. Nepal totally is a traditional society still most people are engaged in agriculture. Nepal doesn’t have much of big industries due to lack of infrastructures, lack of market, capital deficiency. Corruption is also a huge problem in Nepal. Land structures and geography has also been the major barrier in infrastructure development of Nepal. The gap between rich and poor is being hugely stretched. Political instability is one of the problems in Nepal. Nepal’s development is characterized by low incomes, unemployment, growing dependency on foreign aid. Development has multiple dimensions it not only differs from society to society it also differs from individual to individual.**

**Development is a great issue and challenge for the people living in third world countries. Nepal has done very little improvement in physical, environmental, social and demographic components.**

**BODY**

Nepal has been known as one of the poorest countries in the world. 18.7% of people living below the absolute poverty line while the multidimensional poverty index is reported to be 28.6%. Nepal ranks 147th among 189 countries with a Human Development Index of 0.579 in the year 2019 which shows the critical condition of the population residing in Nepal.  Low income, illiteracy, dependency on agriculture, lack of proper knowledge, lack of employment opportunities can be listed as the main causes of poverty. According to Economic Survey 2076/77, the per capita income of Nepal is $1085 i.e. Rs 1,26,018(Dhakal,2019). Nepal is ranked 165th among 189 countries in terms of per capita income by World Bank for the year 2019 which illustrates the pathetic situation the country has been facing. The PCI of the USA & Maldives in 2019 is roughly 62 times and 10 times that of Nepal, Maldives being at the top of the chart among the SAARC nations. However, 15th plan has aimed for the decrease in people living under the poverty line and multidimensional poverty index to 11% and 13% respectively.

Nepal's trade imbalance has been a major issue in the country's economic development. The trend of trade imbalance has revealed Nepal's reliance on foreign countries. According to the economic survey 2076/77, imports (924.24 billion) outnumber exports (74.91 billion) by 12.3 times, resulting in a massive trade deficit of 849.33 billion. Around 62 percent of overall commerce is conducted with India alone, demonstrating Nepal's heavy reliance on India, whereas 14.8 percent of trade is conducted with China. Furthermore, Nepal is reliant on foreign countries for development assistance. Nepal is open to investment from 92 nations around the world. Nepal's entire budget for the current fiscal year is 1474.64 billion dollars, with grants accounting for nearly 40% of the budget (60.52 billion) & loans(524.5 billion).(Dhakal,2019) This approach of forming capital has also been an economic burden for the nation.

Transportation, power, communication, and other physical infrastructures are the backbone of the national economy. The country's national economy will benefit from improved physical infrastructure. However, being a developing country, Nepal still has a long way to go in terms of achieving the greatest physical infrastructure. Despite the fact that metropolitan areas have access to all of these infrastructures, rural areas are yet to be brought into the idea of new infrastructures over orthodox or conventional ones. After the 14th plan was completed, 88 percent of people had access to electricity, with the remaining 12 percent living in darkness. Only 9% of individuals have access to clean drinking water, while the remaining 11% must walk for hours to obtain a pail of water. Only roughly 66 percent of individuals utilize the internet and are aware of current events and new technologies.

Unemployment is one of the most significant impediments to the country's progress. The unemployment rate was 11.4 percent as of the 14th plan's completion. According to the Nepal Labor Survey 2017/18, roughly 908 thousand Nepalese were actively looking for work. Almost one-third of individuals looking for job were in long-term unemployment, meaning they had been unemployed for at least a year. As a result of the widespread unemployment, there has been a brain drain. A large-scale exodus of Nepal's highly educated, competent, and brilliant people to highly rich and prosperous countries has occurred during the last decade. The personnel isn't provided any training and isn't properly supervised. As a result, people prefer to earn a living in other countries. In fiscal year 2076/77, 4.8 million people emigrated for work in nations such as Qatar, Malaysia, Saudi Arabia, the United Arab Emirates, Kuwait, and others. They were skilled in 1.5 percent, semi-skilled in 24 percent, and unskilled in 74.5 percent(Dhakal,2019) If this continues to happen, Nepal will face a lot of trouble conducting development activities due to a shortage of manpower.

The biggest development challenge in Nepal is the country's economy's fixed reliance on agriculture. According to the economic survey 2076/77, agriculture employs 60.4 percent of the people, or more than half of the population, yet its contribution to the country's GDP is just 27.08 percent. This demonstrates that, despite the fact that more than half of the population works in fields raising food and vegetation, the economy has not reaped significant benefits. As a result, it is easy to conclude that the majority of those working in this industry are impoverished and have a difficult existence. While the rest of the world advances agricultural technology, Nepal continues to use antiquated or outdated farming practices. Even farmers are unable to obtain the necessary quantities of fertilizers and seeds. Furthermore, irrigation is only available on 56 percent of agricultural land, or 14,79,000 hectares, or 17.97 percent of total area (26,41,000 hectares). Only 33% of the land is watered continuously throughout the year(Dhakal,2019). While irrigation is required to support agriculture, not all agricultural land is irrigated. England's history demonstrates how the agricultural revolution paved the way for the industrial revolution. Keeping such information in mind, Nepal should take initiatives to develop the agricultural sector's economy.

To save time, money, and increase work efficiency, the world is moving toward more sophisticated technologies and their advancement. In Nepal, bad technology has become a limitation to development efforts, as it requires more time and human capital, resulting in a low value. The essential conditions for fostering new technologies are a large amount of capital and well-trained professionals. Furthermore, science and technology have received insufficient attention and are low on the government's priority list. As a result, a lack of cash and competent labor have become key roadblocks to the development of new modern technologies in Nepal.

The political situation in Nepal is one of the key reasons why the country is lagging behind in terms of development. A developed economy is the most important requirement for advancing a country toward prosperity and success. This is only conceivable if the government's plans are able to achieve their objectives and are all open to the public. However, in Nepal, the majority of plans fail to accomplish their objectives. The biggest roadblocks include a lack of political unity, favoritism, nepotism, bribery, and corruption, all of which are propelling the country towards a bleak future. In a nutshell, Nepal is governed by a corrupt and ineffective administration, which has resulted in insecurity and instability.

Despite the fact that we are in the twenty-first century and the entire globe is working to tear down the obstacles created by gender inequity, our country, Nepal, stubbornly adheres to an ancient belief system. Women who work outside the home are frowned upon in our culture. Women make up 54.54 percent of the Nepalese population, hence disregarding more than half of the population in development projects is a mistake. According to the Nepal Labor Force Survey 2017-18, there are 125 females in the working-age population for every 100 males, but only 59 females are employed for every 100 employed males(Dhakal,2019). This demonstrates that there is a big disparity in Nepalese society, which is one of the causes for the country's lag.

The availability of high-quality natural resources is a prized boon for any country's economic progress. Nepal is abundant in natural resources such as water, minerals, mountains, and forests. With almost 6000 rivers, rivulets, and tributaries, it is the world's second-richest country in terms of inland water resources. . Hydropower has a theoretical capacity of roughly 83000 MW, however only 44000 MW is technically viable. Despite its enormous potential, Nepal has only been able to produce 1233 MW of hydroelectricity since fiscal year 2076/77, accounting for only 2.8 percent of the technically feasible output. According to the 14th plan, annual hydroelectricity usage is 198 kWh per person on average, which is quite low when compared to other countries' power consumption(Dhakal,2019). The consumption of energy reveals the country's development pattern in an indirect way.

Limestone, talc, clay red, granite, marble, gold, coal, iron magnesite, cobalt, pyrite, and other metallic and non-metallic minerals thrive in Nepal's favorable topography. Despite the fact that several minerals are available, there has yet to be considerable exploration. Despite its availability, the contribution of this sector to the Nepalese economy is only 0.55 percent, which is extremely low. Forests encompass 44.74 percent of Nepal's area, providing a good source of herbs, timber, and medicinal plants, as well as helping to nurture the tourism industry, which can boost the country's economy. Unfortunately, the country is falling behind due to excessive exploitation of forests and their products.

Nepal is a mountainous country, and its harsh, uneven topography is one of the country's economic growth obstacles. It is split into three main belts: the Himalayan region in the north, the Hills in the middle, and the Terai in the south. Various terrain features may be found in the country, ranging from the world's highest peak, Mount Everest, which is 8848 meters above sea level, to the lowest point, Musharniya, which is 59 meters above sea level. Because Nepal is a landlocked country, its road transportation system is well developed, but its airlines, trains, and ropeways are still in the early stages of development.

Land characteristics such as mountains and valleys have a significant impact on the road network, its cost, and the viability of transportation projects. Highways and railways are typically hampered by grades of more than 3% and 1%, respectively (Dhakal,2019). As a result, geography can induce a convergence of routes, imposing a degree of centrality and turning an accessible place into a commercial center, which is a serious concern in today's world. Remote areas of the country face accessibility challenges for the development of infrastructure such as health posts, drinking water facilities, power, internet, and many other services due to the lack of road transportation.

The Kathmandu valley has a reputation for being one of the world's most polluted cities, and the melting Himalayan glacier will not spare Nepal from unforeseeable disaster. This is not the time to relax. We need to find a long-term, permanent solution to this problem as soon as possible. Air pollution (which kills over 30,000 people yearly), a dwindling water table, rising industrial contamination, and soil erosion all pose severe health risks in the country's capital city. (Spotlight Nepal, 2019). According to research, the Kathmandu valley is built on alluvial soil and is especially vulnerable to high-intensity earthquakes due to its location on Himalayan fault lines. It is high time government and planners start contemplating relocation of capital away from the susceptible valley.

Due to a lack of political stability and continuity, the country's economy has witnessed numerous ups and downs, with negative consequences for the country and its people. The country is reliant on government assistance, and the government is reliant on the citizens. So, if the government implements policies that benefit the people, it will be simple to steer the country in the right direction. However, since the dissolution of the old constitution in Nepal in 2006, there has been no establishment of a new constitution. Elections are held to create the country's constitution, however the first election was unsuccessful, and the country was unable to receive its constitution. The political party of anyone’s has not attempted the actual and two third voters. As a result, there is a lot of misunderstanding and mischief in the argument over moving various constitutional amendment ideas through parliament. Because the parliament's processing has been halted, the constitution and the parliament appear to have little prospect of being implemented(IMNepal,2020) . As a result, it is also one of the most important elements that has contributed to the country's underdevelopment.

As we all know, there are no consequences for teachers and leaders who conduct work that is against the law or against the nation. Because of the power, various things, such as corruption, have not been made transparent and published. So these are the poisons that are poisoning the country. To make the country poison-free, first the law must be implemented, then the crime must be prosecuted, and the offender must be punished. Education issues are equally prevalent in the rural areas. Remote education is becoming less popular by the day. The government has not established any chain to upgrade and standardize them. Furthermore, the distant region youngsters show no interest in the study because their parents exploit them as workers, do not give them time to study, and do not provide them the books and materials they require. This is also a major reason for Nepal's deteriorating educational system. Nepalese people are particularly attached to their children because of their Hindu culture, which teaches them to love their offspring. In eastern civilizations, there is a good system of loving one's own sons and relatives, but in western cultures, all of these are qualities that are useless owing to their busy lives. The customary idea of not teaching the daughter has also harmed the residents of the village and rural areas. They believe that the daughter was solely born to help with household chores such as cooking and other domestic duties. As a result, the idea of not teaching children and daughters is another problem hindering the country's progress. Because women are the backbone of a country's development, women empowerment is being used and disseminated. There are many people in Nepal who are unable to attend school owing to poverty or a lack of schools nearby. Education has not reached all of the country's citizens, but it is on track to do so in the near future.

The government's gaze should be open to all citizens of the country. The country bears full responsibility for all of its citizens. A country with fewer people is exceedingly dangerous, while a country with more people is too dangerous. As a result, there is a rule for the production of a child that is both within and beyond the rule order. When it comes to dividing the national revenue, the Nepalese government does not have an equitable eye. The Nepalese government does not divide national wealth evenly. There is a greater supply or distribution of income to the wealthy and less to the poor, resulting in the wealthy becoming wealthier and the poor becoming wealthier. The distribution of income divides people into two groups and categories. People consume the market and the product in proportion to their income. The higher the investment and the more sources of income, the higher the income. . According to the economist, if national income is distributed equally, poor people can save and earn income from a variety of ways, making them poor and the economy more stable and bold.( IMNepal,2020) The tendency of the people to consume and invest is used to assess the economy of a country. High-income people are the only ones who invest, while the poor are the ones who consume the most. As a result, differences in national income distribution have harmed and harmed economic stability, and the country is feeling the effects of such infusion. The government should adopt a unified policy to help individuals find work and become self-sufficient. If the people have money, the country will be able to collect taxes, and the national arsenal of weaponry and ammunition will be replenished.

Lack of industry is another important reason for Nepal's lack of progress. Nepal does not have a vast market, and the prevalence of political order and oppression of the people has discouraged investors from investing in the country. Industrialization is also a key role in propelling the country's economy ahead on the path to prosperity. The country has various sources of revenue, such as many plants and bushes, lumber, and raw materials, but owing to improper use, all of these resources are dwindling day by day. The government has shown little interest in cultivating and has announced that such money will be invested in order to stabilize the country. The establishment of industry provides many work opportunities to the people, which aids in the growth of Nepalese, and Nepalese development leads to Nepalese development(IMNepal,2020). Industrialization strengthens the path of development and allows the chain to move at a faster pace. Industrialization refers to the manufacturing of necessary commodities and products in one's own country, which saves the country money from having to import them.

Nepal is a country of stone that refuses to bend and become flexible because it is pressed by two massive rocks: INDIA and CHINA. Because the country has never seen the sea, it is forced to import all of its raw materials from India. Nepal must perform and act in accordance with India's instructions. All of Nepal's factories and industries rely on Indian raw materials to operate. As a result, this is also one of the key reasons why foreign investors are hesitant to invest in the country, as well as the presence of political and external pressure. To operate, all of Nepal's manufacturing and industries rely on Indian raw supplies. As a result, along with political and external pressure, this is one of the main reasons why international investors are afraid to invest in the country(IMNepal,2020) . The country must move and guide itself in the direction of its neighbors. The country possesses everything, but due to a lack of all and any resources needed to run the industry, it has lost pace.

Another big national issue in Nepal is the lack of health education. One of the key difficulties in the wellness field is a lack of well-being training. In our country, where completing health instruction is a fantastic basis for the general public, the vast majority of people are unconcerned. Individuals in our country are biased as a result of traditional customs and convictions. They are unable to recognize new patterns, let alone innovations, without difficulty. As a result, people are dealing with a variety of health difficulties. They do not go to health clinics, despite the fact that they may be able to acquire free administration and answers from the clinics. They are unable to take even the most basic precautions to protect themselves from dangerous diseases. As a result, the mortality rate has been determined to be considerable. All of the health problems exist as a result of a lack of health education. As a result, this section should be prioritized in addressing the issues. Despite the fact that health education is included in school curricula, instructors who teach health education are only required to inform rather than educate the students. It can be taught to people that they can handle a variety of health conditions without the help of others.

Corruption is another issue in Nepal. The world's poorest countries are invariably the most corrupt, and the already disintegrating systems that may help them fall apart, as has happened and is happening in Nepal. Political and bureaucratic processes are tainted with corruption. Nobody likes to go to public schools or hospitals because they are in ruins. Everyone, on the other hand, wants to work for the government in order to receive government benefits and earn money as a side benefit. A phone call from a political party leader can open doors in areas you never imagined, and the deserving candidate is ignored, instilling in people the belief that nothing good can come from this country (IMNepal,2020). Low salaries, less prospects, and grievances are all factors that often lead to experienced, trained, and qualified workers relocating to another country.

Nepal boasts a wealth of natural resources, including tourism, hydropower, agriculture, mining, and others. If Nepal can harness hydropower's capacity, we will be able to achieve massive growth because it has not yet been fully utilized for many reasons. Currently, Nepal's agricultural land is being squandered in order to import goods such as nuts, rice, and lentils. Nepal's economy is supported by income, as well as billions of dollars in remittances from Nepalese youth working in Gulf countries such as Malaysia.(IMNepal,2020) This is not a sustainable approach, and Nepal must adapt. Being unable to use available natural resources is also one of the major issue in development in Nepal.

**CONCLUSION**

Despite having lot of potentialities and being rich in natural resources Nepal is lagging behind in development due to various reasons there are lot of ways to turn our country into a developed country.

We require a visionary leader with a clear vision of Nepal as a developed country. He should not only have a vision, but also ensure that it is completely implemented and monitored on a regular basis. It should be a powerful and proactive organization with comprehensive authority to plan development operations in a way that meets the demands of Nepalese inhabitants. A full-time Chairman (not the prime minister, who is now ex-officio chairman) and representatives (not ministers) from other ministries should make up the planning committee. (New Business Age, 2016)  The Quarterly Monitoring Committee will assess inflation, export and import trends, and monitoring policies, among other things. Individual items, such as how to enhance exports and minimize imports, production and consumption analyses, and making our current industrial and service sectors more effective, should be the focus. It will also investigate the government of Nepal's sick units and existing running units. A Chairman and representatives from several sectors, such as Nepal Rastra Bank, Finance Ministry, Chambers of Commerce, and so on, should make up the committee. A National Statistical Department should be established to collect data on the country's current situation. This department should concentrate on actual import and export of goods and services, manufacturing, electricity production, agricultural outputs, and other aspects of the nation on an individual basis, and share this information with the appropriate ministries and departments for effective evaluation and policymaking. Despite the fact that we have a Central Bureau of Statistics, it is not performing as well as it should. Manufacturing, education, health, and other associated policies must be reorganized to place a greater emphasis on domestic components. It is necessary to start a contract manufacturing system. The importance of job creation in our country must be emphasized. Changing a few policies across the board can have a significant impact on the economy. We need to establish an Infrastructure Development Fund in which cash will be collected at high interest rates, with contributors receiving a tax break on the amount they contribute to the fund. Only persons and institutions from our own country should contribute to this fund. It will resemble a government bond or Treasury Bill, but it will be tax-free and give investors higher interest rates. People should be given extra incentives to preserve. Individual income of up to Rs 1 million per year, for example, should be tax-free. Similarly, tax exemptions should be provided for money spent on health insurance, personal house insurance, money invested in government funds, life insurance, and other similar expenses. This will aid individual savings, and individuals will try to invest in strong corporate and government policies, as well as in Nepal itself.(New Business Age, 2016 ) Furthermore, the Finance Ministry should assess what would happen if individual income taxes were repealed. Most certainly, tax revenue from other sources will increase, and it will be far more than income tax revenue. To increase tax collection, service taxes, entertainment taxes, VAT, and other taxes can be examined. Despite the fact that Nepal is said to have no licensing system, the most significant fields are nonetheless regulated. It should be abolished entirely. In every area, procedures for doing business, investing cash, and attracting Foreign Direct Investment should be made straightforward. Obtaining a license and renewing it every year or two is a time-consuming process. Investment should be done in the sector of tourism such as building infrastructures, spending in promotion, security of tourists. Proper Utilization of resources should be done. Nepal is a slowly developing day by day I order to be developed Nepal should practice sustainable and ecological development.

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