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BYAVASTHAPAN

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Leadership, Governance & Management

Learning from the past & shaping the future



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Prime Minister

Kathmandu, Nepal

Message

I am pleased to learn that the Management Association of Nepal (MAN) is launching its journal, BYAVASTHAPAN, in conjunction with the 44th National Management Convention (NMC) and the Annual General Meeting (AGM) of MAN. This journal, featuring insightful articles from both national and international authors, will serve as a valuable resource for management professionals, practitioners, policymakers, researchers, and academia.

The magazine's theme, Leadership, Governance, and Management: Learning from the Past and Shaping the Future, is highly relevant, as effective governance and management are essential for optimizing efficiency and outcomes. Strong leadership plays a crucial role in the continuous process of learning, unlearning, and relearning to develop productive solutions. Management is vital not only in the private sector but also in the public sector, where it contributes significantly to achieving national goals and shaping the country's future.

Since its establishment in 1979, MAN, as the apex body of management professionals, has fostered a productive, competitive, and socially responsible management culture. By nurturing an environment where management professionals can thrive, MAN actively contributes to our national aspiration of 'Prosperous Nepal, Happy Nepali' and the country's economic development across both public and private sectors.

I am also pleased to see MAN expanding its activities beyond national borders—a significant step in today's globalized world. The Government of Nepal remains committed to improving the quality of life for its people by fostering collaboration. In this regard, MAN can play a leading role in strengthening cooperation between the public and private sectors. The government welcomes and supports initiatives from the private sector that contribute to raising the economic standards of the common people.

On the occasion of the 44th Annual General Meeting and National Management Convention, I commend MAN for its unwavering dedication to promoting best management practices, enhancing efficiency, sustainability, and growth. I extend my sincere congratulations to all office bearers and members of this esteemed organization and wish for its continued progress as a dynamic and impactful institution.

20 January 2025

K P Sharma Oli



विष्णुप्रसाद पौडेल
उपप्रधानमन्त्री एवम् अर्थमन्त्री

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सिंहदरवार, काठमाडौं
नेपाल

शुभकामना

नेपाल व्यवस्थापन संघ (MAN) ले आफ्नो ४४ औं अधिवेशनको अवसरमा व्यवस्थापन पत्रिकाको ४४ औं संस्करण प्रकाशन गर्न लागेको थाहा पाउँदा मलाई खुसी लागेको छ। यो प्रकाशन यस क्षेत्रमा चासो राख्ने सबैका लागि पठनीय एवम् उपयोगी हुने विश्वास लिएको छु।

व्यवस्थापन व्यवसायीहरूको प्रतिष्ठित संस्थाको रूपमा MAN ले नेपालको बहुआयामिक क्षेत्रहरूमा व्यवस्थापन कार्यहरू, सिद्धान्तहरू, अभ्यासहरू र वकालतहरूलाई प्रवर्धन गर्न योगदान पुऱ्याएको पाएको छु। सीप विकास र तालिम, अनुसन्धान, कार्यकारी शिक्षा र व्यवस्थापन विकास लगायतका क्षेत्रमा MAN को निरन्तरको प्रयास र योगदानलाई प्रशंसा गर्न चाहन्छु।

यो संस्थाले आगामी दिनमा व्यवस्थापकीय तालिम, अनुसन्धान, ज्ञान, सीप विकास तथा व्यवस्थापकीय कौशल विस्तारमा क्रियाशीलता लिई आर्थिक गतिविधि एवम् अर्थतन्त्रको लय निर्माणमा थप योगदान गर्ने विश्वास लिएको छु। गैर-नाफामुखी सामाजिक संस्थाको रूपमा व्यवस्थापकीय सीप र दक्षता निर्माणमा आफ्ना गतिविधिहरूलाई थप प्रभावकारी, पारदर्शी एवम् प्रतिफलमुखी बनाई नमुना संस्थाको रूपमा स्थापित गर्न निरन्तर क्रियाशील रहने समेत अपेक्षा गरेको छु।

अन्त्यमा, व्यवस्थापनका विविध आयामहरूप्रति जिज्ञासा राख्ने सबैका लागि यो प्रकाशन उपयोगी एवम् फलदायी हुने विश्वास गर्दछु। साथै, MAN को ४४औं अधिवेशनको पूर्ण सफलता तथा यस संस्थाको उत्तरोत्तर प्रगतिको लागि शुभकामना व्यक्त गर्दछु।

२०८१ पौष

विष्णुप्रसाद पौडेल
उपप्रधानमन्त्री एवम् अर्थमन्त्री

MESSAGE FROM THE PRESIDENT



Preserving its legacy of 44 years, Management Association of Nepal (MAN) has created a unique identity as a vibrant and well-connected institution among management professionals and practitioners along with

stakeholders and international networks of management organisations. Committed to promoting professionalism, performance-driven practices, and a socially responsible work culture, MAN has played a pivotal role in shaping and advancing management practices in the country through consistent advocacy efforts.

As the apex body for management professionals, MAN collaborates with policymakers, the private sector, think tanks, academia, development partners, media, and civil society. It actively provides a platform for discussions on emerging trends and strategies to navigate complex challenges.

By fostering a culture of professionalism and implementing effective management practices in both the public and private sectors, we believe organisations can better align with global trends, adapt to evolving practices, and contribute to shaping the nation's future.

Moving forward, Management professionals have been facing unprecedented challenges following the Covid-19 pandemic and the economic situation in the country is still precarious. Management professionals have demonstrated the unwavering commitment and excellence in navigating the challenges and managing the enterprises despite the turbulent situation.

In order to face challenges that could arise in any form in the future, we have to prepared such professionals, management leaders in all sectors to lead their entities and enterprises. The country has been facing adverse challenges in regard to retaining talents in the country, which requires a strong collaboration among various stakeholders to address such pressing issues.

On the occasion of the 44th National Management Convention, it gives me immense pleasure to present you with the 44th edition of our flagship publication, "Byavasthapan Journal", which has been duly taken as the reference document for the academia, management professionals and research scholars in the management and economy. We're glad to have contributions of such a diverse selection of research-based articles from management practitioners, scholars and professionals not only from the country but also from the various parts of the globe.

We sincerely express our gratitude to all the contributors of the journal who have made this issue very special and relevant at the current context.

We're assured that this journal from MAN will be a good reading and reference to all management practitioners, academia and researchers.

Our special thanks go to editorial team behind this year's journal.

I take this opportunity to express my gratitude to the MAN Executive Committee, Provincial Committees and Secretariat for their valued support.

Mohan Raj Ojha
President, Management Association of Nepal

MESSAGE FROM AAMO PRESIDENT



Dear Esteemed Members of the Management Association of Nepal,

It is with great pleasure that I extend my warmest congratulations to the Management Association of Nepal on another year of outstanding achievements in your mission to advance management excellence. Your commitment to fostering innovative initiatives has significantly contributed to the growth and development of the management profession in Nepal.

I would also like to extend my heartfelt congratulations to Mr. Mohan Raj Ojha on his recent appointment as President of MAN. His exemplary leadership and vision will undoubtedly steer the association toward new heights. I have every confidence that under his stewardship, MAN will continue to excel and adapt to the evolving challenges of our times.

As we navigate the complexities of the current geopolitical environment, we are reminded of the difficulties that management professionals face in ensuring the survival and success of their organisations. Now, more than ever, the values of understanding, patience, humility and kindness are essential in fostering a culture of collaboration and peace.

Let us work together to create a future where these principles guide our actions and promote harmony within our communities and beyond.

Wishing you all continued success and prosperity.

Sincerely,

S K Cheong

President, Asian Association of Management Organisations

6 Jan 2025

ABOUT THE JOURNAL



As a part of MAN's continued effort to deliver 'BYAVASTHAPAN' journal comprising of comprehensive set of articles annually, we're pleased to share the journal with our valued members and esteemed guests on the occasion of our 44th National Management Convention.

While celebrating this important occasion of glorious 44 years of journey of MAN, we've come up with the latest edition of 'BYAVASTHAPAN' journal, our annual management journal, which provides insights on various aspects of governance, leadership and management to policy makers, management professionals, academia and researchers among others.

This year, the journal has been published with a theme of 'Leadership, Governance and Management: Learning from the past & shaping the future' with well-researched articles on diverse issues encompassing importance of governance and leadership to complement the management to navigate the challenges and deliver outstanding results.

The journal is an outcome of the tireless efforts of management practitioners, professionals, contributors and our extensive network in the country and beyond. We trust the readers will find the journal insightful and help enriching their knowledge and understandings on the latest management and governance practices.

I take this opportunity to express my gratitude to all our contributors, editorial team, designer and printers who contributed to bringing out this wonderful journal. I would also like to convey my sincere thanks to our sponsors for their generous support since we launched this journal.

Last but not the least, I would like to acknowledge support of MAN Executive Committee, members, advisors, guests and well-wishers for being actively involved in this convention and making it a grand success.

Thank you,

Indra Kumar Shrestha

Secretary General

Management Association of Nepal

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Association of Nepal

PROFILE

Management Association of Nepal (MAN)

Management Association of Nepal (MAN) was established in 1979 as an apex body of management professionals with the active support of the corporate sector in Nepal. Being a national non-profit and non-partisan membership-based professional organization, MAN has been an important forum for developing management professionalism and a performance-oriented as well as socially responsible work culture in the country.

MAN is a founding member and council member of the Asian Association of Management Organizations (AAMO) where Sri Lanka, Hong Kong, Macau, India, Malaysia, Pakistan, Philippines, New Zealand, Australia and Korea are the co-partners. It has also close links with a number of well-known professional bodies like the American Management Association (AMA), All India Management Association (AIMA), North India Management Association (NIMA) and PHD Chamber of Commerce and Industry, New Delhi.

The Vision of MAN

Promote professionalism for management development

The Mission of MAN

Facilitating management development process

directed towards performance-oriented work systems, culture and practices through interactions, services and networking.

Objectives

The main objective of MAN, as stated in its charter, is to apply, develop, and promote management science and make necessary arrangements to offer such knowledge in Nepal. In conformance with such objectives and the vision and the mission as stated above, the strategic objectives have been set as:

- To bring professionals and institutional-related management development under one umbrella through networking to facilitate interaction, innovation and proactive involvement in promoting management professionalism.
- To consolidate management development through management education, training research, consulting and information services
- To keep members informed of new developments in professional management approaches and their uses

Strategic Intent

MAN intends to promote productive, competitive and socially responsible management culture that will help management professionals and organizations grow and prosper.

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HISTORY

A Journey of Four Decades and More



Erstwhile Prime Minister Krishna Prasad Bhattarai inaugurating the National Management Convention



Erstwhile Prime Minister Girija Prasad Koirala unveiling MAN's publication



Erstwhile Prime Minister Lokendra Bahadur Chand and other guests during the fourth convention of MAN





Erstwhile President Dr. Ram Baran Yadav gracing 28th National Management Convention as the Chief Guest





Prime Minister KP Sharma Oli at MAN National Convention 2019.



Erstwhile President Bidya Devi Bhandari awarding Gyanendra Dhungana with the 'Manager of the Year' award.

Management Association of Nepal (MAN) was established in 1979 as the apex body of Nepali management professionals with the active support of the corporate sector in the country.



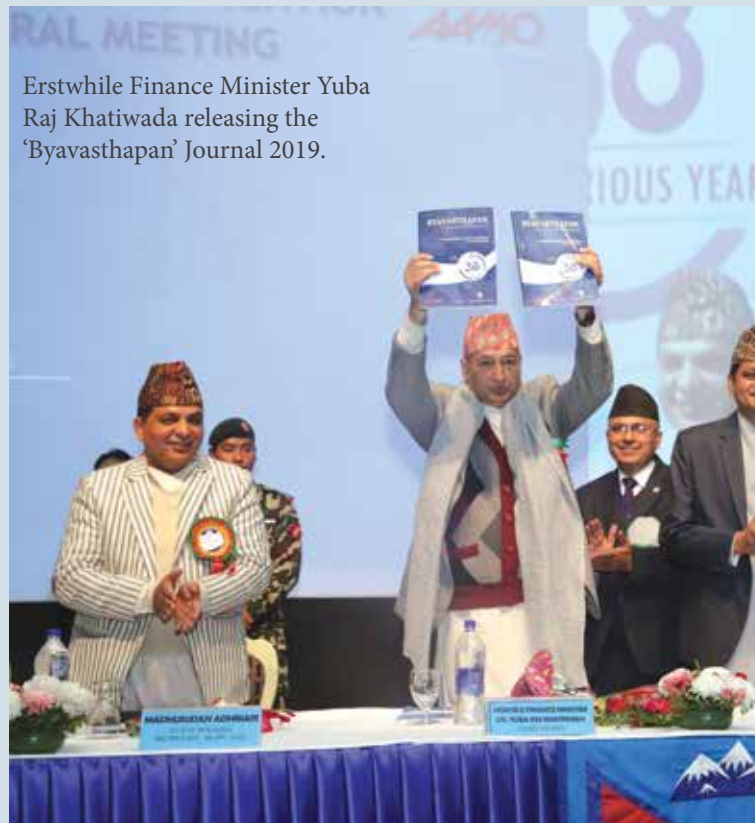
The first AAMO Council Meeting in 2017





Erstwhile President of AAMO Dato' Ng Tieh Chua (second from left) at the Second Council Meeting of AAMO in Kathmandu in October 2018.

Former Malaysian Prime Minister Mahathir Mohamad (second from right) at the AAMO Council Meeting.



Erstwhile Finance Minister Yuba Raj Khatriwada releasing the 'Byavasthapan' Journal 2019.



Networking Eve and Gala Dinner of 2nd AAMO Council Meeting.



Erstwhile Deputy Prime Minister Bijaya Gachhadar (second from left), at the MAN National Convention.

Management Association of Nepal (MAN) was established in 1979 as the apex body of Nepali management professionals with the active support of the corporate sector in the country.

Being a national non-profit and non-partisan membership-based professional organization, MAN has been an important forum for developing professionalism in the area of management as well as a socially responsible work culture in the country.



Former Vice-Chair of NPC Dr. Pushpa Raj Kandel (right) accepting invitation of MAN Convention

It has a strong membership base of over 4,142 life, individuals and institutions from different disciplines and sectors of the Nepali economy and society. Over the year, MAN has emerged as a prominent center for the promotion of productive, competitive, and socially responsible management culture in the country.

The establishment of MAN was guided by two issues - the scarcity of management professionals and a weak entrepreneurial spirit in the country.

Initially, an ad hoc committee was formed by a few members including Jagadish Agrawal, Chandra Man Pradhan, Pradip Raj Pandey, Madhukar Shumsher JB Rana, Jagadish Upadhaya and Sabitri Thapa, and others. They agreed to nominate Nanda Lal Joshi, former Secretary as the first President.

In the initial stage, MAN was dominated by executives of public enterprises and government officials. Later it was agreed to change the



Erstwhile MAN Executive Committee members with then Prime Minister Sushil Koirala



Former MAN President Sushil Bhatta (second from left) with the CEO of Australian Institute of Management





The first Council Meeting of AAMO in Malaysia in 2017.

MAN's structure and functions. Subsequently, MAN opened wider membership which helped the organization to become larger and more effective. Ajit Narayan Singh Thapa was the first elected President of the MAN.

Currently, the members of the MAN include eminent personalities and professionals who have contributed to the policy level of the country and distinguished people who have contributed in various fields.



MAN Secretary General Mohan Ojha (left) with the President of Hong Kong Management Association.



As an umbrella organization of the managers of Nepal, MAN has been providing policy inputs to the government as an expert group through a series of activities that include pre-budget, post-budget and pre-monetary policy discussions.

Besides, the association has also been conducting CEO conferences, national management conventions, and management award programs.

MAN Press Conference for National Management Convention 2017.



The certification by the Management Association of Nepal (MAN) is valid in Nepal and the Asian Association of Management Associations (AAMO) network countries. It has also close relation with Australian Institute of Management (AIM), All India Management Association (AIMA), and Malaysian Institute of Management (MIM), Institute of Management of Sri Lanka (IMSL), Australian and New

Zealand Academy of Management (ANZAM), Hong Kong Management Association (HKMA), Management Association of Pakistan (MAP), Japan Management Association (JMA) and Macau Management Association (MAM). These links help MAN to have access to information on the best management practices and techniques available in other parts of the world. It has also formed close links with a number of well-known professional bodies like the American Management Association (AMA),

MAN officials at the concluding session of 35th National Management Convention.



Management Development Centre (MDC)

The Management Development Center (MDC) was established in 2006. The notion of establishing the Management Development Center was expanding the MAN's role as the think tank for nation-building. Dr. Bimal Koirala was instrumental in establishing the Management Development Center. Later, it was agreed to transform the Management Development Center



into a development campus. Subsequently, the Management Development Center was redefined and transformed with an additional role as Management Development Campus. The campus currently runs the executive MBA course. The two-year Master's program is affiliated with Purbanchal University. The program carries a total of 69 credit hours and is divided into four semesters. The graduates of the campus are currently working in numerous private and government organizations.

Partnership with AAMO

With an objective to expand its reach beyond Nepal, MAN has formed strategic relations with various international organizations. One such partnership is with AAMO.

AAMO is a partnership of National Management Organizations (NMO) in the Asia Pacific region whose purpose is to share and actively leverage resources to enhance the achievement of their respective missions.



AAMO is an independent, non-political, and not-for-profit association of NMO, which promotes, facilitates and supports the development of professional management in the Asia Pacific Region. Nepal is one of the founder members of AAMO along with other nations where Australia, Hongkong, India, Malaysia, Macau, New Zealand, Philippines, and Sri Lanka are others.

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Analysing Computer Science Curricula in Nepal's Secondary Schools: A Management Perspective on Future Workforce Preparedness¹

Er. Ajay Kumar Yadav²

Dil Prasad Shrestha, PhD³

Abstract

This study comprehensively analysed the management of Computer Science (CS) curricula in Nepal's secondary schools and their impact on student career readiness. Data was collected through questionnaire surveys administered to CS teachers and students in Secondary Schools within Kathmandu Valley. The Statistical Package for Social Sciences (SPSS) and Microsoft Excel were utilised for data analysis.

The study underscored the significance of integrating programming, graphics, skill-based pedagogy, artificial intelligence (AI), and interdisciplinary subjects such as Mathematics, Science, and Literature. Teacher competency development initiatives encompassed guidebooks, training programmes, and assessment tests for effective CS instruction.

Furthermore, the study identified textbooks and

theoretical/practical sessions as primary learning sources. Recommendations included curriculum enhancements through the incorporation of game-based learning, AI, Graphics, Robotics, and Block-based Programming. While the CS textbook provides moderate coverage of subject units, greater emphasis and support are required for programming, database, and graphics topics due to their inherent complexity.

Keywords: Computer Science Curriculum, ICT, Education, Policy Managers.

Introduction

Computer Science is the study of computational thinking, algorithms, data structures, and programming languages, encompassing their own theories, abstractions, and design principles (Comer et al., 1989; Webb et al., 2017). CS is pervasively utilised across various sectors to develop applications for problem-solving and

optimise computational systems. Computational thinking involves the process of decomposing problems into sub-problems, identifying patterns, and devising suitable algorithms (Wing, 2006). Unplugged programming is a pedagogical approach that facilitates learning computational thinking without the use of a physical computer. The Government of Nepal has emphasised the importance of information communication technology knowledge within the National Education Policy (MoEST, 2019). CS is currently offered as an elective subject in grade 9 in Nepal (CDC, 2019). The Curriculum Development Center (CDC) has designed the CS curriculum in a combined format for both grades 9 and 10.

The CS curriculum comprises 128 teaching hours, evenly distributed between 64 hours of theoretical and practical classes (CDC, 2019). Recently, the CDC has updated the existing CS curricula for both grades 9 and 10, maintaining the same allocation for theoretical and practical sessions, with a total of 128 hours (CDC, 2024).

Objective

This study aims to analyse the Computer Science Curricula for grades 9 and 10 in Nepali secondary schools and recommend improvements for the new curriculum to ensure it equips students with the digital and technological knowledge and skills essential for future workforce preparedness.

Literature Review

The curriculum serves as the official educational framework, encompassing a syllabus, textbook, practical sessions, and defined learning outcomes for the academic year (Ornstein & Hunkins, 2018). Fisher and Frey (2015) emphasise that textbooks provide organised learning resources tailored to the learners' level, interests and needs. Qualitative dimensions of text complexity encompass word, sentence and paragraph meanings in relation to the reader's prior knowledge. Quantitative dimensions include factors such as sentence and paragraph length within a given topic. Readability

scores, such as the Flesch Reading Ease and Flesch-Kincaid Grade Level, are employed to assess the text's readability (Flesch, 1948; Zhou et al., 2007).

A programme is a sequence of instructions designed to execute a specific task. Learning to programme necessitates prerequisite knowledge of language syntax and semantics (Ericson et al., 2022). While visual block-based programming primarily requires semantic knowledge to grasp logic and concepts, text-based programming demands both syntactic and semantic understanding (Weintrop & Wilensky, 2019). Debugging refers to the process of identifying, isolating and rectifying errors within a programme. Artificial Intelligence (AI) involves the development of self-intelligent computers capable of learning, thinking and making decisions akin to humans. AI systems necessitate extensive datasets to facilitate intelligent system functioning. Carbonaro et al. (2010), in a study involving 50 grade 10 students (26 females, 24 males), observed that game-based learning effectively engages both genders in the learning process. Project-based learning fosters student engagement, discussion and collaboration among team members through both verbal and non-verbal communication to achieve project objectives (Hanna, 2008).

The Constitution of Nepal underscores the significance of education and the advancement of science and technology knowledge (MLJPA, 2016). The National Planning Commission's Sixteenth Plan emphasises the crucial role of integrating Information and Communication Technology within the education system to enhance learning outcomes, accessibility and overall educational quality (NPC, 2024). The School Education Sector Plan aims to expand digital infrastructure across all schools, implement teacher development programmes in ICT, and integrate foundational ICT skills into various subject areas (CEHRD, 2016).

Methodology of the Study

Data and information for this study were collected from CS teachers and CS students through an online survey research design. The survey instrument comprised a set of questionnaires to gather feedback on the grades 9 and 10 CS curricula from both teachers and students. Feedback from grades 9 and 10 CS students focused on understanding the pedagogy and textbook content of the CS curriculum, while feedback from grades 11 and 12 CS students aimed to assess the knowledge gained from the CS curriculum.

The survey instrument was structured into two sections: general information and core questions pertaining to the CS curriculum and CS technology. Questions related to textbook units within the CS teacher survey were designed using a five-point Likert scale (Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree). The Cronbach alpha value for the teacher's survey questionnaire was 0.971, indicating very high reliability and inter-consistency among the teacher responses.

Textbook unit questions for the student survey were similarly designed using a five-point Likert scale (Very Difficult, Difficult, Neutral, Easy, and Very Easy). The Cronbach alpha value for the student survey questionnaire was 0.936, also signifying very high reliability and inter-consistency among student responses. The survey also included open-ended questions concerning pedagogy, contemporary CS technology, and overall suggestions for curriculum improvement. The survey data were subsequently analysed using IBM SPSS Software and MS Excel.

Analysis of Data and Findings

Summary Profile of the Study Participants

About 419 CS students from 17 schools within Kathmandu Valley participated in an online survey from grades 9 to 12. The study participants comprised boys (61.81%), girls (37.95%), and

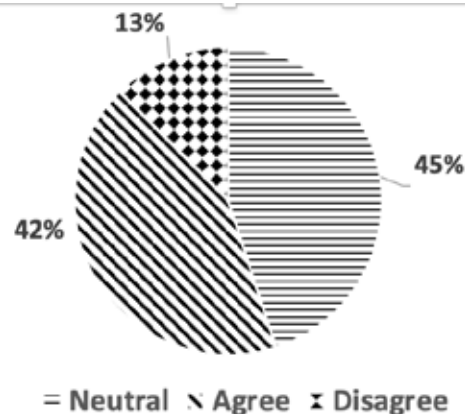
others (0.24%). The participation rates of students were as follows: Grade 9–(10.26%), Grade 10–(56.32%), Grade 11–(28.89%), and Grade 12–(4.53%).

Similarly, 40 CS teachers from 19 schools participated in an online survey from Kathmandu Valley. The CS teachers' education qualifications consisted of a Bachelor's degree (24%), Master's degree (64%), M.Phil. (8%), and PhD (4%). The CS teachers' specialized subjects were Computer Science (87.5%), Science and Technology (7.5%), Master of Business Studies (2.5%), and Multimedia technologies (2.5%).

Teachers' Perspective on Computer Science Curriculum

CS teachers were asked for their opinions about the CS textbook contents having examples from interdisciplinary subjects such as Mathematics, Statistics, Science, and Literature. Figure 1 presents the teachers' opinions on the integration of interdisciplinary subjects.

Figure 1: CS Curriculum Subject Integrations



Some of the teachers (45%) expressed their balanced views on integrating interdisciplinary subjects in the CS textbook. Similarly, (42%) of the teachers agreed that the CS textbook has reasonably integrated interdisciplinary subjects, and only a very few teachers (13%) indicated that the CS textbook has not integrated interdisciplinary subjects.

CS teachers were requested to provide their views on programming language priorities based on the present CS curricula, and contemporary computer programming languages for grades 9 and 10. Table 1 displays the responses from CS teachers for programming language priorities, based on a multiple-choice question.

Table 1: Priority Level on Programming Language Priorities.

Programming Languages	Priority Level (in %)
Python	100
HTML/CSS	93
JavaScript	85
Database SQL	78
QBasic	45

All CS teachers unanimously expressed their view that among the five programming languages, Python should receive the highest priority. The programming language -Python is used for data analysis, data visualization, and artificial intelligence applications. The majority of teachers (93% and 85%) indicated that HTML/CSS and JavaScript should be given the second and third priorities, respectively. HTML and CSS are used for website presentation, whereas JavaScript is used for user interaction in web development. Similarly, Database SQL and QBasic were ranked as the fourth and fifth priorities, respectively.

Teachers were asked about their perspectives on the enhancement of CS curriculum. Table 2 displays their responses (with the multiple-choice question).

Table 2: Teachers' Perspective on Key Areas for Enhancing the CS Curriculum

Key Areas	Responses (%)
Programming with a Functional / Application Focus	87
Pedagogy Focus on Skill Development	77
Artificial Intelligence	72
Graphics and Multimedia	70

Alignment with Industry Applications	52
Data Analysis and Visualization	45

A majority of CS teachers (87%) indicated that programming should be taught with a focus on both functional and application-based approaches to build real-world applications. Similarly (77 %, 72%, and 70%) of teachers mentioned that skills-based education, artificial intelligence (AI), graphics and multimedia are required in an enhanced CS curriculum essential for the future workforce preparedness. Some of the teachers (52%) expressed their balanced views for CS curriculum alignment with industry applications that will help to prepare future workforce in the nation-building capacity. Similarly (45%) of the teachers emphasized data analysis and visualization for practical concept implementation of Mathematics and Statistics subject.

CS teachers also pointed out the expected skills of CS students after passing grade 10. Table 3 shows the responses (in a multiple-choice question) provided by the teachers.

Table 3: Expected Skills of CS Grade 10 Students

Expected Skills	Responses(%)
CS Concept & Program	85
Knowledge on Computer	82
Digital Literacy	80
Cyber Security	75
Typing skills	70

The significant majority of teachers (85%, 82%, and 80%) responded that the expected skills of CS Grade 10 students include CS Concept & Program, Knowledge of Computers, and Digital Literacy respectively. The CS concepts and programming skills are used to understand algorithms, flowcharts, problem-break, and develop a simple application. The knowledge of the Computer includes understanding different hardware parts of the system, software application of installs/uninstalls processes, Operating system, file, and folder management of their data. Digital literacy

is all about familiarity with the internet, email, cloud-based applications, and office applications. While (75%) of teachers mentioned the cyber security knowledge related to password safety and severity of data in social media; whereas (70%) of teachers articulated typing skills-(Nepali and English) as expected skills of CS Grade 10 students.

Teachers were also asked for their impressions about some aspects of teacher competency development in connection with the CS subject. Table 4 displays their responses (with the multiple-choice question).

Table 4: Aspects of Teachers' Competency Development

Aspects of Teachers' Competency Development	Responses (%)
Teacher Training program	82
Teacher's Guidebook	65
Teachers Assessment Test	47

A majority of the teachers (82%) acknowledged that the teacher training program should receive a high priority. Similarly, some of the teachers (65%) and (47%) mentioned that teacher's guide book and teachers' assessment tests are the crucial aspects of developing teachers' competency required to teach CS subjects, respectively.

Student's Perspective on Computer Science Curriculum

Students were requested to provide their views on the learning experience of CS curriculum with theory and practical classes. Table 5 shows their response to the methods of teaching CS subjects.

Table 5: Methods of Teaching CS Subject

Methods of Teaching	Responses (%)
CS theory with comprehensive practical	55
CS theory with some practical	30
CS theory with less practical	15

While 55% of students reported that their CS

classes included both theory and adequate practical sessions, others indicated varying levels of practical engagement - 30% mentioned a combination of theory and some practical sessions, and 15% noted theory with limited practical sessions.

Students were surveyed about their understanding of concepts in programming language. Table 6 shows their response to the programming language.

Table 6: Student Perspectives on Programming Learning

Programming Learning	Responses (%)
Programming Concepts Focus	40
Basic Coding Skills	24
Application Development Focus	18
Finding It Difficult	18

Around 40% of students have an understanding of programming concepts, 24% of basic coding skills, a few students (18%) expressed confidence in programming and have developed simple applications, and the rest 18% felt programming as a challenging task.

Students were requested to provide their opinions on the CS curriculum enhancement. Table 7 displays their responses based on a multiple-choice question.

Table 7: Students' Preferences for Topics in an Enhanced Computer Science Curriculum

Topics	Responses(%)
Game-Based Learning	72
Artificial Intelligence	67
Graphics and Multimedia	64
Robotics	56
Applications Programming	42
Block-Based Program	24

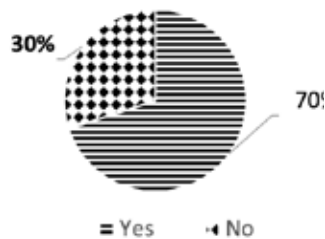
The majority of students (72%, 67%, 64%) mentioned including game-based learning, artificial intelligence, graphics and multimedia (images, audio, and video) in a curriculum

necessary for the future workforce preparedness. Some of the students (56%, and 42%) expressed balanced opinions about including robotics, and application programming in the new curriculum. A few students (24%) indicated to include the block-based program in the new curriculum.

The textbook is one of the primary sources of learning resources at schools. Student's responses to the comprehensiveness of the textbook are presented in Figure 2.

Figure 2: Textbook Comprehensiveness and Clarity

A majority of the students (70%) acknowledge that the textbook is understandable whereas some of them (30%) mentioned that

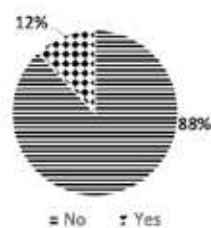


textbook requires including additional examples and URL to explore learning resources.

Students indicated their knowledge and level of Nepali typing that help express their ideas more easily and comprehensively through their native language, especially on topics related to culture and festivals. Figure 3 presents their practices and proficiency in Nepali language typing skills.

Figure 3: Nepali Language Typing Skills

A significant majority of the students (88%) lack the skills to type in Nepali language, while a few of students (12%) can type in Nepali language.



CS Teachers' Opinions on the Adequacy of the Textbook Contents

The survey question related to the adequacy of CS curriculum was about to understand whether the textbooks provide sufficient information

and examples on topics to cover a wide range of learners. The bar chart illustrates the teachers' opinions on the CS textbook unit's content adequacy for grades 9 and 10. Figures 4 and 5 present the teachers' perspective regarding the adequacy of the textbook contents.

The above bar charts indicate that the textbook contents are largely sufficient for both grades 9 and 10. However, for grade 9, some of the teachers - (25%, 16%, and 16%) suggested the need for some additional examples and solutions in areas such as Programming in QBasic (Unit 4.2), Computer Programming (Unit 4.1), and Computer Graphics (Unit 2.1).

Similarly, for grade 10, a few teachers (18%, 16%, and 16%) recommended expanding contents in Modular Programming (Unit 3.2), File Handling in QBasic (Unit 3.3), and Programming in QBasic (Unit 3.1) with some examples and solutions.

CS Students' Opinions on the Easy and Difficult Units in the Textbook

The survey question related to easy and difficult units was to understand whether the CS textbook has sufficient contents and has been organized from foundational concepts to advanced topics. The bar chart illustrates the students' perceived difficulty levels for various topics in a CS curriculum for grades 9 and 10. Figures 6 and 7 present the students' perspective on easy and difficult units for grades 9 and 10.

The above bar charts show that neutral responses (not too easy and not too difficult) dominate across most unit topics, indicating a balanced perception of difficulty for both grades 9 and 10. For grade 9, Basic Units like Computer Fundamental (Unit 1.1), Types of Computer (Unit 1.2), Basic Architecture of Computer (Unit 1.3), Computer Hardware (Unit 1.4), Computer Software (unit 1.5), and Internet Technology (Unit 3.1) are rated as easier compared to programming and graphics topics like Computer Graphics (Unit

Figure 4: Teachers' Perspective on the Adequacy of CS Textbook Contents for Grades 9

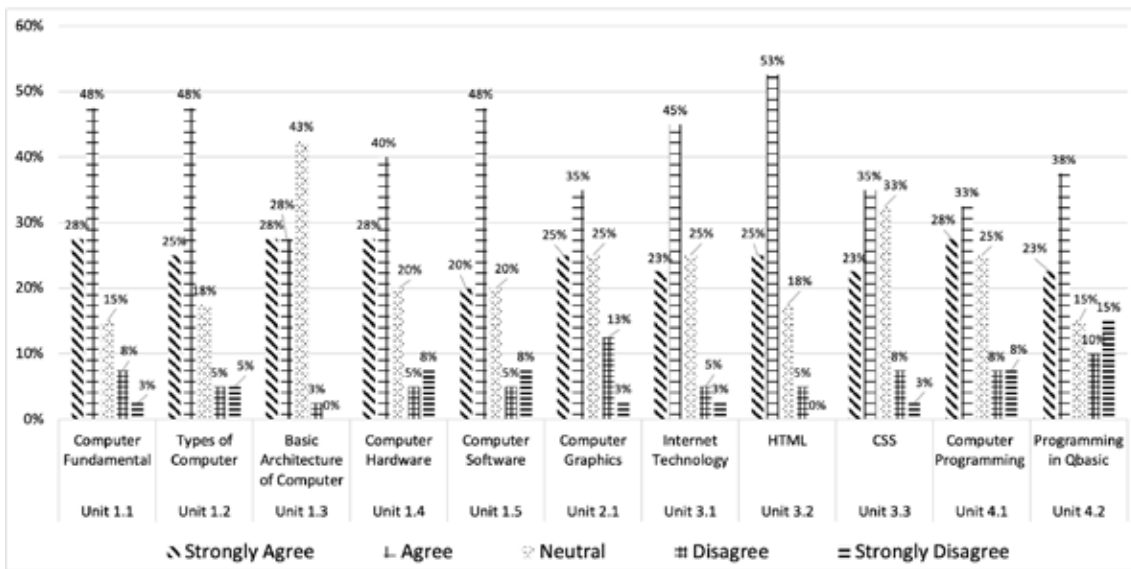


Figure 5: Teachers' Perspective on the Adequacy of CS Textbook Contents for Grade 10

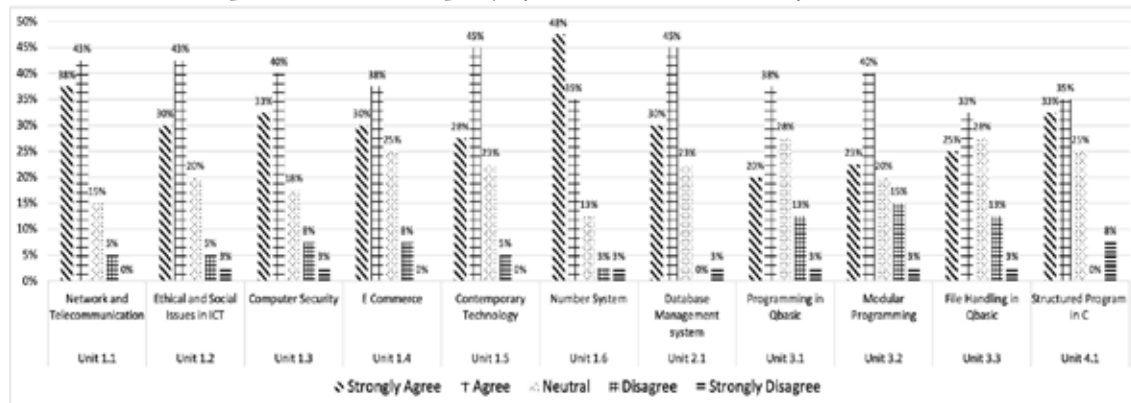


Figure 6: Students' Perspective on Easy and Difficult Units in the CS Textbook for Grade 9

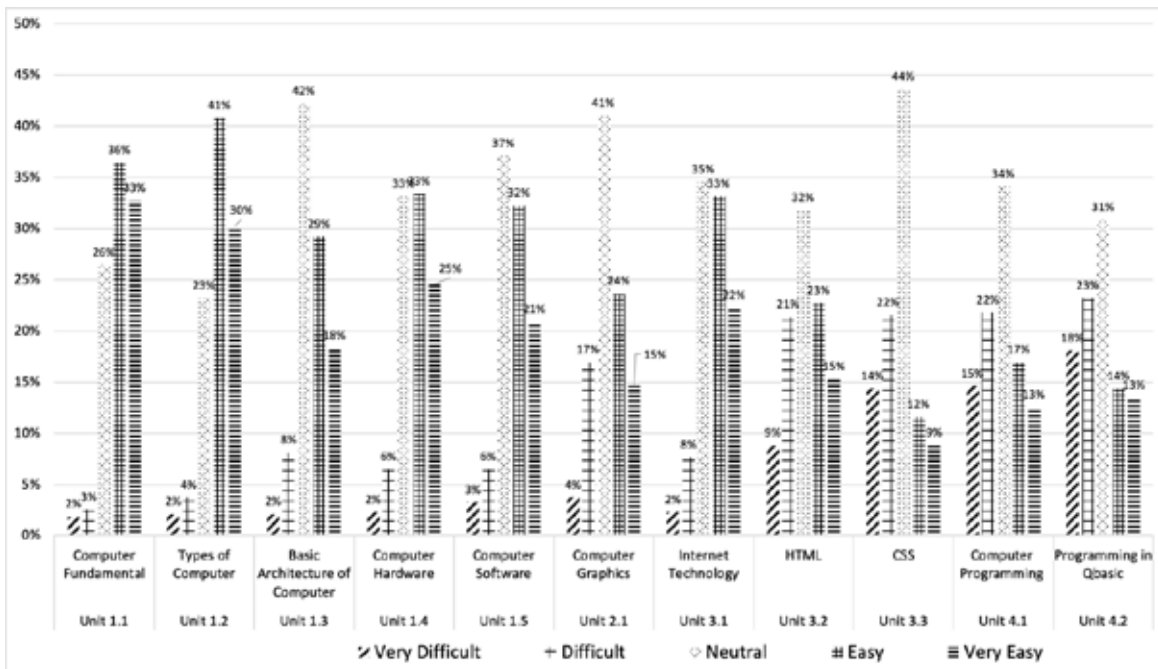
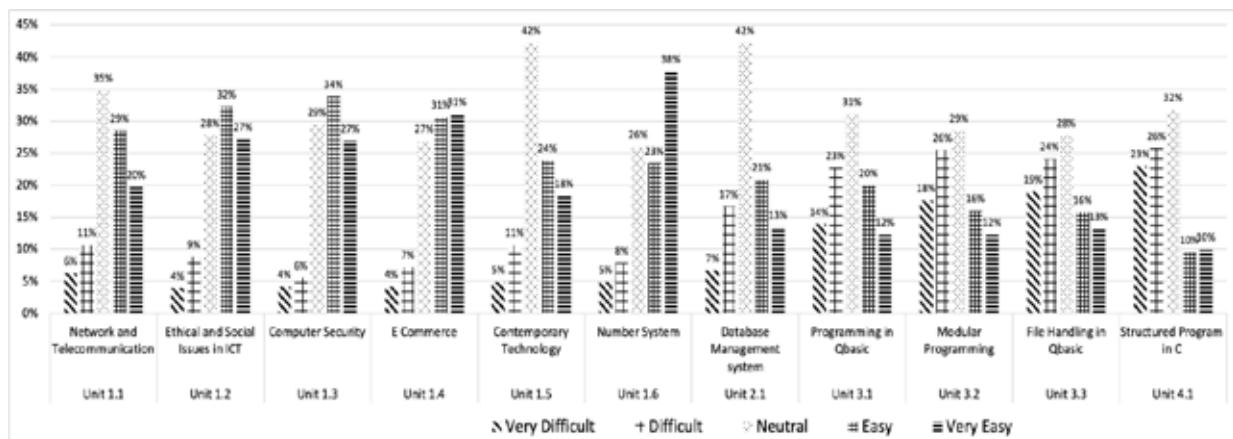


Figure 7: Students' Perspective on Easy and Difficult Units in the CS Textbook for Grade 10

2.1), HTML (Unit 3.2), CSS (Unit 3.3), Computer Programming (Unit 4.1), and Programming in QBasic (Unit 4.2) which have higher difficulty ratings.

Similarly for grade 10, Units like Network and Telecommunication (Unit 1.1), Ethical and Social Issues in ICT (Unit 1.2), Computer Security (Unit 1.3), E-Commerce (Unit 1.4), Contemporary Technology (Unit 1.5), and Number System (Unit 1.6) are rated as easier compared to programming and database topics -Database Management System (Unit 2.1), Programming in QBasic (Unit 3.1), Modular Programming (Unit 3.2), File Handling in QBasic (Unit 3.3), and Structured Program in C (Unit 4.1) which have higher difficulty ratings.

The topics related to programming and database seem to require more attention and support, as they show a higher percentage of participants finding them challenging. There is no graphic unit in the grade 10 CS curriculum. The difficult contents are placed after the mid-point of textbooks which usually comes after the mid-term examination in the school.

Results and Discussion

The study found that factors such as programming in practical adaptation, skill-based pedagogy, artificial intelligence, and graphics are important, integrating interdisciplinary subjects such as

Mathematics, Statistics, Science, and Literature. Similarly, five programming languages received priority order as follows: Python, HTML/CSS, JavaScript, Database SQL, and the QBasic.

Python is a high-level programming language having several accessible open-source libraries for data analysis, data visualization, and AI applications (Shoib et al., 2021). The functions can be easily customized to meet specific requirements to develop real-world problem-solving applications. The concepts and examples from interdisciplinary subjects such as Mathematics, Science, Arts, and Literature can be easily implemented through Python programming language, providing several opportunities to learn by doing tasks that are applicable in the real-world context.

JavaScript is also a high-level programming language used for creating user interactions in web development, alongside HTML and CSS. Students grasp CS concepts by implementing user interaction roles in game-based learning.

Skill-based pedagogy emphasizes creating a learning resource aligned with real-world applications. Thus, students are prepared to solve problems with both theoretical knowledge and practical skills, equipping them to address real-world problems.

Expected knowledge and skills of CS grade 10

students include the concept of CS and program, knowledge on computers, digital literacy, cyber security, and typing skills in both Nepali and English.

CS teachers identified a list of CS knowledge and skills essential in the Nepalese social context for students' daily lives and academic careers. The knowledge of Computer hardware, operating systems, and software applications is useful to write, record, organize, solve, and present data in both their job context and academic pursuits.

The study also showed that teacher's guide book, teacher training programs, and teachers' assessment tests are the means of teachers' competency development, which are required to teach the CS subject.

Teachers play a key role in presenting and helping students understand the textbook contents. Therefore, it is essential to provide adequate training to teachers in pedagogy, textbook comprehensive contents, and practical skills. The teacher's guide book includes detailed examples and solutions to various problems, aligned with the local social context. The training program along with assessment tests can critically evaluate learning processes and the effectiveness of the training provided for training of new-generation teachers.

The analyses of data and information provided by the students showed that textbooks, and theoretical and practical sessions emerged as the main sources of learning. They also emphasized the inclusion of Game-based learning, Artificial Intelligence, Graphics, Robotics, Application Programming, and the Block-based Program for the enhancement of the CS Curriculum.

CS concepts can be learned through various teaching-learning methods such as game-based learning, AI, graphics, robotics, application development, and block-based programming.

These approaches emphasize different ways to create applications for several purposes to serve diverse students' interests. Since CS is applied across multiple sectors, learning these methods helps students understand and implement CS concepts in real-world scenarios.

The study also concluded that the CS textbook moderately covers subject units, progressing from foundational concepts to advanced topics. However, programming-related topics require greater emphasis and support, as many students find these topics challenging.

Students learn the concept of programming subjectively; requiring diverse methods of learning with practical applications tailored to their preferences and needs. The present CS curriculum has limited learning methods. By incorporating a diverse set of applications, graphics, AI, game-based learning, and robotics; the curriculum may offer various approaches to learning and implementing CS concepts aligning with students' areas of interest.

Conclusion

The CS curriculum has, to a degree, contributed to enhancing digital literacy rates by equipping students with the ICT knowledge and skills essential for the 21st century. Consequently, educational policymakers should consider making CS a mandatory subject rather than offering it as an elective. The current CS curriculum exhibits deficiencies in AI, graphics and real-world application programming knowledge, which are crucial for future workforce and academic success. Furthermore, there is an insufficient number of practical sessions to adequately develop students' problem-solving abilities. A notable shortcoming is the lack of sufficient guidebooks and training programmes for teachers, which hinders teaching effectiveness. In the absence of these resources, teaching efficiency diminishes, leading to suboptimal classroom performance.

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¹ This article is partially based on the thesis entitled “A Study on the Adequacy and Appropriateness of Computer Science Curricula in Nepali Secondary Schools” submitted to Graduate School of Education, Faculty of Education, Tribhuvan University, Kathmandu, Nepal.

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Agricultural Need for a Transformative Vision

■ Anil Kumar Upadhyay

Background

As economies grow, the share of employment in agriculture typically declines, yet the importance of addressing agricultural challenges remains crucial for both developed and developing nations. Agriculture is fundamental to human survival, providing essential nutrition for a healthy life. Beyond food production, it enhances rural livelihoods and is key to preserving ecological balance, biodiversity, and the sustainable use of resources, contributing to social security. Agriculture also supplies vital raw materials that drive industrial production, trade, and commerce.

The world is increasingly veering off in achieving food and nutrition security, with over 2 billion people facing food insecurity and many more unable to afford a nutritious diet. At the same time, agriculture is both affected by and contributes to climate change. The intensifying impacts of climate change are expected to further decrease crop yields, especially in regions already experiencing food shortages. Our food systems are responsible for a significant share of greenhouse gas emissions, yet they also offer the potential to reduce emissions, restore ecosystems, and stimulate economic growth. Ensuring food security today can foster a healthier, more sustainable growth trajectory, empowering a new generation of entrepreneurs both in agriculture

and related sectors. Only 12% of global land is suitable for farming, which requires 70% of the world's freshwater, while agriculture, forestry and related land uses account for 23% of global emissions. Achieving meaningful change demands decisive, large-scale action, aligning efforts between humanitarian and development sectors, policymaker intervention, and private investment to drive this shift.

Global and National Challenges

The agricultural sector faces evolving challenges, both global and country-specific. Around 2 billion people lack access to sufficient, nutritious food, with rising hunger and malnutrition. Climate change, soil erosion, biodiversity loss, and shifting consumer preferences are intensifying pressure. Modern agriculture, dominated by monoculture practices, has reduced crop and livestock diversity, affecting biodiversity. Farming remains complex and unpredictable, influenced by plants, pests, and diseases, while farmers must meet the expectations of regulators, consumers, and food processors.

Nepal has shifted from an agriculture-driven to a remittance-driven economy, with remittances making up 23.5% of GDP. Despite well-designed agricultural policies, their implementation is often delayed. Key factors include the declining

appeal of farming to youth, migration, and unwillingness to engage in agriculture. Internal challenges include low public investment, inadequate irrigation, poor marketing policies, high production costs, and climate vulnerabilities, while external factors like economic liberalisation and zero tariffs on agricultural products worsen the situation. Agriculture's share in GDP continues to fall, while Nepal remains vulnerable to food insecurity and recurring natural disasters such as floods, droughts, and earthquakes. The sector is dominated by subsistence farming, leading to low productivity and insufficient agricultural output.

Further challenges include addressing the needs of remote populations, coordination delays, technical staff retention, and limited financial literacy. Institutional development, infrastructure, and access to water, sanitation, and hygiene services (WASH) are critical issues, with limited access to essential services like education, health, and nutrition complicating national development.

Nepali Agriculture

Nepal's economy, classified as developing, is highly dependent on agriculture and remittances. In the fiscal year 2024, agriculture accounted for one-fourth of the national GDP, underscoring its crucial role in the economy. Agriculture remains the primary source of food, income, and employment for most Nepalese, with about 66% of the population working in the sector.

Although agriculture has been prioritised in policy documents, and donor involvement in its development dates back to 1951, it ranks seventh in terms of foreign aid allocation. Several foreign-aided projects are currently active, with key partners such as the World Bank, USAID, ADB, IFAD, JICA, and SDC. The Agriculture Prospective Plan (APP), also developed with ADB, was a government priority but struggled to attract investment due to reduced donor interest in the sector in the 1990s. The Agriculture Commercialisation and Trade (PACT) project

was one of the largest, with the World Bank as the primary donor, while the Knowledge-based Integrated Sustainable Agriculture and Nutrition Project (KISAN), funded by USAID, was notable for its disbursements.

Yet, significant challenges persist. Widespread corruption, lack of accountability, and non-transparent government mechanisms often limit the effectiveness of foreign aid in agriculture. Numerous donor-funded initiatives under the Ministry of Agriculture, Land Management, and Cooperatives operate independently in competitive grant areas, resulting in duplicated programs that frequently fall short in performance.

Agricultural-based economic development

Agricultural-based economic development serves as a bridge between market-driven growth and a range of development policy goals, especially those focused on poverty reduction, gender equity, climate adaptation, ecological shifts in the economy, and establishing structures for public initiatives. Approaches to agricultural-based economic development are similarly varied, encompassing everything from sector-wide support for specific agricultural industries to targeted efforts in areas like farmer collaboration, contract farming, agricultural financing, and regulatory frameworks.

Sustainable economic development fosters social progress by creating jobs, generating income, and integrating marginalised groups, youth/female, and the unemployed. Markets benefit from public support and regulation, and the economy is structured around value chains, as all economic activities are oriented around the production and sale of goods. Value chains (VCs) operate as systems where businesses collaborate to meet market demand, enabling weaker micro-enterprises to access the market by integrating into VCs.

Output and Outcome Indicators in the Results Chain of Monitoring, Evaluation, and Impact:

Agricultural economic development faces challenges across social, environmental, economic, and international dimensions. Achieving sustainable progress requires effective interventions in research, policy, institutional support, farmer engagement, and trade.

Farmers face numerous challenges, including meeting the growing demand for food and fiber with a shrinking rural labour force, while also adapting to the evolving expectations of regulators, consumers, and food processors. Technology is key in transforming food production, reducing waste, and mitigating environmental impacts. However, agriculture continues to confront issues like climate change, soil degradation, biodiversity loss, and the need for sustainable practices.

Earlier this year, Nepal experienced severe floods and landslides that disrupted water supplies, communication networks, and hydropower projects, exacerbating economic and social vulnerabilities. The estimated financial losses to agriculture alone exceeded NPR 17 billion. These disruptions are expected to increase food imports and widen the trade deficit, with Nepal’s GDP projected to contract by 1 percent, leading to a loss of NPR 57 billion. With rising debt and a growing trade deficit, Nepal’s economic outlook remains uncertain.

Nepal’s Commitments and Progress towards the SDG Goals

As a UN member, Nepal is committed to the Sustainable Development Goals (SDGs), which focus on Social, Environmental, Economic, and Governance issues. The SDGs stress that poverty alleviation should be paired with economic growth and addressing social needs such as education, healthcare, and employment, while promoting inclusivity and reducing inequalities. Nepal has integrated these targets into its national vision, ‘Prosperous Nepal: Happy Nepali,’ aiming

for realisation by 2043. The 15th Development Plan seeks to transition from a least developed to a middle-income nation by 2030, with a focus on modern infrastructure, human potential, high productivity, and equitable income.

Key milestones include incorporating SDG principles into national plans and completing needs assessments. While challenges remain, resource constraints require collaboration between the government, private sector, and civil society. Political instability, leadership changes, corruption, economic volatility, and global crises like climate change complicate these efforts. The government is working to raise farmers’ incomes through grants, subsidies, and insurance, but challenges like rural youth migration, declining agricultural productivity, and labour shortages persist.

Structural transformation and intensification in Nepalese Agriculture

Nepalese agriculture faces multiple challenges, including shifts in land structure (with smaller landholdings and an increasing number of families reliant on low-yield farming), limited irrigation resources, labour shortages due to overseas employment (leaving women and older people in farming roles), and gaps in both human and financial capital. Additionally, there is a pressing need for farm mechanisation and a transition to knowledge-intensive agriculture. Defining agricultural land categories through clear regulations is essential to addressing these issues. Strengthening agricultural education from the school level, expanding farmer training points, digital infrastructure (public, client-side, and critical) and promoting technology transfer and change adoption (application & services, workforce development, and job creation), establishing warehouses/incubation, cost reduction strategies with architectural design, and accessible market and financing the investment are also vital. These elements should be integrated into a cohesive “program with rules” framework

and “performance audit based gaps and evidence-based gaps/maps” identification for decision making and effective implementation as well as sustainable growth.

Nepalese Agriculture: Need for a Transformative Vision

Agriculture is entering a new transformative phase. While the green revolution has successfully addressed the needs of a rapidly increasing global population, it has also resulted in the depletion of soil health, loss of biodiversity, and contributed to climate change. There is an urgent need to shift towards transforming agriculture through a collection of methods referred to as regenerative agriculture. This approach combines sustainable innovations with traditional practices, emphasising the actual regeneration of soil and the planet’s ecosystems. Regenerative agriculture enhances soil health, increases productivity, and produces high-quality food while also combating climate change and restoring lost biodiversity.

We believe that many fundamental practices of regenerative agriculture—such as intercropping (growing multiple crops together), agro-forestry, and the integration of livestock – originate from indigenous farmers who cultivate the land in harmony with its natural processes. Our focus on advancing a green and healthy food movement through a diverse range of activities and programs to increase employment, and income by addressing critical issues such as food security, health, nutrition, and environmental sustainability requires a vision of a more equitable and sustainable future. Considering the unprecedented challenges that agriculture is facing globally, especially in this region and even Nepal, and the opportunities that exist, it is essential to focus on the coming decade.

A new mid plan and strategy should be formulated for the next five years (2025-2030) based on SDG and an additional twenty years (2030-2050) under the vision of “Transforming

Nepalese Agriculture.” While modern agricultural practices offer numerous solutions, the results can vary significantly because each farm has its unique characteristics, including different landscapes, soil types, available science and technology, and potential yields. To address this variability, a national dialogue is crucial to discuss this transformation, identifying its essential components and implications for policy and practice.

Key areas requiring special focus should be determined through a collaborative effort involving planners, policymakers, academicians, implementers, donors and related all actors. The strategic focus areas should include “Structural Reform and Governance, Climate Crisis and Risk Management, Nutritive and Healthy Food, Digital Agriculture/Application of Technology and Innovation, Pest Management, Access to Water, Sanitation and Hygiene Services (WASH), Alternative Farming Practices, Agro-Ecological and Bio-diverse Futures, and Pathways for Profitability and Resilient Agriculture”.

Pathways for productive, profitable, and sustainable agriculture

Innovations in production technologies, such as climate-resilient seeds and sustainable agricultural practices, can significantly enhance productivity. Incentive policies, like cash transfers for inputs and rewards for conserving water and energy (including electricity and solar technology), are also crucial.

The institutional environment plays a key role in ensuring access to essential inputs and supporting sustainable agricultural practices. The government is responsible for establishing agricultural laws, international trade agreements, food quality standards, and managing land, water resources, and pest control. Additionally, it must provide extension services at various stages of agricultural development.

Although modern agricultural technologies have boosted food production, significant potential remains for further advancements. However, challenges such as attracting educated youth to farming persist, requiring action from all stakeholders. Initiatives should focus on transforming agriculture from a rural livelihood to a modern business, strengthening connections between research, farms, and markets, and fostering “agri-entrepreneurs.” These entrepreneurs would not only enhance food security but also create jobs within local communities.

In conclusion, transforming Nepalese agriculture is vital for the nation’s economic prosperity and the sustainability of its agricultural systems. By leveraging modern technologies, fostering collaboration, and encouraging innovation and entrepreneurship, Nepal can revitalise its agricultural sector. This shift will improve food security, create jobs, and enable the country to address global challenges like climate change, biodiversity loss, and resource scarcity in a sustainable way.

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(Mr. Upadhyay is a highly experienced banking professional with over 34 years of expertise in the banking sector. He has served as the former President of the Nepal Bankers’ Association (NBA) and as the Chief Executive Officer of the Agricultural Development Bank Ltd.)

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Impact of Challenges and Turbulence on National Economies

Dr. Anver Dole

The International Monetary Fund (IMF) has announced that global growth is expected to ease slightly to 3.2% this year and remain at that level in 2025. However, it also warns the stable figures mask important regional and sectoral shifts. The IMF estimates global inflation will continue to ease, hitting 5.8% this year before falling to 4.3% in 2025. To quote Dr. Pierre-Olivier Gourinchas, the Chief Economist at IMF: “The battle against inflation is almost won. And the decline in inflation without a global recession is a major achievement. Global growth is expected to trend to a lacklustre 3.1% by 2029.”

Gourinchas highlighted a number of downside risks to growth, including the prospect of ‘an escalation in regional conflicts – especially in the Middle East’.

According to the IMF, the U.S. remains an engine of global growth, in sharp contrast to the Eurozone where expansion remains slow.

World Bank reports that Growth in Asia is expected to increase to 6.4% this year, exceeding earlier projections and keeping the region on track to be the fastest growing in the world.

Growth is expected to remain robust at 6.2% a year for the next two years, due to strong domestic demand in India and faster recoveries in most other South Asian nations.

Output growth in Bangladesh is expected to slow down to the range of 3.2% to 5.2% (with a mid-point of 4%) in the financial year ending 2024/2025. Significant uncertainties are expected to keep investment and industrial growth subdued while agriculture growth is expected to moderate following the recent floods. Bhutan’s economy is expected to grow by 7.2% in FY24/25. Growth in India is expected to reach 7% in FY24/25 with larger than expected agricultural output and policies to foster employment growth. In the Maldives, output growth is expected to remain at a modest 4.7% in FY24/25, if major bilateral government debt repayments can be rescheduled.

In Nepal, growth is projected to pick up to 5.1% in FY24/25 amid an expanding hotel sector, growing tourist arrivals and strengthening industrial sector. Pakistan continues its economic recovery as the relaxation of import controls and projected policy rate cuts are expected to lift growth to 2.8% in FY24/25. In Sri Lanka, output is expected to grow 3.5% in FY24/25, on the back of stronger-than-expected rebound in industrial activity and tourism, if debt restructuring and planned reforms remain on track.

This forecast is subject to downside risks including extreme weather, debt distress and social unrest. Policy missteps such as delays in planned reforms could also set the region back. Fragile fiscal and

external positions leave little buffer against these risks.

Focusing on national economies, widespread corruption and the lack of accountability, especially in developing nations, has contributed to low levels of investment and government revenue, high levels of inequality and low economic growth. Corruption occurs in both the private and public sectors. It may take various forms such as bribery, nepotism and extortion, involving many stakeholders from the poorest to the most influential. Bribery and misuse of public funds is a major obstacle to democracy and economic development.

Women in business, with gender diversity in leadership roles, leads to better decision-making and improved organisational performance. Research has shown that having a diverse leadership team can bring a range of perspectives and experiences, leading to better decision-making and improved organisational performance. There is a need for systemic change, including policies and practices that support and empower women in the workplace.

Another factor impacting economies concerns children. The United Nations warns that young people are facing an unprecedented wave of violence and sexual abuse driven by war, climate change, hunger and displacement. They say “Children are not responsible for war, and not responsible for climate crisis. And yet, they are paying a huge price. Violence against children has reached unprecedented levels, caused by multifaceted and interconnected crises.” Over 450 million children lived in conflict zones, 40% of the 120 million displaced people at the end of this year were kids and 333 million of them existed in extreme poverty. This is compounded by more than a billion children who are at risk of being affected by climate change.

Suicide is the fourth leading cause of death among 15

to 19-year-olds with some 46,000 children between the ages of 10 and 19, taking their lives every year. And child marriage is a widespread scourge with as many as 640 million victims. According to a separate report by UNICEF, around 370 million women and girls were subjected to rape or some other form of sexual violence in their childhood. These too are concerns that governments need to pay attention to.

We are far off track with the climate crisis. The multi-agency ‘United in Service 2024’ report coordinated by the World Meteorological Organisation (WMO), states that greenhouse gas concentrations hit record levels and fuelled temperature increases into the future.

The Amazon rainforest lost an area almost the size of Germany and France combined, to deforestation over four decades. This is the world’s largest jungle spanning nine countries, and has the ability to absorb planet warming carbon dioxide from the atmosphere, and is therefore crucial in the fight against climate change. It must however be noted that a record spate of wild fires this year, released massive amounts of carbon dioxide into the atmosphere instead.

Digital technologies, Artificial Intelligence (AI), robotics and machine learning are changing the organisation landscape. We need to develop digital agility by being aware of the technology and accepting its use. Darwin was futuristic when he said that it wasn’t the strongest or most intelligent who would survive, but the one who’s most adaptable to change. And in the modern world, it means being digitally agile. Out of all the emerging technologies for 2024, AI demands special mention. However, it must be borne in mind that making space for the human in digital ecosystems cannot be overlooked. Embracing technical skills is only one aspect of a digital transformation. Employer resistance to change is usually the bigger problem.

It is predicted that millions of jobs will be lost

to AI in the near future. AI-based solutions will handle particular jobs that the human brain cannot effectively complete. The World Economic Forum reports that by 2025, robotics and AI will displace 85 million jobs, but will also create 97 million new opportunities in industries like data science, AI research and human-AI collaboration.

In the next five to six years, AI is likely to replace several routine jobs like data entry clerks, receptionists, retail cashiers, proofreaders, telemarketers, customer service representatives, bookkeepers, security guards, delivery drivers, truck and taxi drivers, workers in manufacturing sector, market research analysts, pharmacists, legal assistants and financial analysts.

According to the UN, the war in Gaza saw the unemployment rate in the besieged Palestinian territory surge to nearly 80%. The International Labour Organisation (ILO) noted that the conflict between Hamas and Israel 'caused loss of jobs and livelihoods on a massive scale'.

The UN refugee agency UNHCR claims that forced displacement globally had smashed records with conflicts in places such as Gaza, Sudan and Myanmar forcing even more people to flee their homes. The UNHCR adds that the global displaced population is now equivalent to that of Japan. At the end of last year, more than 117 million people were displaced and the number has now swelled to over 120 million.

Pessimists argue that the global economy is on an unsustainable path characterised by widening economic and social inequities, environmental degradation, and increasing concentration of poverty and deprivation that threatens global peace and prosperity. Global economic shifts, such as changes in trade patterns, technological advancements and geopolitical events, can significantly impact national economies. The rise of emerging markets for example, has altered global trade dynamics. Traditional industries can

be disrupted by technological innovations such as automation, leading to job displacement.

Geopolitical events, such as trade wars, create uncertainty and disrupt trade flows. National policy makers must anticipate and respond to global trends so as to safeguard their economies. Strategies may include diversifying trade partnerships and investing in education to equip workers with new skills.

Gen Z is rapidly becoming the driving force in the workplace of the future. Gen Z refers to current 15 to 28 years old who were born in the 1997 to 2012 span. When the unforgettable 9/11 terrorist attack took place in 2001, in the U.S., Gen Z was barely old enough or not yet born. In contrast the Millennials, who came of age when iPhone was in its infancy, were old enough to comprehend the magnitude of the devastation. But Gen Z is growing up in an age dominated by technology and social media. Instagram and Snapchat came out around 2010 and 2011 and they take for granted the digital advances in the modern world, and organisations need to prepare for this cultural shift.

At the end of the day, it all boils down to good governance.

Good governance is the process by which a country makes and implements policy decisions. Common elements of good governance would include transparency in the exercise of powers, equity in the delivery of responsibilities and accountability towards those to whom the responsibilities are owed.

Instead of crushing dissent and cracking down on protests, governments should listen to civil society and citizens, and follow through on measures to uphold the political, social and economic rights of every citizen.

(Dr. Anver Dole is Emeritus President of Institute of Management of Sri Lanka)

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Sharing TVET Knowledge with Non-TVET Persons

Arjun Prasad Tiwari

Abstract

Understanding the TVET system has become a common pursuit, not just for technical and vocational scholars, but for everyone. TVET offers a lifelong learning pathway that can equip youths with the skills they need to succeed in the labour market. The TVET education system can directly link to an individual's work and occupation within society. This has become a crucial issue for any nation seeking to effectively mobilise and manage its youth workforce. A country's economic status is heavily dependent on its youth capital. The article explores various learning modalities and skill development pathways within the TVET education system. A comprehensive literature review has been conducted to understand the core challenges facing the TVET system in Nepal. This will enable the sharing of accurate knowledge with individuals outside the TVET sector within the country.

Key words: Learning, pathways for skill development, non TVET persons, NVQS, TITI, CTEVT, CEHRD.

Background and context

The TVET system is not a recent phenomenon in Nepal, nor in the world. In fact, TVET can be traced back to the very beginnings of human civilisation. People have always utilised technology for their work and livelihoods according to their needs. The primary distinction lies in how we name, structure and perceive it. TVET is essentially a sociological term, with varying terminologies and nomenclatures across different societies, cultures and regions globally. For example, while Americans use the term 'Career and Technical Education' (CTE), Europeans refer to it as 'Vocational Education and Training' (VET), and many other countries in Asia, Latin America and Africa utilise terms like 'Council for Vocational

Education and Training' (CVET) (Sharma & Baral, 2019).

The specific choice of terminology for work and occupation holds less significance than ensuring the right work is performed at the right time. It is undeniable that technical and vocational education originated primarily in agricultural work and occupations, dating back to the very dawn of humanity, driven by the fundamental needs for food, clothing and shelter. Understanding the profound influence TVET has had on human development is crucial to recognising its scope and value for future endeavours.

Problem statement

The recognition of a problem is the first step towards finding a solution or implementing

improvements. While the TVET system in Nepal is developing, the smoothness and significance of its progress may vary. Therefore, disseminating knowledge and information to the public is crucial. We generally believe that widespread public awareness would significantly enhance the popularity of the TVET system within the country and contribute more effectively to the youth workforce in the national labour market.

Consequently, knowledge and information dissemination are essential for the successful development of the TVET system in Nepal. It is crucial for people to understand that education encompasses not only liberal or general education but also technical and vocational education.

Rational and significance

Education boasts a long and rich history, yet there is a widespread belief that much remains to be achieved within the TVET sector. This aligns with the adage that it's never too late to learn and that learning is a lifelong pursuit. Numerous experts, including educationists, scientists, theorists and philosophers, advocate for a resilient work and occupational system at the community level. They believe that the existing education system holds immense potential for contributing to the development and prosperity of individuals, society and the nation.

We live in the 21st century, an era of advanced civilisation, and we are not bound by the constraints of past traditions in technical and vocational education. However, this does not imply disregarding historical precedents. Instead, we must build upon the strong foundations of the past to guide our present endeavours towards a brighter future (Sharma, 2013). A thoughtful consideration of contemporary perspectives and technologies is crucial for the successful implementation of the TVET system in today's world.

Understanding the TVET system and enrolling in a relevant course can significantly enhance

an individual's life prospects. A comprehensive understanding of TVET, both at the individual and governmental levels, can positively impact not only individual lives but also the entire nation and even the global community. TVET encompasses more than just vocational and technical studies; it fosters lifelong learning, skills development and knowledge acquisition (MoE, 2016).

Individuals who pursue TVET education have a higher likelihood of securing employment in their field of study. This reduces the skills and knowledge mismatch often observed in the job market. Furthermore, the knowledge generated and acquired within communities can be collectively assessed and utilised to promote greater equity within the nation.

Purpose of the study

Following are some of the objectives people from all walks of life needs to understand and acquire the basic knowledge at the least possible. The more knowledge of TVET has been acquired by the people the better would have it been progressed in the path of technical and vocational education. Aware people and spreading up of the knowledge and skills will be an ever first concept to uplift their own livings.

- To see as how youths are aware of TVET system and its benefits
- Get data and information on the current employability in the country
- Know how CTEVT has been working for the youths and their employability
- Evaluate the acquired knowledge on National Qualification Framework (NQF)
- See the trend of overall TVET development in the country

Methodology

A comprehensive review of relevant TVET literature, both domestic and international, will be conducted to generate insights and inform the research conclusions. The research will focus

on the Council for Technical and Vocational Education and Training (CTEVT) and the Centre for Education and Human Resource Development (CEHRD) as key areas of study.

The research design will encompass both qualitative and quantitative data collection methods, allowing for a mixed-methods approach (either qual-quant or quant-qual). A thorough examination of relevant theories, themes, empirical evidence, and conceptual frameworks will be undertaken to acquire valuable data, information and knowledge for documentation and subsequent recommendations.

The evolution and growth of the TVET system, both within Nepal and internationally, will be carefully considered. This comparative analysis will contribute to enhancing public trust in TVET and encouraging greater participation in acquiring relevant knowledge and skills.

TVET history and its benefit

Nepal boasts a rich tapestry of diversity and a long and storied history. This multifaceted cultural landscape, encompassing diverse castes, creeds, religions, languages, and a wealth of natural resources, presents a fertile ground for the successful implementation of a robust TVET system.

However, the full potential of this diversity can only be realised through effective management and sound governance. The skills and knowledge acquired by individuals within society can be invaluable assets, conserved and utilised effectively to meet evolving needs (MoE, 2017). This inherent diversity positions Nepal with significant potential to elevate its TVET system, contributing to the nation's overall prosperity and well-being.

TVET scenario and the level

The Council for Technical Education and Vocational Training (CTEVT) was established

in 1989 as an autonomous and independent body under the Ministry of Education (MoE) of Nepal, with the mandate to oversee and enhance the nation's technical and vocational education system. Over the past three decades, CTEVT has experienced significant growth, navigating various challenges along the way.

In addition to its regular annual budget from the MoE, CTEVT has consistently received support from numerous international bilateral aid agencies and cooperatives. While CTEVT has successfully delivered hundreds of training programmes across various sectors, it has continuously sought to refine its existing methodologies.

Traditionally, TVET has been primarily associated with physical labour. However, the importance of integrating soft skills to complement and enhance an individual's hard skills is now widely recognised. This crucial concept of linking soft skills with hard skills has been embraced by CTEVT, the leading authority for technical and vocational training in Nepal (Renold, Thomas & Gahr, 2018).

Government initiatives

The Centre for Education and Human Resource Development (CEHRD), another entity within the MoE, operates programmes with some similarities to those of CTEVT. While these programmes may appear to overlap, CEHRD's focus differs significantly by exclusively incorporating Arts and Music, areas that fall outside CTEVT's purview. However, in terms of programme content, there is considerable overlap between CEHRD and CTEVT. A key distinction lies in their respective entry points. CEHRD's programmes typically commence from grade 9, whereas CTEVT primarily targets students after grade 10, offering a range of programmes from Technical School Leaving Certificate (TSLC) to higher diplomas through Training Institutes for Technical Instruction (TITI).

International perspectives

The 1999 International TVET Congress in Seoul, Korea, declared TVET to be a universal right, emphasising its role as a lifelong learning pathway that fosters continuous knowledge acquisition and personal sustainability.

Despite significant strides in resource allocation and implementation efforts, the development of a unified global TVET framework remains a key objective for the United Nations. To this end, UNESCO-UNEVOC (the United Nations Educational, Scientific and Cultural Organisation-International Centre for Technical and Vocational Education and Training) and the International Labour Organisation (ILO) have collaborated closely.

In 2001, UNESCO-UNEVOC and ILO reached a consensus on a shared vision for TVET, aiming to strengthen linkages between education and the global labour market. This critical partnership recognises the critical role of both organisations in addressing the global challenge of rising unemployment.

The collaborative efforts of UNESCO-UNEVOC and ILO have the potential to yield substantial benefits not only for developing nations but also for all countries, as their shared vision for TVET development prioritises the well-being and prosperity of entire nations worldwide (UNESCO & ILO, 2002).

UNESCO's initiatives to establish robust TVET systems in partner countries, such as Nepal, represent a significant step forward. It is widely recognised that countries fostering strong cooperative relationships with the UN can significantly advance their technical and vocational education sectors, given the UN's crucial role in supporting member states (ILO, 2010).

UNESCO-UNEVOC stands as the leading international organisation dedicated to advancing

TVET worldwide. In collaboration with the ILO, it has issued a joint declaration aimed at mitigating global unemployment.

The effective implementation of TVET within a country can directly contribute to the achievement of Sustainable Development Goals (SDGs) 4 (Quality Education) and 8 (Decent Work and Economic Growth). However, the impact of TVET extends beyond these specific goals. Given its interdisciplinary nature, TVET principles can be applied across various educational domains, contributing significantly to broader sustainable development objectives.

Results / Output / Discussion

We are all aware that employment opportunities arise when there is work available. Conversely, the potential for employment increases when occupational opportunities exist. A high rate of employability allows for the effective utilisation of youth capital, transforming it into a valuable demographic dividend that benefits not only individuals but also the nation's economy.

We understand that shared knowledge and understanding can mitigate the risks associated with any endeavour. TVET education not only equips individuals with the skills needed to address labour market shortages but also contributes to job creation in areas of critical need.

The TVET system is uniquely positioned to effectively identify and harness the skills and knowledge present within rural communities. While assessing individual skills and knowledge in rural areas can be challenging, capturing this valuable human capital is crucial.

CTEVT and its associated projects are collaboratively striving to enhance the overall TVET system within the country. This unified approach is crucial for achieving the strategic goals outlined in the Memorandum of Understanding (MoU) signed for each project.

The Nepal Vocational Qualification System (NVQS) Project plays a pivotal role in developing a robust framework for assessing and certifying individual skills and knowledge. This project significantly contributes to the development of a skilled workforce, empowering individuals with career advancement opportunities and a more secure future.

To date, over 350,000 individuals have successfully obtained skill certifications through the NVQS project, out of a total of 400,000 who have participated in the skill tests. An additional 100,000 individuals are currently in the process of obtaining their certifications. The project effectively empowers individuals by enhancing their skills and enabling them to lead more fulfilling lives.

The NVQS project not only certifies individuals who successfully pass the skill tests but also actively seeks international recognition for these certifications. This unique aspect of the project, coupled with the development of a comprehensive and innovative NVQS framework, represents a significant advancement in Nepal's TVET landscape. This framework aims to bridge the gap between the TVET and general education systems, providing students with a wider range of educational choices and fostering a more democratic and inclusive approach to education. This trend aligns with global best practices and has the potential to significantly benefit a large segment of the youth population.

Beyond the NVQS project, all other initiatives supported by national and international funding sources are actively contributing to the advancement of the TVET system in Nepal

It is well-established that the grants, funds and subsidies received by TVET projects play a crucial role in enhancing the overall system and driving economic growth within the country. Recognising the transformative potential of TVET, the United

Nations has invested substantial resources in this sector globally. These investments present numerous opportunities to significantly improve Nepal's technical education landscape.

The potential for positive impact is substantial for individuals and organisations dedicated to advancing TVET and contributing to national economic development and poverty reduction. UNESCO-UNEVOC's five-year strategic plan (2016-17 to 2020-21) aimed to enhance TVET systems worldwide, creating a wealth of opportunities that Nepal can leverage to its advantage (UNESCO, 2018).

While existing documents and reports require further refinement, it is crucial to establish robust monitoring, evaluation and control mechanisms to ensure effective programme implementation. Current projects necessitate increased funding to maximise their impact. Careful monitoring of all resources is essential to achieve optimal outcomes. Furthermore, there remains significant potential to diversify funding sources. Exploring public-private partnerships can unlock additional resources for TVET development within the country.

Conclusion

Donors and funders are not obligated to provide indefinite support, as grants are typically intended to address specific needs and challenges within a community. Therefore, while donor support is crucial, it cannot be relied upon for the long-term sustainability of TVET programmes.

The primary responsibility for strengthening the TVET system lies with the nation itself. The allocation of adequate national budget is crucial to ensure ownership and sustained development of the sector, ultimately driving economic growth.

CTEVT and TVET share a symbiotic relationship, akin to hardware and software in the ICT world. CTEVT serves as the implementing organisation,

executing TVET programmes through various modalities. TVET, on the other hand, encompasses the broader framework of technical and vocational education, encompassing three distinct programme types. By integrating various projects and programmes, TVET aims to enhance these offerings and achieve international quality standards. CTEVT plays a pivotal role in facilitating the smooth and effective implementation of all programmes within the TVET system.

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Thinking Counterintuitively in Business

Brian Tang

Corporate Training Consultant

All world class athletes have the same dream – win the gold medal in Olympic Games. When they finally win a medal in the Games, they would feel happy, undoubtedly. It makes sense to think that gold medalists would feel the happiest, next the silver medalists, and the bronze with the least amount of happiness among the three. Is that true?

In a famous study of the 1992 Summer Olympic Games, Medvec and Gilovick of Cornell University and Madey of the University of Toledo conducted a research¹ to measure the happiness of the medalists based on their facial expressions on the award podium. On a scale of score 1 – 10, with 1 being ‘Agony’ and 10 being ‘Ecstasy’, bronze medalists scored on average 7.1, while silver medalists achieved only 4.8, slightly below the neutral point. The same study has been replicated a few times after that and results were similar. Athletes who objectively performed better (silver medalists) were less happy than those who performed the worst (bronze medalists). Why is that?

The researchers concluded that these medalists have different ways to look at the result. The bronze winners thought ‘At Least’. ‘At least I made it to the podium.’ ‘At least I didn’t finish the 4th.’ On the other hand, silver medalists pondered ‘If Only’. ‘If only I ran a bit faster.’ ‘If only I didn’t get distracted

by the audience.’ Silver place is a tiny step away from the top – often in milliseconds. The ‘If Only’ thinking hurts.

This is counterintuitive thinking – something that doesn’t seem to make sense actually makes sense when we dig deeper. It provides fresh perspective. It gives us insight in how humans think and behave, as well as how the world works. I have prepared two counterintuitive examples in business and offered the moral of the story. Let’s explore.

1. Kodak and the digital photography

The Eastman Kodak Company (Kodak) was a well-known giant in the photography industry in the 1970s. It was almost impossible to find any photographers who haven’t used Kodak’s products back at the time. It achieved an astonishing 85% market share in camera sales and a whopping 90% market share in photographic film sales in the 70s. It literally pushed their competitors off the market². Its sales went up to \$10 billion in 1981. However, in 2012, the company filed for bankruptcy. What happened?

There exist many explanations of Kodak’s downfall. Most attributed to its late adaptation to the uprising trend of digital photography. Although the company eventually jumped on the digital trend bandwagon, it never placed as much focus

on it as its best-selling products – films. Eventually, the company became obsolete and irrelevant in the market.

While it was widely accepted that Kodak died of the digital trend, not many people know that it was Kodak who invented the first digital camera in the world in 1975. Now let's think about it. Kodak had the next generation of product and all the resources and money on hand, why didn't they invest in it and make it "The next big thing"?

You may call it management complacency or lack of organisational agility. Clayton Christensen, a professor at the Harvard Business School, had a theory in his best-selling book 'The Innovator's Dilemma'³. Based on his research, he argued that a company like Kodak which failed to capitalise on the next generation of products (he called it 'Disruptive Technology') was not because of complacency or bad management. Counterintuitively, it was the opposite. They didn't pursue the disruptive technology because of good management practice. In business school, we were trained to 'listen to the customers', and 'maximise shareholders return'. Let's put ourselves in the shoes of Kodak's senior management in the 70s. We were making huge profits and our market shares were unprecedented. Our customers love our products. Now we have this digital camera technology which was inferior compared to our existing products, its market potential was unknown, and no customer has expressed interest in it. Why would we want to spend our resources to develop this product with unknown potential instead of going 'all in' with the best-selling products that generate humongous return? That just makes no sense at all.

Further, even if they decided to invest in it, it won't generate the 'maximum return' for the company. Any new technology starts with a small market potential. The potential return from the digital photography would be so small to make an impact to the balance sheet of Kodak, at least initially. Hence it won't garner enough attention

and resources needed in a big organisation such as Kodak. That's the reason disruptive technology was best suited for startups, whose only product and attention was that disruptive technology.

In short, Kodak died of good management, not bad management.

Christensen further argued in his book that the organisational ecosystem created additional barriers to develop disruptive technology. For instance, you were the head of the engineer who invented the first digital camera. Would you propose to the senior management team to focus on this new product? With the benefit of hindsight, we know the answer should be 'yes'. But at that time, it was a new technology with uncertain potential. Would you risk your career path by betting on a new technology? What if it turns out sour? Your career would be in jeopardy. Therefore, many new technologies and opportunities never made it to the discussion item in the boardroom. They got sacked in mid-management.

Lesson of the story: Discard siloed thinking and practice Systems Thinking. Organisations are an ecosystem – everything is interconnected. Any input may create unintended results. The wholes are not the mere sum of its parts. Relationships are nonlinear and complex. Management must not only examine the viability of the technology but also think about the relationship and dynamic reactions by each component in the system, i.e., the organisation. Failure to do so leads to myopic thinking and inability to see the full picture.

2. Spotify and 'Discover Weekly'⁴

We all want to make the best decision. In order to do that we need to know the facts, and that's where big data and data science come in. When used correctly, data helps us understand the world better and make better judgement. However, just as any other thing, there is always a chance of having too much of a good thing. If we overly rely on data and data alone, we blind ourselves to other

perspectives and possibilities.

In 2015, Spotify, an online audio streaming and media services provider, launched a product called 'Discover Weekly'. Every Monday morning, Spotify would give you a unique list of 30 hot songs that you hadn't heard of, based on your taste and preferences. The product was an instant hit. Spotify users loved this product. However, its success was intriguing to Spotify's management. The company didn't spend much effort promoting this product before launch. Compared to a similar product such as 'Feel Good Friday', 'Discover Weekly' was not much different in terms of product nature. What made it so popular?

The data scientists at Spotify spent a great deal of effort to mine the data but to no avail. They couldn't figure out from the data what made 'Discover Weekly' so hot. It was until they gave up on the data did they discover the answer. It was not because of the 'what' or 'how' of the product, but the 'when'. 'Discover Weekly' generated a list of new songs for the users every Monday, when the 'Fresh Start Effect' is in effect. Psychologically, Mondays represent the fresh start of a weekly cycle. Hence a new playlist on Monday morning makes a lot of sense. Similar 'Fresh Start Effect' can be found in January and the first day of the month.

Lesson of the story: Quantitative analysis should always be complemented by qualitative observation. Don't get attached to only one side of your input. Balance is the key. Be curious and observant. Moreover, humans are very complicated. Our decisions are not always rational. Understanding the soft stuff (behavioural economics and psychology) may just be as important as mining the hard data in judgements and decision making.

Counterintuitive thinking is not easy. It is like defying gravity. It requires us to challenge our mental model and status quo. Nobody wants to be wrong but the counterintuitive thinking process may prove us wrong. How can we get past this sense of failure and challenge ourselves to think counterintuitively? I have got two tips for you.

First, focus on growth instead of being right. We all want to be right. We feel really good when we are right but awful when we are wrong. And this awful feeling may actually make us risk averse and stop us from being innovative. What if we don't care so much whether or not we are right, but whether we are growing and knowing something we didn't know before? We shift our attention to growth and development. Even if we fail, we have learned something we didn't know before.

Second, approach the issue on hand as a novice instead of a master. In this ever-changing world, there's no such thing as a master anymore. Everything is changing, and everyone is learning. As the saying goes, "In the beginner's mind there are many possibilities, in the master's mind there are few." Embrace humility and say to yourself: there is always something I don't know, despite how much I already know.

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¹ Medvec, Victoria Husted, Scott F. Madey, and Thomas Gilovich. "When less is more: counterfactual thinking and satisfaction among Olympic medalists." *Journal of Personality and Social Psychology* 69, no. 4 (1995): 603.

² <https://brand-minds.medium.com/why-did-kodak-fail-and-what-can-you-learn-from-its-failure-70b92793493c>

³ Clayton M. Christensen, *The Innovator's Dilemma*, Boston, Harvard Business Review Press, 1997.

⁴ <https://www.facebook.com/BW.CEO.YILING.KUO/posts/pfbid09Pj23c8KDWg33Q589A5R4t8XX9a7Y7ougLHHGWT6xZXYbvxfv3iU6VVXZ77NHDWxl>

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Sustainable Development Goals and Nepal: Challenges Amidst the Covid-19 Pandemic

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Abstract:

Sustainable development emphasises utilising natural resources efficiently and equitably while ensuring their preservation for future generations. It advocates for a balanced approach that safeguards the environment and guarantees intergenerational equity. In 2015, the United Nations introduced 17 Sustainable Development Goals (SDGs) to foster a more prosperous, equitable and secure global community by 2030. This study examines the challenges Nepal faces in achieving these goals, employing a comprehensive review of literature and an analysis of recent data. The findings indicate that the Covid-19 pandemic has significantly disrupted economic, sociocultural and environmental activities, posing substantial obstacles to achieving the SDGs. The study underscores the urgency of collective engagement, strategic emphasis and immediate action to mitigate these challenges and accelerate progress toward the SDG targets.

Keywords:

Sustainable Development Goals, Impact of Covid-19, Challenges of Economic Growth, Millennium Development Goals (MDGs), Nepal.

JEL Classification: O10, O53, Q01, Q56, I15

1. Introduction

The Sustainable Development Goals (SDGs) articulate global priorities and aspirations for sustainable development, aiming to mobilise collective efforts toward achieving these targets by 2030. Established in 2015, the SDGs are grounded in the principle of leaving no one behind, calling for active engagement from UN agencies, governments, businesses and civil society. Over the past decade, sustainable development has evolved beyond being a buzzword, becoming a central global agenda. Despite considerable efforts, including the Millennium Development Goals (MDGs) and international cooperation, significant challenges persist. These include disparities in economic development among countries and the unsustainable exploitation of natural resources, which threaten ecological balance. As Mohandas (2018) emphasises, addressing these issues demands actions that ensure a safe and sustainable environment for future generations.

Against this backdrop, the 17 SDGs were crafted to foster a more prosperous, equitable and secure world. These goals encompass a wide array of objectives, such as eradicating poverty, achieving zero hunger, ensuring access to quality education, promoting gender equality, supporting economic growth, and advancing clean energy solutions. In September 2015, the SDGs were formally adopted by 193 UN Member States as part of their collective sustainable development agenda (UN, 2017).

In recent years, the world has faced unprecedented challenges due to the Covid-19 pandemic, which has exposed vulnerabilities in global healthcare systems and disrupted the livelihoods of billions (Joshi et al., 2021). Nepal, like other countries, has been severely impacted. The pandemic has disproportionately affected daily wage earners, leading to job losses, disruptions in food supply chains, and heightened risks to life and health. This crisis has exacerbated vulnerabilities to

hunger and poverty, threatening progress toward SDG targets. Despite anecdotal evidence highlighting these challenges, systematic studies on the pandemic's impact on Nepal's SDGs are limited.

Achieving the SDGs requires a comprehensive approach that integrates global cooperation, technological innovation and alignment of international goals with national priorities. Nepal, a signatory to the SDG agenda, has demonstrated a strong commitment to the 2030 vision. The Government of Nepal has noted that the global SDG framework aligns closely with the country's socioeconomic and environmental aspirations as outlined in its constitution. Nepal has identified 479 indicators, including 247 national additions to the 232 global indicators. Key initiatives include the 'United Nations Sustainable Development Goals (SDGs) Status and Roadmap 2016–2030', SDG needs assessments, costing and financing strategies, and localisation guidelines. These efforts outline baselines, targets and implementation frameworks for each indicator (NPC, 2018).

The integration of SDGs into Nepal's national planning is evident in the 15th Periodic Plan (2019/20–2023/24), which promotes the vision of a 'Prosperous Nepal, Happy Nepali'. This plan incorporates SDGs into subnational government periodic plans, coupled with robust monitoring and evaluation frameworks. The Medium-Term Expenditure Framework assigns specific SDG codes to national development programmes, ensuring their alignment with broader objectives (NPC, 2018; NPC, 2020b).

While the SDGs offer a transformative framework with the potential to create a win-win situation for all stakeholders, the Covid-19 pandemic has posed significant obstacles. A deeper examination is essential to understand how the pandemic has impacted Nepal's progress toward these goals. The primary objective of this article is to identify

the challenges Nepal faces in achieving the SDGs, particularly in light of the Covid-19 pandemic. It also seeks to recommend measures to reorient programmes and align them with SDG targets. The article is structured into six sections: the introduction, followed by Section II, which outlines the background and goals of the SDGs. Section III describes Nepal's socioeconomic context, while Section IV reviews related literature. Section V analyses the pandemic's impact, and Section VI details the challenges posed. Finally, Section VII summarises findings and provides conclusions.

2. The SDGs as a New Development Paradigm

In December 2015, all 193 United Nations member states adopted 17 Sustainable Development Goals (SDGs) with 169 targets, building on the progress and lessons of the Millennium Development Goals (MDGs). The SDGs offer a universal framework to address critical social and environmental challenges, emphasising the principle of 'Leaving no one behind' (UN, 2017). This framework calls for comprehensive implementation strategies, including effective interventions, adequate investments, diverse financing sources, and robust partnership mechanisms.

While the MDGs achieved notable progress, such as reducing extreme poverty, significant inequalities persisted. Challenges included the concentration of poverty in specific regions, high maternal mortality rates, and stark disparities between rural and urban areas (United Nations, 2015). The SDGs were designed to address these gaps, promote sustainable development practices, and foster inclusive partnerships with governments, private sector and civil society.

The 17 SDGs, shaped through collaborative efforts and intergovernmental negotiations, seek to transform global development within 15 years. They are broadly categorised into four pillars: Social, Environmental, Economic, and Law and

Governance. Central to their vision is prioritising the most vulnerable populations to ensure equitable progress and sustainable growth for all (United Nations, 2015).

3. Socioeconomic Context of Nepal

Nepal is transitioning from a least-developed to a developing country, although it has historically faced slow economic growth, structural poverty, social exclusion and weak governance (Gautam, 2020). The decade-long armed conflict (1996–2006), driven by social discrimination and economic inequality, exacerbated these issues. The 2006 peace accord ended the conflict and subsequent political reforms culminated in the 2015 constitution, establishing Nepal as a federal democratic republic. This transition aims to build an inclusive society, promote social justice, and create a welfare state.

The government envisions rapid economic growth and sustainable development through initiatives like the 15th Periodic Plan (2019–2024), which integrates 22 national pride projects and targets an average annual economic growth of 9.4%. It aims to increase per capita income from \$1,047 to \$1,595 within five years and projects a rise to \$12,100 by 2034 (NPC, 2020a).

However, Nepal's development has been hindered by natural disasters, including the 2015 earthquakes, which caused extensive damage, and by economic vulnerabilities such as dependence on monsoon-fed agriculture, environmental degradation and climate change impacts. Despite challenges, Nepal has maintained macroeconomic stability, with modest inflation, growing foreign reserves, and low public debt (below 25% of GDP in 2015) (Gautam, 2020).

Agriculture remains the backbone of Nepal's economy, complemented by wholesale trade, motor vehicle repairs, real estate, and education. The Covid-19 pandemic disrupted these sectors, slowing economic growth. Nonetheless, poverty

has significantly declined, from 42% in 1995 to 23.8% in 2015, although disparities persist across regions, castes, ethnicities and genders (MoF, 2015).

Nepal has achieved notable progress in human development, narrowing inequalities across regions, genders and social groups. However, marginalised communities continue to face lower food security, health outcomes and educational access. Addressing these disparities requires targeted interventions and redesigned programmes. The pandemic's impact further underscores the need for resilient planning, capacity building and tailored measures to align with Sustainable Development Goals.

4. Review of Related Literature

Recent progress on Sustainable Development Goals in Nepal includes improvements in living standards through economic activities, skill development and equitable wealth distribution. However, the Covid-19 pandemic has jeopardised these achievements, compounding structural and supply-side challenges. This section reviews key literature on the pandemic's impact on SDGs globally and in Nepal.

Global Perspectives:

Barbier and Burgess (2020) identify the vulnerability of developing countries to the pandemic due to limited international support for SDG progress. They suggest innovative policies like fossil fuel subsidy swaps, reallocation of irrigation subsidies, and a tropical carbon tax to address immediate needs and foster long-term sustainability.

Seshaiyer and McNeely (2020) connect Covid-19's socioeconomic impacts to SDG-3 (Good Health and Well-being), emphasising the need for strengthened healthcare and policy responses. Ekwebelem et al. (2021) highlight how Covid-19 has exacerbated hunger, poverty and poor healthcare in Africa, threatening SDG progress and calling for balanced policies to safeguard

prior achievements.

Filho et al. (2021) argue that the pandemic's wide-ranging impacts disrupt other health programmes, mental health considerations, and SDG implementation.

Fenner and Cernev (2021) explore uncertainties created by Covid-19 and their implications for foundational SDGs, analysing scenarios influenced by health, economic priorities and international cooperation.

Shulla et al. (2021) examine interdependencies among SDGs disrupted by Covid-19, particularly SDG-3, SDG-4, SDG-8, SDG-12, and SDG-13, noting spillover effects on SDG-5, SDG-9, SDG-10, and others.

Nepal-Specific Insights:

Phuyal (2024) discusses Impacts of Covid-19 on Foreign Migration and Employment of Nepali Labour Forces and explores the significant effects of the Covid-19 pandemic on Nepali labour migration and its consequences on both the labour market in Nepal and the destination markets, particularly in the Gulf region. The research highlights the return of a large number of migrant workers to Nepal in 2020 and 2021, which resulted in an acute pressure on the domestic labour market. Approximately 700,000 individuals lost their jobs within Nepal due to the pandemic. Despite these challenges, the Government of Nepal viewed this crisis as an opportunity to harness the skills, experience and remittances of returnee migrants.

Bhattarai and Subedi (2021) discuss Covid-19's impacts on foreign investments, remittances and foreign aid in Nepal, compounded by political instability and geopolitical challenges.

Baniya et al. (2021) report on the pandemic's economic toll, reversing progress on SDGs and pushing populations into extreme poverty.

Joshi et al. (2021) highlight the pandemic's threats to food security and poverty levels in Nepal, calling

for employment generation and international consensus on sustainable development.

KC (2020) emphasises coordinated efforts and sectoral policies for SDG implementation, such as education, health and green energy initiatives.

Opportunities Amid Challenges:

While most studies focus on negative impacts, some highlight opportunities created by the pandemic:

Pana and Zhang (2020) view the pandemic as a chance for solidarity and digital sustainability to advance SDGs.

Pradhan et al. (2021) discuss transformative opportunities for Nepal, such as leveraging information technologies, reverse migration and empowering local governments.

The SDG Knowledge Platform (2021) underscores collaboration as essential for a sustainable and resilient recovery.

Phuyal (2024) concludes that, while the pandemic posed serious challenges, it also created a chance for Nepal to benefit from its returnee migrant workforce and leverage remittances for economic growth.

Although Covid-19 presents significant challenges, it also offers lessons and pathways for sustainable transformation, making it crucial to act on both fronts to meet SDG targets.

5. Impact of Covid-19 in Nepal

The Covid-19 pandemic has had a profound impact on Nepal's socioeconomic landscape, exacerbating existing challenges in achieving the Sustainable Development Goals. The pandemic disrupted economic growth and social stability, leading to significant setbacks across various sectors.

Economic Growth

Nepal's economic growth trajectory experienced notable fluctuations due to the pandemic. Initially projected at 7% for the Fiscal Year 2020/21, the

economy contracted by 2.09% in 2019/20. A modest rebound to 4.01% was observed in 2020/21, followed by a growth rate of 5.84% in 2021/22. Preliminary estimates for 2022/23 indicate a growth rate of 5.05% (CBS). Despite these improvements, the pandemic's lingering effects continue to challenge Nepal's ambition to graduate from least developed country status and achieve the SDGs by 2030.

Agriculture and Trade

Agriculture, a cornerstone of Nepal's economy, faced significant disruptions due to broken supply chains and reduced demand stemming from travel restrictions and social distancing measures. Farmers encountered reduced market access, labour shortages, and difficulties in meeting daily expenses (UNDP). International trade also suffered setbacks, with Nepal heavily reliant on India and China for essential goods. In the Fiscal Year 2019/20, exports and imports declined by 12.88% and 7.45%, respectively, resulting in an estimated loss of \$5.10 billion in exports of high-value products.

Employment and Livelihood

The pandemic severely impacted employment within Nepal and among Nepali migrant workers abroad. Thousands of Nepali workers in Gulf countries and Malaysia faced job losses, negatively affecting remittance inflows – a critical driver of poverty reduction and human development. Despite predictions of sharp declines, remittances saw an unexpected increase during the pandemic. However, reduced foreign direct investment (FDI) and foreign aid remain concerns, with global FDI projected to shrink by 30-40% during 2020-2021. Such contractions exacerbate Nepal's \$4.96 billion annual financing gap for achieving SDGs.

Tourism

Tourism, contributing significantly to Nepal's economy, was among the hardest-hit sectors. Activities such as mountaineering, trekking and wilderness tourism were halted, impacting

over one million Nepali workers. Indicators like tourist arrivals, foreign exchange earnings, and employment in the sector depicted a grim picture during the pandemic, delaying progress toward achieving SDGs by 2030.

Social and Mental Health

The pandemic's social and mental health impacts have been profound. Job losses affected a significant portion of workers in both formal and informal sectors, disproportionately impacting women due to their dual roles in income generation and family care. These challenges demand immediate interventions to mitigate the pandemic's adverse effects and support SDG achievement by 2030.

In summary, the Covid-19 pandemic has underscored the urgency of addressing Nepal's socioeconomic challenges. Comprehensive strategies and immediate actions are vital to mitigate these effects and ensure progress toward achieving the SDGs in Nepal.

The reviews presented provide a general assessment of the Covid-19 pandemic's impact, particularly on Nepal. While studies have identified negative implications of the pandemic on Sustainable Development Goals, comprehensive research specific to Nepal remains limited. Addressing the challenges posed by Covid-19 demands a systematic and detailed evaluation, given its adverse effects on most SDGs. Chief among these challenges is the pandemic's dramatic impact on global economic activity, with developing countries like Nepal facing significant repercussions.

The Covid-19 pandemic has profoundly impacted Nepal's socioeconomic framework, intensifying existing challenges in achieving the Sustainable Development Goals by disrupting economic growth and social stability. Initially, Nepal's economic growth rate was projected at 7% for the Fiscal Year 2020/21; however, it contracted by -2.09% in 2019/20 and modestly rebounded to 4.01% in 2020/21. In the Fiscal Year 2021/22,

the growth rate improved to 5.84% (CBS, 2023). Despite this recovery, the pandemic's lingering effects continue to pose significant challenges to Nepal's ambition of graduating from least developed country status and achieving the SDGs by 2030

6. COVID-19 and Challenges of Achieving SDGs

Since the adoption of the 2030 Agenda in 2015, progress has been made globally and in Nepal. However, no country is fully on track to achieve all SDGs, and the Covid-19 pandemic has exacerbated existing challenges. The pandemic's socioeconomic impacts pose significant barriers to achieving the SDGs by 2030, with specific challenges summarised below:

Economic Growth and Poverty Alleviation

The pandemic-induced movement restrictions and business closures created income and employment shocks, exacerbating household food insecurity and reducing spending on education and health. This raises the risk of increased poverty and threatens progress toward SDG goals like eradicating poverty (SDG 1) and ending hunger (SDG 2). Restoring normalcy in economic activities remains critical for addressing these challenges.

Financing SDGs

Achieving the SDGs requires significant investment from both public and private sectors. However, the pandemic severely impacted financing capacities, necessitating innovative financing models, enhanced public-private partnerships, and leveraging remittances, insurance services, and savings mobilisation to address the resource gap.

Investment and Private Sector Mobilisation

Nepal needs an investment-friendly environment to attract domestic and foreign investments. Despite some reforms, private sector engagement

remains insufficient to meet the SDG financing gap. Encouraging startups and recovery plans, along with fostering bilateral and multilateral loans and grants, is crucial for accelerating progress.

Integration of SDGs into National Plans

Embedding SDGs into Nepal's periodic plans and budgets at federal, provincial and local levels is essential. The pandemic and political instability pose challenges to capacity building and effective implementation of these plans.

Monitoring, Evaluation and Reporting

A robust framework for monitoring and evaluating SDG progress is necessary. Challenges include defining relevant indicators, addressing data unavailability, and encouraging private sector alignment with SDG strategies. Developing comprehensive reporting mechanisms is essential for tracking progress and making informed policy decisions.

Field Surveys and Research-Based Publications

Limited availability of updated field surveys and research hinders evidence-based policymaking for SDGs. Increased efforts are needed to publish reports and evaluations to facilitate alignment with national strategies and guide implementation.

Mobilising Bilateral and Multilateral Assistance

The global economic downturn has reduced the capacity of donor countries to provide loans and grants. Nepal faces challenges in mobilising foreign aid for infrastructure, food security, climate change and other critical sectors. Strengthening partnerships with donors and meeting their criteria will be key.

7. Findings and Conclusion

The Covid-19 pandemic has severely disrupted global and national economies, with lower-income countries like Nepal disproportionately affected. The interconnected nature of SDGs necessitates integrated recovery strategies.

Nepal has made notable progress in health, sanitation and alternative energy sectors,

including reductions in neonatal and child mortality and increased access to clean drinking water and sanitation. The private sector and NGOs have contributed significantly to waste management, environmental protection and renewable energy development.

Despite these achievements, Nepal faces substantial challenges in achieving the SDGs by 2030. The long-term vision of 'Prosperous Nepal and Happy Nepali' requires aggregate planning and reforms to address the pandemic's impacts. Detailed assessments, policy reviews and recovery initiatives aligned with SDG requirements are essential.

Further research is recommended to analyse Covid-19's detailed impacts and develop robust methodologies for effective SDG implementation. Comprehensive planning, multi-stakeholder engagement, and resource mobilisation will be crucial for navigating the path toward sustainable development.

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Growth, inequality and inclusiveness

Prof. Bishwambher Pyakuryal

Bishwambher Pyakuryal is a Professor of Economics who taught and conducted research at Tribhuvan University, Nepal for almost four decades. He holds double Masters in Economics and International Affairs and Ph.D. in Economics from Nepal and USA. As a Senior Fulbright Scholar he has also completed Post-Doctoral Research in Economics from the University of Maryland at College Park, USA.

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London; “Food Price Volatility and Uncertainty: The Case of Nepal”, *Global Recovery, New Risks and Sustainable Growth, Repositioning South Asia*, CPD, Dhaka and “Prosper Thy Neighbor: India’s Cooperation with South Asia” in *India’s Approach to Development Cooperation*, Routledge, London. Pyakuryal’s latest books are ‘*Nepal’s Development Tragedy: Threats and Opportunities*’ by Fine Prints and *Nepal’s Macroeconomics: A Radical Rethinking in Growth, Inequality and Inclusiveness in Nepal* (Edited) by Mandala Publications, Kathmandu.

Currently Prof. Pyakuryal has been giving special lectures as visiting professor at Gangseo University, Seoul and Keimyung University, Daegu, South Korea. Prof. Pyakuryal has been an international consultant to the World Bank, IFC, ADB, UNDP, UNCTAD, UNFPA, ESCAP, IUCN, IPPF, WHO, CIDA, ICEG, EU, The Asia Foundation; IRIS Center, U.S.A; UN/APCAEM, Beijing; DFID; SDC; ILO, and FAO.

When people are denied full participation in society due to poverty, discrimination and lack of access to resources and also opportunity, they are excluded. The challenge becomes severe due to limited educational access, low level of employment and healthcare facilities. Accessible education and vocational training for creating employment opportunities have been the government’s policy. The policy of inclusiveness has been satisfactory in the countries that can afford cash transfer programmes together with the subsidies to support vulnerable populations have been effective. Policy reforms are ultimately necessary to foster community involvement in decision-making processes to ensure that local needs are addressed.

In Nepal, generally it is believed that inclusive development may be possible when government succeeds in production-oriented budgetary allocation by focusing on mid-term expenditure and budgetary framework and employment-entered programmes. This may be the reason why the review shows in most of the election manifesto of major political parties, capitalism-oriented social democratic model converges by focusing on the increased government spending on public goods including the investment in social security; road; electricity, agriculture transformation; information technology, basic health services; as well as in primary education. Nepal does not

have satisfactory track record in the past to make targeted poverty alleviation programmes being effective in assisting the poor in increasing their assets. This indicates the beginning of reemphasis on the concept of inclusive growth.

Hatlebackk (2008) in one of his Nepal-related studies states, the main pathways out of poverty depend on the government’s economic policy. Such policy secured property rights. As economic freedom measures the degree to which a country acknowledges notion of property rights, private property rights, by definition is how individuals can control, benefit from and transfer property. The common line with regards to the ownership of private property between political parties was drawn in Nepal’s new constitution. This is necessary to explain social security by linking ownership and benefit sharing for social security. Social security by definition is the foundation of economic security which accommodates the benefits to the retirees, disabled persons, and families of retired, disabled or deceased workers. However, although in principle, it is very strong argument; huge revenue-expenditure gap has limited the government to guarantee such benefits.

Another key element to increase assets for the poor is redistribution of land, which is still a matter of considerable controversy. There does not seem consensus among major political parties with

regards to the ownership of private property. The Maoist movement, has historically been involved in land seizures and there had been resistance from different factions to returning land to original owners. Additionally, patronage and factionalism within parties have always complicated decision-making processes, including those related to land ownership. The issues become more complicated due to policy uncertainty and broader societal challenges such as skewed landholdings and lack of secure tenure rights. Therefore, the pathways out of poverty will still depend very much on the migration to work unless as per the government's wishes of employment-centered economic policy does not start yielding results (Pyakuryal, 2013).

The high economic growth over last few decades has contributed significantly to reduce poverty in the Asia Pacific region. In the highly developed countries, the major contributors to growth were total health expenditure, home and vehicle sales, consumer spending and the industrial production index. These pillars of development could balance recessionary pressures to a greater extent. However, as the realisation today is the fact that the era of high economic growth expansion especially in developed countries is over, redesigning the industrialisation and development models as a new driver to growth is required. To do this, the knowledge frontiers are being discussed and the importance of exploring extensively the new drivers is realised in developing countries as well.

Experience in Nepal's development history shows, growth in one sector cannot automatically percolate to the poor. Efforts are needed to be made to investigate relationship of growth and its impact on productivity-intensity, and sectoral location of the poor etc. One recent study reveals that for poverty reduction, employment-intensive growth must occur in a "more productive" sector (Hall, 2009).

At a time when growth was possible and poverty reduction was satisfactory, available data in

Nepal's Living Standard Surveys shows there was widening disparity between the rich and poor and the disadvantaged sections of the people. Unless existing models of development is restructured the question of accelerated, broad-based, sustainable and inclusive growth will remain unanswered. This would mean the threat to government's proposed so-called second or third generation reform.

This necessitates the urgency of pulling expertise of Nepal's experienced policy makers, development practitioners and academicians to explore new areas of threats and opportunities and develop roadmap for development by especially focusing on macroeconomic challenges, fiscal reforms, investment and employment, external sector, partial and total factor productivity, social sector and energy security.

Nepal has over flooded with the growth of diagnostic studies in identifying the binding constraints to development. There are evidences to assess how well-developed economic instruments can correct macroeconomic anomalies and keep the development polies on track. The unique problem one encounters in recent reform initiatives are two-fold; one emerging from domestic front and the other from global events. At the domestic level, it has been realised that hardcore development theories have become inelastic to the real life situation that people face. The other problem country faces come from the global events, which has contributed to the erosion of absorptive capacity to safeguard economy from externality that escalates macroeconomic shocks. Nepal's economic regime faces structural rigidities. The relationship between growth and employment; monetary policy and inflation; wage and productivity; poverty and inequality etc. have been delinked. Massive success in reducing poverty has not yet ensured millions of the people that growth has been inclusive and fruits of development have percolated to the lowest level through the political economy

of development. This is probably the reason why even globally acknowledged theory of inequality and development have not been satisfactorily explaining the development impacts in Nepal's development planning.

Simon Kuznet's Inverted U-curve hypothesis which is based on the premises that inequalities first rise with the onset of economic growth, and begins to fall when economic growth advances. The model explains, through the course of development, as per capita income increases, initially, income inequality increases. In other words, some observe growth-equity relationship is characterised by a trajectory in the shape of an inverted U. Nepal's overall growth track does not follow such established norm. Income inequality is inelastic with increased or sustained growth. Especially this scenario is quite visible since Nepal embarked on economic liberalisation after the mid-term election of 1994. The inequality did not decline in both scenario – during the negative balance of payment or the positive BOP situation. This is a situation that necessitates investigation to identify key factors that has distorted such linkages.

The models or hypothesis are contingent on the broader social and political environment in which they are advocated and practiced. The fact is under the same indicators the impact can be different in different countries. The lesson Nepal should thus learn is the fact that as this country has three distinct geographical divisions – the mountains, hills and plains with different growth potential, it demands region-specific policy interventions.

Studies have conducted to investigate the relationship between political instability and per capita GDP growth in a sample of 113 countries between 1950 through 1982. The findings in such studies have shown that political instability tends to cause governments to collapse. It then estimates a model in which measures of political instability and economic growth are jointly determined. The message from this study is 'in countries and time

periods with a high propensity of government collapse, growth is significantly lower than otherwise' (Pyakuryal, 2011). Nepal is currently struggling to define development model under the federal governance structure and to find out the correlation between the political instability and growth and growth and political stability.

The exercise to replace existing economic model should be based on empirical analysis by investigating the impact of political instability and economic management on development. Scholars have used a dataset covering up to 169 countries between the period 1960 and 2004 and showed through regressions that political instability is particularly harmful because of its adverse effects on total factor productivity growth and, in a lesser scale, by discouraging physical and human capital accumulation. This study contributes to the existing literature on how politics affects economic performances (Aisen, and Franciso, 2010).

The focus of economic policy in Nepal is predominantly reflected in the critical issues of inclusive growth. This is a shift in focus in development planning from high and accelerated growth to inclusive growth. Unfortunately, as significant population is employed in the informal sector generally in low-paid, low-productivity jobs, the government fails to provide basic services to the poor including basic health, education, drinking water and electricity. The informal economy limits collection of resources and in turn, the ability of public spending in social services. This should be one of the key issues to design decentralisation-based federal structure.

Records show poverty in 2023 came down to 20.27 percent from 25 percent in 2011, however, Gini Coefficient increased from 0.49 in 2011 to 0.58 in 2023. Does this really mean that the inclusive policy of the government has relatively been more inclusive with regards to the well-being of the poor? To respond to this question, examination of some critical issues is desired. To see the impact

of increased income on poor, what matters is how much our wages can buy us? In Nepal, wages have been mostly lower than prices. The fact both the rich and poor should understand is an increase in the income of the poor has not necessarily obstructed the rich to be richer. The richer getting richer may make the poor worse off but the poor getting richer may not make the rich worse off. Intellectual discourse is desired to address this key issue.

To add more on poverty dilemma is the fact that growth is one of the necessary conditions for poverty reduction as incomes of the poor move one-for-one with overall average incomes. However, as growth has a broad dimension in influencing inclusive growth, there are issues to be taken with caution. A study conducted for the Asian Development Bank has shown through sub-national econometric analyses that there is much more to poverty reduction than just economic growth. In India, for instance, study has shown that growth has lesser role in poverty changes. The lesson is; growth alone is not an answer to nation-building (Pyakuryal, 2011).

Nepal is experiencing a unique situation where poverty has not come down proportionately for all the people in different regions. Secondly, income inequality has increased simultaneously. This clearly indicates that there remains disproportionate distribution of the benefit of development among different people as national plan suffers from bringing about structural transformation in the system. Poverty has political, social, economic dimensions which interact in important ways with each other and frequently reinforce each other in ways that exacerbate the deprivation in which poor people live. ADB (2007) states, beyond income and access to basic services, individuals and societies are also poor and tend to remain so if they are not empowered to participate in decision-making process that shapes their life. Poverty is thus better measured in terms of basic education, health care, nutrition,

water and sanitation in addition to income, employment and wages. This assertion actually strengthens the case for broad-based economic growth.

In Nepal, experience shows maintaining distributive justice and equity with regards to the allocation of goods and services have not been very successful. As noted above at times even when macroeconomic front is performing well; there is huge BOP surplus, increased foreign exchange reserves and skyrocketing remittances income, the country faces both inflation and stagflation – higher inflation, increased unemployment and declining outputs. The question is why people's income have not been increase at the household level, why policies fail to maintain social and gender equity and why there is no improvement in the access to opportunities? This is the reason people often think standard economic theories are not responding to desired results.

To conclude, increasing household income and improve access to opportunities demand several policy reforms. Experiment has shown implementing redistributive and productivity-augmenting land reforms can increase income for poor households and reduce inequality. However, redistributing land to landless households and improving agricultural productivity has not been that easy in Nepal. The policies that lead to better job opportunities and higher income need massive reform on the investment policy of increasing investment in human capital. Capital expenditure policies aimed at improving and upgrading infrastructure, particularly roads, require urgent revision to facilitate easier access to funding for energy sector development. Additionally, the government must implement farmer-friendly policies that leverage modern farming techniques and technology to enhance agricultural productivity; without these measures, rural household incomes will remain stagnant. Targeted programmes promoting social inclusion are essential to ensure that all segments of society,

especially marginalised groups, benefit from economic growth. The guiding principle should be a commitment to **green, resilient, and inclusive development**, which addresses environmental challenges while creating opportunities for the poor and vulnerable. To maximise economic impact, it is crucial to foster symbiotic growth between urban and rural areas.

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Valorisation of Nepali Women's Unpaid Care Work: To Establish Their Contribution in the National Income

Prof. Chandra Bhadra, PhD

Dr. Chandra Bhadra, Professor Emeritus of Gender Studies at Tribhuvan University, Nepal, currently serves at Pokhara University's Faculty of Humanities and Social Sciences. Prof. Bhadra has dedicated nearly four decades to providing expert consultancy in Gender and Development to the Government of Nepal, notably at the National Planning Commission, Ministry of Women, and Ministry of Finance. From 2006 to 2011, she also served as a Technical Gender Expert at the SAARC Secretariat.

Background:

Clause 51 (j-4) of the Constitution-2015 of Nepal in its State policies regarding social justice and inclusion states that, "the work and contribution regarding child care and the care of the family is to be economically evaluated". To implement the Constitutional mandate, the Fifteenth Five Year Plan (2019-2023), under its strategy for economic empowerment of women took the working policy of, "Economic valuation of women's family care-related work and household labour for establishing their contribution in the national income". Nonetheless, it was claimed that due to COVID-19 pandemic, the said valorisation of women's unpaid work could not be carried out

during the Fifteenth Five Year Plan period. The Sixteenth Five Year Plan (2024-2028) reiterated, "women's household labour and care work are to be enumerated in the national income", under the sub-heading of Main Programmes: No. 5-Gender Equality, Economic Empowerment and Alleviation of Violence Programme (page 171). Against the above backdrop this article briefs on the methodology, methods and the mechanisms of the valorisation of Nepali women's unpaid care work contributing in the national income.

Methodology:

Intersectionality Approach and Representative Sampling: Heeding to the diversity of Nepali

women, intersectionality approach is essential. For which a representative sampling needs to encompass the diversity of Nepali ecology (mountain, hill and terai), the regional diversity (east, west and middle) and the development diversity (urban-rural). Furthermore, to address the heterogeneity among Nepali women demographic and socio-economic variables like caste/ethnicity, class, age, ability, education, occupation and religion are to be incorporated.

Data Collection:

Time Use Survey: Majority of Nepali women are engaged in nonformal, unpaid care and subsistence agricultural activities. Furthermore, their products and services are generally consumed within the household without going through the market mechanism and untagged with any price. The only measuring tool possible to account women's contribution is via the time use study and valorisation of their time use.

Prevalent methods of time use study are record method, recall method and observation method. Recall method has the tendency of respondents forgetting the use of exact time in specific activities; hence leading to incorrect reporting. In the same token, observation method has the tendency of respondents changing their regular behaviour due to the intrusion of enumerators' presence as outsiders. Record method is judged to be the best method for ensuring validity and reliability. Record method, however, demands respondents' adequate literacy/education; which some Nepali women may lack. Nonetheless, there are evidences of successful time use study in Nepal via record method. We just need to be creative in designing the time use survey.

Nepali women's work does not remain monotonously repetitive throughout the year due to the existing 'feminisation of agriculture', i.e., there are seasonal variations in women's work. This necessitates inclusion of seasonal variations and the corresponding time use during the data collection.

Once the time use survey is completed; women's time use can be valorised by following methods.

Methods of Valorisation:

Minimum Wage Method: Ministry of Labour periodically pronounces the minimum wage in its Gazette. Women's unpaid care work can be estimated as per the minimum wage per month stipulated by the Ministry of Labour. Nonetheless, blanket use of minimum wage is not recommendable due to the human capital diversity of Nepali women and the risk of underestimating women's contribution.

Opportunity Cost Method: Time can be used in various alternative activities. When longer time is needed to use in unpaid care-related work, opportunity to engage in income generating and/or human capital formation activities is lost. The opportunity cost of women's time in the household and unpaid care-work is (at least) as equal as the market price (wage/salary/other earnings), based on their human capital (education/training, experience and skill).

Replacement Cost Method: The value of household and unpaid care-related work is (at least) as equal as the costs of market goods and services. The replacement cost can be calculated in two ways:

- a) **Product Price:** Women's household production of goods substitutes the goods available in the market. This way women perform the 'expenditure-saving' activities within the household. The value of women's time in producing goods within the household is (at least) as equal as the price of similar goods in the market. For example, food production via the subsistence agriculture, food preservation, daily meals, household crafts, etc.
- b) **Wage Rate:** Different services are provided by women within the family. If these services are

to be replaced from the service market, the families have to pay those service providers. The value of women's time spent for various services is (at least) as equal as the wage/salary prevalent in the market. For example, laundry service, child care, cooks, cleaners, nursing care, etc.

Value-Addition Method: The products used and consumed within the household are from the raw materials that are generally bought in the market and/or produced in the family farm. These raw materials are made useable and/or consumable within the household as final goods. Homemakers are engaged in converting these raw materials into final goods by using their time, labour and skill. For economic valuation of homemakers' contribution; firstly, the market price of those raw materials is to be documented. Then the market price of the consumable final products is to be explored. When the market price of the raw materials is deducted from the market price of the final goods/products; the added value by the homemakers can be calculated.

<Market price of the final product> – <Market price of the raw materials> = <Homemakers' value addition>

The value of women's time is (at least) as equal as the value addition.

Self-assessment Method: Self-assessment method is a rights-based approach of assessment; with an assumption that women have the right to judge the value or worth of the products and services they engender. This comes forth with an argument that Nepali women had always been humiliated as ignorant and lacking intelligence in money matters; forced to taking a back-seat in the decision-making regarding family finance. So, through this method the State (as an unbiased entity) can provide opportunities to women for asserting the value of their time in homemaking.

Contribution to the National Income? But at What Cost??

Time use survey is a quantitative tool of data collection that depicts the amount of time women use on various care-related activities. As depicted above, valorisation of women's time use is possible to calculate their contribution to the national income. Nevertheless, a big question that looms around in cases of Nepali women, is, contribution at what cost?

The above question poses an imperative of a qualitative research. Although, activities depict the categories of work that are qualitative in nature. But it is not adequate to answer the question posed above. Qualitative information such as the geographical terrain where women perform their tasks, carrying of (exorbitant) loads up and down the hills on their backs and above their heads, the air quality where women perform their daily work, the drudgery involved in feminised agriculture, are to be reckoned to portray the **workload of women**. In Nepal, women's workload is found to be directly related to the prolapsed uterus and polluted working environment affecting their cardiovascular health. In addition, women's physical wellbeing and psychological/mental wellbeing is critically challenged due to the domestic and/or other forms of gender-based violence. Ensuring women's **overall welling** is crucial while valorising their contribution to the national income.

Mechanism:

The Sixteenth Five Year Plan (2024-2028) under the Section 8.2 Main Issues and Challenges, includes, "creation of mechanism to reckon women's household labour and care work as women's contribution in the national income" in No. (5) Development of Culture to Respect Women's Contribution (page 166). In this respect, following mechanisms are recommended to overcome the infrastructural and technical challenges.

Federal Level Agency: National Planning Commission as the executing agency, needs to form an **Expert Group** as a temporary subsidiary for devising Conceptual, Definitional, Technical and Infrastructural Framework. Representation is to be of the National Statistics Office (NSO),

provincial Policy and Planning Commissions (PPPCs), relevant university faculties/ departments representing all seven provinces and experts from the civil society with experience in research with women in Nepal.

Year	Mechanisms	Activities
2025	Establishment of an Expert Group at the National Planning Commission	Formulation of the conceptual, definitional, technical and infrastructural framework National level research design and selection of the sample ToT of the provincial level trainers (a total of 14 trainers representing seven provinces) Monitoring and feedback to provincial level research Data collation and valorisation
	Establishment of Execution Units at seven Provincial Policy and Planning Commissions	Selection of the sampled district level researchers (six researchers per one district) Training of the researchers by those trained at the federal level ToT Data collection, analysis and forwarding to the federal level
Jan.-Mar., 2026	Responsible Agency	First quarterly district level research
	NPC – Expert Group	Monitoring and feedback to provincial level research
	PPPC – Execution Units	First quarterly data collation, analysis and forwarding to the Expert Group at NPC
Apr.-Jun., 2026		Second quarterly district level research
	NPC – Expert Group	Monitoring and feedback to provincial level research
	PPPCs – Execution Units	Second quarterly data collation, analysis and forwarding to the Expert Group at NPC
Jul.-Sept., 2026		Third quarterly district level research
	NPC – Expert Group	Monitoring and feedback to provincial level research
	PPPCs – Execution Units	Third quarterly data collation, analysis and forwarding to the Expert Group at NPC
Oct.-Dec., 2026		Fourth quarterly district level research
	NPC – Expert Group	Monitoring and feedback to provincial level research
	PPPCs – Execution Units	Fourth quarterly data collation, analysis and forwarding to the Expert Group at NPC
2027	NPC – Expert Group	Data collation, valorisation and preparation of the report Provincial disaggregation is desirable
8 March 2028	NPC – Expert Group	Pronouncement of the Report on the International Women's Day - 2028

Note: Quarterly research is for the purpose of incorporating seasonal variations of women's work and corresponding time use.

Federal Level Training of Trainers (ToT) and the Provincial Level Training of Researchers:

A cohort of 14 trainers (representing seven provinces) needs to be selected for the ToT at the federal level. Technical experts from the **Expert Group** mentioned above, can train this cohort of trainers. The trained trainers back in their respective provinces are to train the district level researchers.

Provincial Level Agency: Provincial Policy and Planning Commissions (PPPCs) need to be the executing agencies at the provincial level; where **Execution Units** are to set up with adequate technical and infrastructural backup. Six enumerators per district needs to be selected and trained by provincial trainers trained during the ToT.

Analysis of Data and valorization: Data generated at the provincial level need to be analysed first at the provincial level for capturing provincial uniqueness. Then the provincial level data needs to be forwarded to the federal level for data collation and valorisation.

Policy Intervention: Apart from valorising women's unpaid care work, the **Expert Group** needs to devise evidence-based programmatic and legal interventions to mitigate the costs that women bear (in terms of physical and psychological/mental **wellbeing**) while contributing to the national income.

Time Frame:

A decade has already passed since the Constitutional mandate. This legal and the policy obligation shouldn't be postponed any longer. For which the following timeline is proposed:

Conclusion:

Uniqueness in women's unpaid care work is that apart from the material products and services, it involves non-material feelings likes 'love', 'care' and 'affection'; which can never be substituted

by the market products and services. If a woman foregoes employment and/or human capital opportunity for the sake of the family care; from rational-choice point of view, the value of women's time in care-related activities exceeds the values of market substitutes.

Definitely counting women's contribution to the national income may lead to the culture of respecting women's work; but until and unless the costs (described above) are eradicated, mere mechanical calculation does not fulfill the needed respect that Nepali women deserve in its true sense.

What can MAN do about it?

Management Association of Nepal (MAN), being an organisation of professionals and academics with rich and diverse forte of management, can play a crucial role for the implementation of the Constitutional mandate of valorising Nepali women's unpaid care-related work to count in the national income. Firstly, to an immediate effect, MAN can initiate a national debate via conferences at the federal and provincial levels. Secondly, MAN can initiate policy dialogue with the NPC and PPPCs offering to play supporting roles via its representation in the proposed Expert Group within NPC and Execution Units within PPPCs. Last but not the least, MAN can extend technical support for the overall management process of this mammoth and groundbreaking endeavour in concept/definition formulation, research design, execution of the research, data management and processing, and the valorisation.

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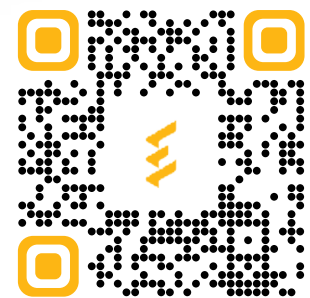


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Macroeconomic Development of Nepal *Causes and way forward*

Macroeconomic development after COVID-19 pandemic

■ Dr. Chiranjibi Nepal

Let me discuss post-COVID macroeconomic developments. First, the economy, which entered a recession after the 2020 COVID-19 shock, is recovering slowly. This recovery is reflected in real GDP growth of 4.2% in 2021, 5.8% in 2022, 2% in 2023, and 3.87% in 2024. However, the rebound of the Nepali economy has not been very impressive, indicating some degree of resilience in the domestic economy.

Second, the external sector has been under pressure since August 2021. The balance of payments remained in deficit until October 2023 due to surges in import demand, a slowdown in workers' remittances, and reduced tourism income. For example, merchandise imports increased by 28.7%, while remittances increased by only 9.8% in fiscal year 2021. The drain on foreign exchange reserves began in August 2021. At its lowest point, the reserve was sufficient to cover only 6.6 months of imports of goods and services in mid-May 2022. The possibility of an external sector crisis became a topic of discussion

among academics, journalists, policymakers, and the public. Consequently, several policy measures were introduced, such as reducing the gold import quota, implementing cash margins on imports of certain products, and restricting imports of specific goods.

For the past year-and-a-half, the external sector has shown some signs of improvement, with a slowdown in imports and an increase in workers' remittances. However, the sustainability of this improvement is questionable. Is this a temporary phenomenon or the result of improvements in all macroeconomic fundamentals? Is it mainly driven by import restrictions on certain goods? For instance, merchandise imports declined by 23.3%, and workers' remittances increased by 23% in the first five months of 2022/23. As a result, the BOP was in surplus by Rs. 45.8 billion, and the reserve was sufficient to cover 8.7 months of imports of goods and services. The increase in remittances has continued since then, and the foreign exchange reserve is currently at a historical

high of Rs. 2,255 billion. These data suggest that we should be cautious before confidently declaring a positive external sector outlook.

Third, the Nepali financial system remained resilient during and after the COVID-19 pandemic, and the accommodative monetary and financial sector policies facilitated a rapid recovery following the COVID-19 lockdown. However, these loose policies carry several potential implications. In response to the pandemic, Nepal Rastra Bank (NRB) took significant steps by implementing expansionary monetary policy and easing credit policies, including macroprudential measures. NRB reduced policy rates and injected liquidity into the economy. Consequently, the interbank rate remained very low, below 2% from July 2020 to March 2021, and even less than 0.5 percentage points for five months. The banking system experienced substantial excess liquidity during this period, exceeding Rs. 200 billion around November 2020. This excess liquidity also drove private sector credit growth, which peaked at 32.5% in mid-September 2021.

To mitigate potential economic damage from the COVID-19 pandemic, NRB provided substantial refinancing facilities to support businesses, relaxed credit policies, and eased numerous regulatory requirements. Concessional loans, for which the Government of Nepal provides interest rate subsidies, also increased.

The extended period of excess liquidity, large-scale refinancing, continuous concessional loans, and relaxed credit and regulatory policies have clear implications. While these measures supported a rapid economic recovery through increased aggregate demand, data shows that the stock market, imports, and potential real estate prices boomed after their implementation.

Finally, the government of Nepal has continued its trend of increasing expenditure, fiscal deficit, and public debt in recent years. The implementation of federalism in 2017 caused a discontinuity in

recurrent government expenditure, fiscal deficit, and public debt.

Potential macroeconomic imbalances

One potential macroeconomic imbalance was the growing current account deficit. Simply put, this deficit means we are investing more than we are saving, whether by the private sector or the government. However, the post-COVID situation is particularly noteworthy. The deficit was so substantial that the balance of payments (BOP) deficit became very large, rapidly depleting foreign exchange reserves. We cannot stop there; we need to delve deeper into the fundamentals of this external sector imbalance and crisis.

To understand this post-COVID external sector imbalance, one must also consider the monetary expansion and relaxed credit policies. In external sector analysis, we must always remember the exchange rate peg with India. How can a central bank expand the money supply in a pegged exchange rate system? Is there a limit on monetary expansion under an exchange rate peg? Yes, a central bank's ability to expand the money supply is limited by an exchange rate peg. If a central bank implements overly loose monetary policy, it will be reflected in increased aggregate demand through various channels, such as asset prices and wealth effects. Consequently, import demand will increase, putting pressure on the current account, the balance of payments, and overall external sector stability.

Can we link the post-COVID rise in the current account deficit to monetary expansion? Yes, as noted earlier, the surges in imports and the rise in the current deficit followed the rapid monetary expansion immediately after the COVID-19 shock. On the one hand, the NRB injected liquidity through monetary operations, which kept interest rates very low for more than a year. On the other hand, the NRB provided a substantial refinancing facility, which increased from Rs. 7.5 billion in mid-July 2020 to its peak of Rs. 158.4 billion in

mid-January 2022. This refinancing constitutes direct money supply expansion through printing money. Additionally, there was a significant increase in concessional loans subsidised by the Government of Nepal. These loans, for which the government provided interest subsidies, increased from Rs. 59.6 billion in mid-January 2020 to Rs. 209.3 billion in mid-December 2022. The question, of course, is: where did this cheap money go? In the immediate aftermath of the COVID-19 pandemic, these policies helped boost demand, which accelerated economic recovery and minimised the damage from the pandemic shock. However, these sources of cheap money persisted long after the initial impact of COVID. With prolonged availability, it is likely that the cheap money flowed into the stock market, real estate, and other asset markets, creating a boom in asset prices (such as the boom in the NEPSE).

The second factor behind the external sector imbalances is the growing fiscal deficit and public debt. Simply put, the fiscal deficit is directly linked to the current account deficit, a phenomenon known as the “twin deficit” problem. A growing fiscal deficit directly causes a current account deficit through increased imports. The rising fiscal deficit after 2017 is directly contributing to the rising current account deficit, and this problem has become more severe in the post-COVID years. The debt-to-GDP ratio increased from 22.7% in 2017 to 41.5% in 2022, and now stands at 45%. This trend is alarming for Nepal’s macroeconomic development and has implications for both domestic and external balances.

The macroeconomic imbalances and potential contributing factors discussed above may have several implications. Significant information asymmetry exists in credit markets, including weaknesses in the supervision and monitoring of lending fuelled by readily available funds. The trend of fiscal deficits and public debt in recent years appears unsustainable. The question is: Where is this borrowed money being spent?

Since the implementation of federalism, the government has been spending more on recurrent expenditures rather than on capital investment.

The way forward

First, it is crucial to comprehensively analyze and implement fiscal reforms. Is Nepal’s public debt growing unsustainably? Since 2017, the debt-to-GDP ratio has been increasing at an average rate of approximately 4% of GDP annually. It is time to consider the long-term implications of this debt trajectory. Ignoring fiscal reform will raise serious political questions about the federal system. Fiscal reform also necessitates comprehensive civil service reforms. For now, reforming government expenditure, particularly recurrent expenditure, is essential. Simultaneously, tax reform is crucial to expand revenue-generating capacity.

Second, the timing of monetary and financial policies is critical. The NRB deployed its tools effectively during the COVID-19 crisis. However, questions remain regarding the timing of normalising or reversing those policies. It is important for the NRB to analyse the time lag of its policies’ effects. The lagged impact of monetary and financial policies can range from months to years. If policy reversals are not implemented at the appropriate time, they can distort the economy and create imbalances.

Third, it is time to reassess the substantial amount of concessional loans provided by the Government of Nepal. Are these loans reaching the intended target groups? Is there a risk of misuse? Like other developing countries, Nepal also faces challenges related to information asymmetry, weak governance, low transparency, and inadequate supervision and monitoring. I believe we need to re-evaluate this concessional loan policy and establish a robust governance mechanism for its continuation.

Fourth, improving coordination among macroeconomic policies, particularly monetary,

fiscal, and other related policies, is essential. Fifth, making Nepali monetary and financial policies forward-looking is crucial in the current environment of heightened uncertainty. The NRB needs to enhance its capacity to conduct policies under uncertain conditions.

Finally, Nepal needs a new generation of economic reforms, including financial sector reform, to

enhance productivity and growth, and to address the imbalances noted earlier. The benefits from the comprehensive reforms of the 1990s have already been realised. Now, to propel the economy onto a path of high and sustained growth, it is crucial to initiate a second generation of comprehensive reforms encompassing all sectors of the economy. (Dr. Nepal is former governor of Nepal Rastra Bank)

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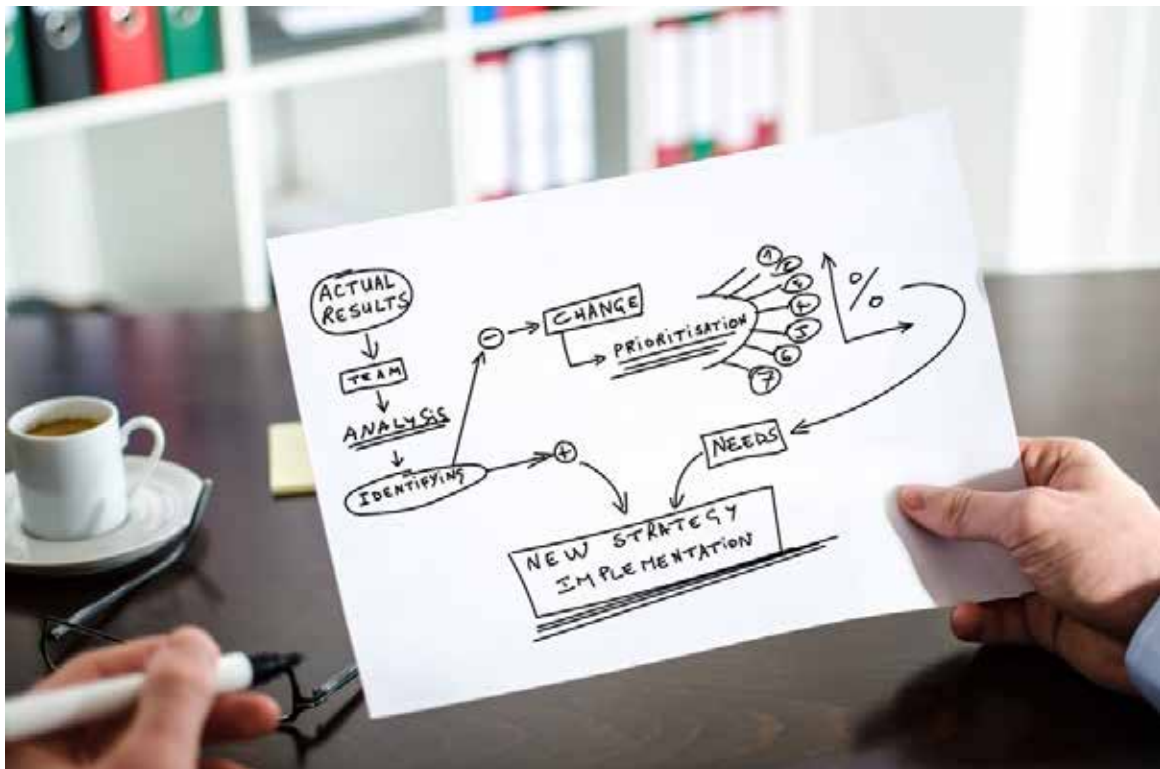
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Redefining Organisational Change Management: Key Insights for Transformational Change

Dr. Diana Jayasauri



Organisations today are navigating a landscape of unparalleled change, driven by rapid technological progress, shifting global dynamics, and evolving market demands.

Many factors make organisational change management essential, and some of the most common include:

- New leadership at the helm of the company or

within its departments

- Shifts in the organisational team structure
- The implementation of new technology
- The adoption of new business models
- To smooth sail the transition, it's important to understand the type of organisational change that is experienced.

There are two types of organisational change:

- **Adaptive Changes:** These are small, incremental changes organisations adopt to address needs that evolve over time. Typically, these changes are minor modifications and adjustments that managers fine-tune and implement to execute upon business strategies. Throughout the process, leadership may add, subtract, or refine processes.
- **Transformational Changes:** These are of larger scale and scope compared to adaptive changes. They can often involve a simultaneous shift in mission and strategy, company or team structure, people and organisational performance, or business processes. Because of their scale, these changes often take a substantial amount of time and energy to enact. Though it's not always the case, transformational changes are often pursued in response to external forces, such as the emergence of a disruptive new competitor or issues impacting a company's supply chain.

Being present in this dynamic environment, organisational change management has become an essential, yet often underutilised tool for cultivating organisational resilience and driving success. As the need to orchestrate large-scale change grows ever more pressing, the qualities of agility, foresight, and strategic alignment embodied in strategic change management have become more critical than ever before.

Understanding Transformational Change

Change adoption for adaptive changes is far less complexed as compared to transformational

changes.

Transformational change demands a multifaceted approach. Having a detailed plan and team for its execution are essential, but these only cater towards a portion of the transformational equation.

“So, what is the keystone for Transformational Change?”

And in most instances, communication is seen as a keystone for transformational change. But it's not actually the keystone. Communication is in fact a mechanism to be embedded within a wider strategy comprising of stakeholder engagement, leadership alignment, and understanding of emotional engagement towards the change.

With this foresight, the keystone to drive the change throughout the organisation together with the alignment of the top leadership would be a comprehensive framework which encapsulates all key aspects of the change to grow and succeed, driving successful adoption and usage of change within the business and facilitating people side of change where employees are able to understand and commit to the shift of change and work effectively through its transition period.

By not having a comprehensive framework, the effective transition for change in an organisation can:

- Fail due to unpredictable change coordination
- Become expensive in terms of time and resources
- Result in lower employee morale and compatibility to adopt the change

Throughout my work journey with large-scale change initiatives and transformation projects, I've come across the intricacies of strategic change with a preference for straightforward tactical solutions to inherently complex challenges. And one question that always struck me was, “How

does it all come together for transformational change?”

Decoding A Comprehensive Framework

When I reflect on all the key aspects that diffuses transformational change, it all somehow draws upon a pyramid – Pyramid of Transformational Change as I termed it.

outcome of Agile Business Goals that form the basis of the business operations. The TOM may include lean value chain, end-to-end customer centric journey and collaborative initiatives such as technology driven interfaces, shared service structure and business partnerships.

- Defining the Organisation Strategy to result in



The foundation pillars for any organisation includes its Vision, Mission, Core Values, Culture and Leadership. Having these in place shapes the credo of the organisation’s corporate image and what it constitutes.

However, most times the missing puzzle to steer transformational change are:

- Defining the Aspirations of the organisation which serve as key growth aspects that bring the organisation forward in its business acumen to result in outcome of Growth Beliefs. The aspirations may include superior agility, customer experience, cost savings and new business creation that set the tone for growth.
- Defining the Target Operating Model (TOM) principles of the organisation to result in

outcome of Corporate Strategy driven under the strategic pillars of business processes, technology and systems and people with a set of plans and actions designed to achieve the organisation’s long-term goals and objectives. It involves making decisions about resource allocation, business direction, and competitive positioning to gain sustainable advantage in the industry.

- Defining the Governance and Reporting to result in outcome of compliance to Environmental, Social, and Governance (ESG) for efficient and effective business conduct. With this compliance, ethical policies are created and executed under each category of ESG and disclosed in business reporting.

Through the application of this framework, when

a change is first proposed, it is important to map it to this framework to establish clarity on:

- Why is it important for the change to take place?
- What will the future be post change?
- Who will each employee become post change?
- How does the change tie to the organisation on whole?
- Which way can leaders support their people to make the mindset shift to embrace change — to become more change-capable?
- Where will changes be made to the organisation's culture?

Having the answers to the above questions will provide insights into assessing the level of risk and difficulty involved in the change and becoming more accepting, embracing and supporting with a mindset shift from 'this change will be difficult and weird' to 'this change can be doable, rewarding, and normal'. And once people start to believe that change can be doable, it is rewarding, and it will be something normal – instantaneously they will feel psychologically safe about the change, and they will become willing to function in the new ways the change requires them to function as they become open to learning and triggering the new behaviours for the change occurrence to become the new norm of the organisation.

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- (Jayasauri is change management coach, and Management Faculty for Change Management at Malaysian Institute of Management)

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The Contributions and Challenges of Correspondent Banking in the Nepali Banking Industry

■ Hema Kumari Adhikari

ABSTRACT

Correspondent banking is critical in providing cross-border financial services, including global trade, remittances, and foreign currency transactions. This method enables banks without a physical presence in a country to obtain critical banking services through bilateral agreements with correspondent banks. Despite its importance, correspondent banking faces numerous hurdles, including rigorous regulatory compliance, technology improvements, and geopolitical concerns. Nepal's issues are exacerbated by a lack of connectivity into the global financial system, antiquated infrastructure, and currency volatility. Addressing these problems demands increased collaboration between regulators and financial institutions, as well as the implementation of standardised frameworks and advanced technical solutions for efficient, secure operations.

For centuries, international transactions have relied on correspondent banking, which has evolved from paper-based methods to digital platforms such as SWIFT. However, the system encounters problems such as since the Medici era, cross-border payments have been facilitated by correspondent banking, in which one financial institution conducts transactions on behalf of another due to a lack of local presence. Despite years of technological developments, the basic framework of correspondent banking has remained substantially intact. Cross-border payments are a substantial revenue source for banks, accounting for 20% of total transaction volumes but 50%

of transaction-related revenues (Denecker, Istace, Masanam, & Niederkorn, 2016). These transactions enable international business, finance, and remittances by encouraging economic growth through a wide network of correspondent banking relationships.

Furthermore, while domestic payment margins have been squeezed by regulatory and competitive pressures, cross-border payment margins have remained strong. Banks have had little incentive to upgrade their systems, but this is changing due to pressure from customers, authorities and competition. The International Monetary Fund

and the Bank for International Settlements have conducted research that shows how legislative changes, financial crises and technological improvements continue to modify the correspondent banking network (Erbenova, et al., 2016).

Correspondent Banking

Banks often need to transfer money across borders to facilitate economic activities like remittances, foreign currency trading and trade finance. To make payments in countries without a physical presence, banks often open correspondent banking connections, where one bank provides services to another on a contractual basis. Thus, the European Central Bank (ECB) defines correspondent banking in its survey as agreements or contractual relationships established between banks to facilitate the provision of payment services to one another.

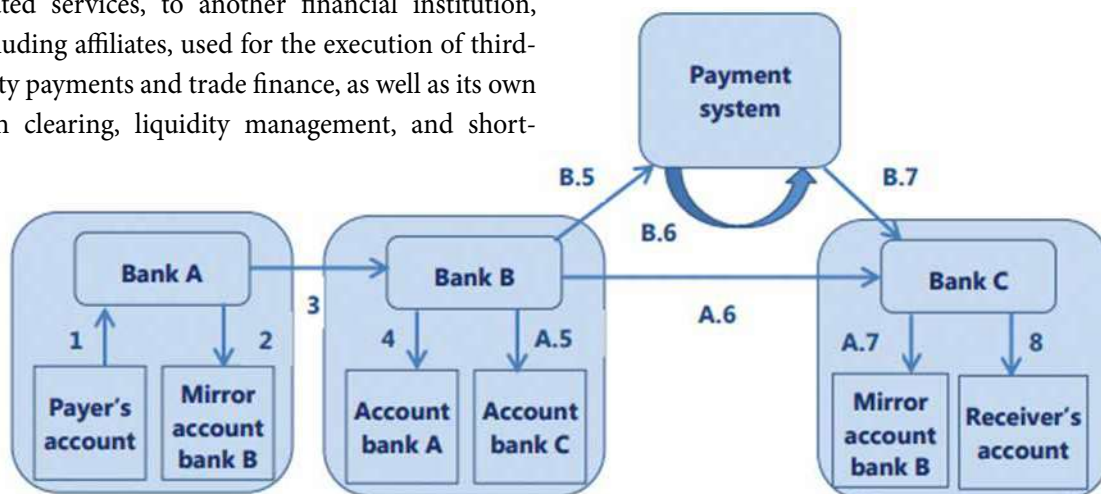
The Wolfsberg Group, an association of global banks, defines correspondent banking as ‘the provision of a current or other liability account, and related services, to another financial institution, including affiliates, used for the execution of third-party payments and trade finance, as well as its own cash clearing, liquidity management, and short-

term borrowing or investment needs in a particular currency’.

Correspondent banking refers to the provision of banking services by one financial institution (the correspondent bank) to another financial institution (the respondent bank). This arrangement enables respondent banks to access financial services in different jurisdictions and provides cross-border payment services to their customers, supporting international trade and remittances.

The explanations emphasise the fundamental characteristics of correspondent banking, specifically a bilateral arrangement between two banks in which one provides services to the other.

A key component of this arrangement is the opening of accounts by the respondent banks within the correspondent bank’s books to provide these services. Payment services are recognised as a critical element of correspondent banking,



1. Debiting of payer’s account with bank A
2. Crediting of bank B’s mirror account with bank A, which is kept for accounting purposes
3. Payment message from bank A to bank B via telecommunication network
4. Debiting of bank A’s account with bank B (loro account)

A. Use correspondent bank only

5. Crediting of bank C’s account with bank B
6. Payment message from bank B to bank C via telecommunication network
7. Debiting of bank’s B mirror account with bank C, which is kept for accounting purposes
8. Crediting of receiver’s account with bank C

B. Involvement of payment system

5. Payment message from bank B to payment system
6. Settlement via payment system
7. Payment message from payment system to bank C
8. Crediting of receiver’s account with bank C

Source: ECB, *Ninth survey on correspondent banking in euro*, 2015, adapted from Danmarks Nationalbank, *Payment systems in Denmark*, 2005.

constituting its core. Correspondent banking also provides a variety of other services such as international financial transfers, cash management, cheque clearing services, loans, financing letters of credit, and foreign exchange transactions, etc.

Thus, correspondent banking is a critical component of the global payment system, allowing banks to access financial services in multiple jurisdictions and provide cross-border payment services to customers. It involves holding deposits owned by other banks and providing payment and other services to those banks. Correspondent banking offers various services, including international fund transfers, settlements, cash management services, check clearing, loans, international trade transactions, liquidity management, investment management, knowledge, skills, and technology transfer, currency trading, conversions and non-deliverable forwards foreign exchange services, etc. These relationships are essential for international trade and cross-border payments that provide a link between local economies and the international financial system.

Similarly, correspondent banking contributes significantly to liquidity management by providing deposit, borrowing and lending options. Investment management services include securities trading, hedging and derivatives.

Additionally, trustee services protect clients' financial assets, whilst representation and guarantee delivery assist local banks by acting as guarantors. Correspondent banks also contribute to the transfer of knowledge, skills and technology, allowing partner institutions to improve their capacities while exchanging essential market and financial information. Together, these services form an authoritative basis for international financial connectivity and collaboration.

According to Trade Finance Global (2023), these relationships facilitate services such as international payment processing, foreign currency transactions,

and trade finance. Smaller or regional banks, which frequently lack substantial worldwide networks, benefit greatly from correspondent banking in order to properly serve their clients (Trade Finance Global, 2023).

Nepal's banking system depends heavily on correspondent banking to maintain foreign exchange, remittances and international trade due to limited access to global financial markets and the need for local banks to conduct cross-border transactions. Prominent correspondent banks help the local banking industry to accelerate these transactions.

Foreign banks alternatively known as correspondent banks for the Nepali banks provide similar services while adhering to international standards such as anti-money laundering (AML) and counter-terrorism financing (CTF) protocols. This network of correspondent banks is critical to Nepal's financial stability and worldwide trade.

Challenges of Correspondent Banking in Nepal

Correspondent banking faces considerable hurdles worldwide as it adapts to changing financial ecosystems. Key challenges include regulatory compliance, with banks struggling to meet AML and KYC rules that differ between jurisdictions. This complexity is exacerbated by geopolitical tensions, cyber security concerns, and the rise of fintech firms that operate with less regulatory restraints, resulting in an uneven playing field. Real-time payments and APIs are examples of technological innovations that have enhanced efficiency while also introducing difficulties, requiring banks to modernise legacy systems and invest in secure infrastructure. In the Nepali context, these global challenges are exacerbated by limited integration into the global financial system, a lag in modern technology infrastructure, currency instability, and difficulties in meeting global standard compliance requirements, ultimately jeopardising de-risking efforts through foreign correspondent banking relationships. Addressing these concerns demands

increased coordination between regulators and financial institutions, with an emphasis on developing standardised frameworks and interactive technology to expedite operations, reduce risks, and ensure long-term growth.

Conclusion

In conclusion, several significant challenges affect correspondent banking globally, particularly in nations such as Nepal. Regulatory compliance remains a significant concern, with banks struggling to meet anti-money laundering (AML) and Know Your Customer (KYC) regulations that differ from jurisdiction to jurisdiction. Geopolitical pressures, cyber security risks, and the emergence of fintech companies all aggravate the situation. While technological developments like real-time payments and APIs are good, they need large investments in infrastructure modernisation. In the local context, these challenges are exacerbated by a lack of global financial integration, currency volatility, and up-to-date compliance requirements. This position raises the risk of losing correspondent banking relationships, which are critical for the country's international trade, remittances, and foreign exchange management. To address these challenges, authorities and financial institutions must work together to develop standardised frameworks and interoperable systems that will streamline operations, decrease risks and promote long-term financial growth and sustainability.

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The Rise of Populism: Implications for Policymaking

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‘Kakistocracy’ is the “word of the year” 2024 for *The Economist*. Every year around December, *The Economist* announces its word of the year that represents a major trend in global society. This year’s choice – kakistocracy, or a government run by the least qualified people – sums up the fears of half of America and much of the world, according to the magazine¹. One of the key drivers of kakistocracy is populism which has been dominating policy debates across the world. This can be seen, for example, in 2024 elections in 64 countries and the European Union. The rise of populism was clearly visible in these elections (Nam 2024; Guriev 2024). This has implications for policy choices.

What is populism?

Populism is not a new concept. However, it has been gaining momentum now. At its core, populism has three main features: anti-elitism,

anti-pluralism, and ethno-nationalism. It sees society divided into two homogeneous and opposing groups – the “pure people” and the “corrupt elite” (Gulevich 2024). Juxtaposing them against each other is part of the populist rhetoric. “The people” are presented as a morally good force, whereas “the elite” are depicted as corrupt and self-serving. Populists see the elite as power holders belonging to traditional political parties, security services, the bureaucracy, big business houses, and the media. The definition of ‘people’ or the silent majority is based on class, ethnicity, or religion depending on the context. Populists also claim that they are the only force to represent the real people. This notion of legitimacy in terms of representing the people obviates the need for pluralism in defining policy choices. The nation itself is understood in terms of a single ethnicity, culture, or religion (Schertzer 2020). Interestingly, populism purports to champion the cause of “the people”, but does not show an active

¹The Economist, 29 November 2024

interest in protecting the rights of minorities. In this sense, it is a threat to democracy. Some scholars are even beginning to see that, with the rise of populism, “democratic governance will continue its inexorable decline and will eventually fail” (Rosenberg 2020).

However, there is also a school of thought which sees some value in populism in terms of democracy in a context of trust deficit not only between the state and citizens but also between political parties and their voters. Populists also try to cater to the needs of socially and politically excluded groups by challenging the concept of mediated representation. They tend to use direct communication channels to talk to the people in an emotional style often using a language of crisis. In this sense, populists are sometimes seen as a counterweight to the ‘corrupt elite’ that control politics and determine its outcomes (Wiesehomeier et al 2024).

Populism in policymaking

Populism influences policymaking in a number of ways. In its ideal type, it emphasises majoritarianism in defining policy preferences. **Majoritarianism** is the idea that the numerical majority of a population should determine the outcomes of a policy decision. This can lead to hostility against minorities, and eventually to what the political scientist *Alexis de Tocqueville* referred to as ‘tyranny of the majority’. Also, populism does not recognise the theoretical tools applied to understand the guiding principles for creating public policy (“policy paradigm”). Populism encourages frequent policy innovations to challenge mainstream policy paradigms. In addition, it challenges the role of technocratic policy experts, established institutions, opposition parties, and civil society (Bartha et al 2020). This can lead to ‘deformation of democracy’ which some scholars have called even the bureaucracy to resist through ‘institutionalised collective action’ (Bozeman et al 2024). An immediate casualty of this is ‘evidence’ in policymaking: Populism

undermines the value of evidence-based analyses and discussions. Value-free analyses, technical rigour, objectivity, and policy effectiveness do not matter much (Dussauge-Laguna 2022). The role of policy science itself gets diminished.

In terms of policy contents, populism is about what some scholars have called “nativism”. There is no clear populist position on economic policy: some populist parties want to expand the size and scope of government, while others want to decrease it. Generally, however, populist macroeconomic policy tends to be expansionary. Much emphasis is put on more public spending or lower taxes. This can lead to higher levels of public debt and financial instability which is often downplayed and, therefore, reflects the short termism associated with populism. Populism also resists globalization. It is presented as something against poor people, with all benefits of globalization accruing to the elites (EEAG 2017). The outcomes of this approach are sobering. For example, a seminal study on “Popular Leaders and the Economy” compares the performance of populist governments with their counterfactuals and observes that populists deliver poorly in terms of economic growth: 10 percentage points in 15 years’ relative counterfactual (cited in Guriev 2024). Moreover, the quality of institutions suffers under populism. This applies also to local government. Based on cross-municipality studies in Italy, researchers have shown negative consequences of populist mayors for economic performance as well as the quality of bureaucracy (Bellodi et al cited in Morelli 2024).

Populism influences social policies equally badly. Drawing from three international case studies from developed countries, including the UK, USA, and Italy, researchers have concluded that health policy outcomes are negatively affected by populism. Implicit in all three cases was a distrust of evidence-based policy interventions and the attack on professional-technocratic expertise (Speed et al 2020). In this context, the distrust not

only involved a rejection of traditional sources of information but also a challenge to scientific knowledge. This shows that there is an implicit link between populism and ‘post-truth’ political culture (Newman et al 2024).

Fundamentally, populism is characterized by political and economic paradoxes. Politically, it wants to reduce the checks and balances in the power of the executive at a time when people’s trust in government is dwindling. Economically, it advocates ‘slobalization’, and even protectionism, at a time when the economy is facing global challenges requiring collaboration at a global level (Morelli 2024).

Rise of populism in Nepal?

There is a strong perception that populism is on the rise in Nepal. For example, **majoritarianism** represents a dominant narrative in politics and society. Democracy should be about “majority rule, minority rights”, but this core principle of democracy does not find resonance in Nepal. Even the media hesitates to bring out the voices of minorities. Hostility towards the media is often cited as an example of rising populism in Nepal (Karki 2024).¹ Rise of ethno-nationalism is another indicator of populism. The tendency to announce public policies without adequate analysis also has its roots in populism. There have been cases where the government has had to retract policy decisions not backed by an analysis of their implications.

However, the idea that populism dominates politics in Nepal needs to be vetted further. As mentioned earlier, key features of populism are anti-elitism, anti-pluralism, and ethno-nationalism. While Nepal has witnessed the rise of ethno-cultural nationalism of late, anti-elitism and anti-pluralism have not yet found sufficient support in Nepali society and politics. A detached view of scholars from outside the country can be

a good reference in this context. Pratap Bhanu Mehta, an Indian academic, observes, for example, that there is no radical anti-elitism in Nepal, and “political leaders are comfortably maintaining the status quo around the elite structure”.² This shows, perhaps, that populism is yet to mature in Nepal. But early signs of ‘competitive populism’ are already there.

Threat to policy process

The demand for evidence-based policymaking is already weak in Nepal. The idea itself is new. The fifteenth plan document made for the first time a reference to evidence-based policymaking in health and social sectors. An important research jointly carried out Policy Research Institute (PRI) and Kathmandu University in the wake of Covid-19, finds that policymakers were more interested in the ease of obtaining/using information than in the credibility of it. Ensuring the credibility of information was seen as time-consuming, and therefore, impractical. Resistance to evidence-based policymaking also resulted from resource crunch, lack of political will, and knowledge/skills gap (PRI 2022). Evidence-based policymaking in Nepal suffers from the lack of investment in research and research infrastructure. More worryingly, findings from research do not inform state policies. The rising wave of populism is likely to further undermine the importance of data and evidence in policymaking in Nepal.

Populist leaders are known for their dislike of bureaucracy as a major constituent of what they see as “deep state”. It is perceived as a limitation to the exercise of executive power. In Nepal, political leaders, including heads of government, have not shied away from apportioning blame to the bureaucracy for their own failure. The bureaucracy is a key player in the policymaking process. If populism clips its wings, the policy process will weaken further.

¹ For an informed debate about populism in Nepal, see Nepali Times, 8 September 2022.

² The Kathmandu Post, 14 November 2024. For an elaborate interview with Mehta, visit Ukaalo.com available at: ‘नेपाल अर्को पपुलिजमको मार्गमा छैन’

Of late, Nepal has been putting much emphasis on participatory policymaking, even if in a formal sense. There are four types of participation – nominal, instrumental, consultative, and critical or transformative. While Nepal’s policy process already faces severe challenges in terms of shifting the emphasis from nominal participation towards critical participation, policymakers under the evolving populism may claim moral monopoly over representation and find participation unnecessary at all. In other words, “when I rule, the people rule” (cf. Mueller 2017).

Countermeasures

As discussed above, Nepal is only starting to experience the effects of populism, and there is ample scope for learning from the experience in other countries. Populism research of the past decade or so has identified measures to counter the negative effects of populism on policymaking. First of all, we should look back on the drivers of populism. They include economic disparities, lack of opportunities, corruption, and political sophistry. To address these challenges through policy interventions, policy actors should focus on all three dimensions of policymaking – policy content, policy procedures, and policy discourse. Policy content should be about short- and long-term goals (e.g., creating equal opportunities for all). Policy procedures must recognize the importance of participation in its transformative sense following the principles of ‘co-governance’. Policy discourse should focus on shaping the future agenda. For example, institutional fixes for electoral systems can be explored to be able to respond to increasing party-political polarization in our context. Reform in political finance, including state funding of elections (Lipcean et al 2023), should be part of the discourse. The much discussed ranked-choice voting system would also be an option.

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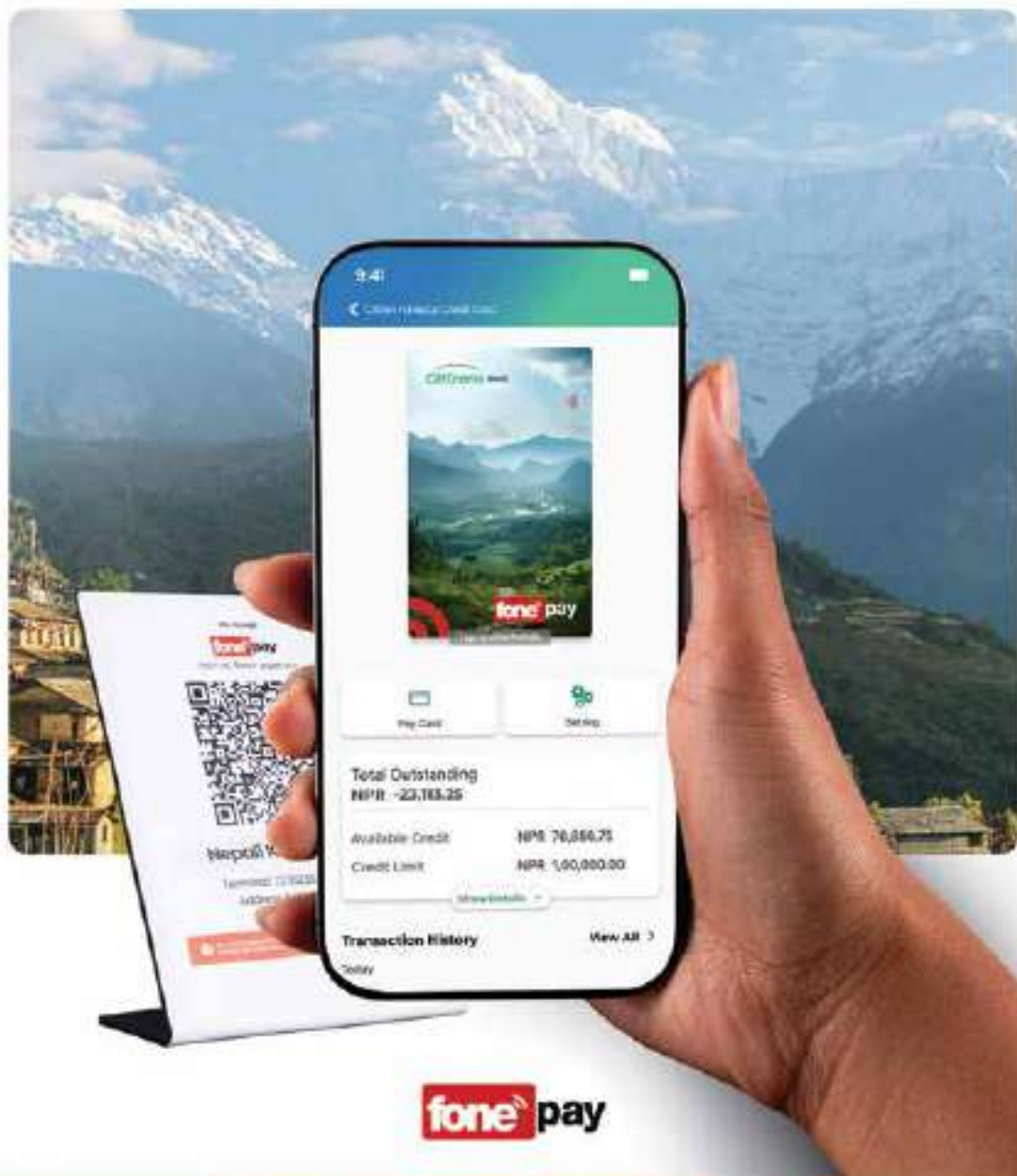
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Armchair Reflections on TU Reform

There is no favourable wind for those who do not know where they are going

▮ **Kedar Bhakta Mathema**

Tribhuvan University (TU), Nepal's largest and oldest university, faces a myriad of problems. It is also arguably one of the most difficult institutions in the country to reform due to its high political salience and the influence of vocal, urban middle-class interest groups. Faculty with lifetime job protection is also difficult to change. The activism of politically affiliated student groups also makes reform in TU extremely difficult.

One of TU's biggest challenges is structural and managerial, stemming from organisational and governance patterns ill-suited to the operation of a modern educational institution. Essentially, these patterns have created a higher education system that is inefficient because of a highly centralised and unwieldy management structure, a low level of internal resource mobilisation, and chronic underfinancing.

Despite its geographic spread, TU is governed through a highly centralised structure with the prime minister as the chancellor and the minister of education as the pro-chancellor. Although these positions are largely honorary, the prime minister and the minister of education have

recently become more involved in university affairs, particularly in the appointment of key leadership positions. The 50-member university senate should have functioned as a board of trustees or governors. However, it fails to do so due to its unwieldy size, lack of vested power, and infrequent meetings. Daily operations are managed by the Executive Council, led by the Vice Chancellor, who is assisted by the Rector (chief of academic affairs), Registrar (chief of administration) and four additional members selected from the deans and faculty. Ideally, the Executive Council should have functioned as 'the chief executive officer's office', reporting to 'a board of trustees.' Instead, it operates largely independently, reporting to the University Senate and seeking its approval only on specific policy matters.

TU directly supervises 62 constituent campuses. Additionally, 554 private and 528 public colleges are affiliated with it. Despite the large number of campuses and the geographic challenges, individual campuses have minimal control over their operations. The head of each constituent campus is selected and appointed by the TU Executive Council and is directly accountable to

it. Personnel matters are decided centrally, leaving campus heads with limited control over their staff and the quality of education delivered. The Executive Council allocates budgets to constituent campuses from TU's government funding. Few campuses take the initiative to mobilise additional resources beyond what they receive from the centre. In the absence of a local board to oversee strategic direction, financial health and overall governance, campuses lack a sense of ownership.

TU's highly centralised management structure limits the autonomy of individual campuses. More than 1,000 campuses follow the same courses prescribed by the central authority. No campus has the authority to modify course content, let alone introduce a new course or evaluate its students' examinations.

Any efforts to make TU an efficient modern university system must begin with its freedom from political interference. This means TU should be totally independent of governmental and political control and run by a board of trustees or governors. This board is a governing body responsible for overseeing the management, strategic direction and overall well-being of TU. The board ensures that TU operates within its mission, vision and values and is responsible for hiring, evaluating, and, if necessary, removing its 'chief executive', the Vice Chancellor. It approves the annual budget and oversees fundraising and endowments. This board should ideally include TU alumni, civil society leaders, governmental representative, philanthropists, academics and professionals with expertise in areas like law, finance, education and business. The members of the first board will be appointed by the president of Nepal for a term of three to six years. Subsequent board members will be chosen by the current board. One-third of the board members retire every two years, with the possibility of renewal. To encourage fresh perspectives, the first board may impose limits on the number of consecutive terms a trustee can serve. In brief, the board of trustees

acts as the steward of the university, ensuring TU fulfils its mission and operates effectively for the benefit of its stakeholders.

Once TU is freed from political interference, it could be restructured as a system with several regional universities under one umbrella, such as TU University of the West, TU University of the East, TU University of the Far West. Each of these universities would act independently with their own board of trustees. Each constituent and private campus should also be prepared by TU to operate autonomously with its own board of trustees. Each campus or college should also be enabled to design its own courses of study and conduct its own examinations. This approach would provide students at different campuses with a wider range of course choices than they currently have. This could also encourage campuses to adopt credit transfer policies, offering significant benefits to students.

TU's central campus could be developed as a degree granting research institution. This means it will prioritise research, supported by substantial funding from government, industries or private donors. This campus will offer a broad range of graduate and doctoral programmes, training students to conduct independent high-level research. Faculty members are expected to be active researchers, publishing in academic journals, presenting at conferences, and securing research grants.

A major weakness of TU has been its failure to implement the announced calendar, and particularly its examinations schedule. Examinations for major programmes, spanning over 1,000 campuses, are centrally administered and frequently delayed.

Splitting TU into several regional universities and granting autonomy to constituent and affiliated campuses would help maintain its academic and examination schedules. It would also make TU's

overall operations more effective and efficient.

Unless institutional autonomy and academic governance improve, TU is unlikely to attract new talent, especially if that talent has alternatives. In many cases, talent has been driven out because of less than satisfactory work condition. As top academics leave and the remaining talent pool deteriorates, there is a danger of mediocrity becoming entrenched in the system

TU is not only the premier university, but also the one with the largest share of higher education student population in Nepal. Among all the

universities in the country, TU offers the most academic programmes and accounts for over 78% of total higher education enrollment. It is also possibly the largest reservoir of knowledge in the country. Delaying reforms in TU will undoubtedly hinder our nation's ability to capitalise on the remarkable growth in neighbouring countries or compete effectively with regional and global economies as we step into the second quarter of the 21st century.

(Mathema is former vice chancellor of Tribhuvan university)





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Financial Inclusivity and Inclusive Development: A Path to Sustainable Growth

| Khusbu Parihariya

Introduction

Inclusive development is one of the key drivers of fair and sustainable economic growth. This policy aims at improving the standard of living of every stratum of society, especially the lowest standard stratum because equality and fair access to resources will have been achieved. The aim is to make sure that economic growth will not be a favour for only a selected group of people, locality, or race, or class.

Inclusive development is also informed by economic literacy and establishing products that reflect financial services that are accessible, affordable and meaningful to users and in particularly the underbanked regions. Some of the services provided are credit, insurance, savings and payments, etc. Fintech solutions play a significant role in achieving this goal by breaking traditional barriers. Thanks to the advancement in technology, financial services can be delivered directly to even the most rural denizens to effect positive change.

This article explores the impact of financial inclusion on the inclusive development framework, highlighting how fintech is driving positive change. We will also talk about how firms such as M2P

Fintech are constructing economic systems that make wealth creation possible and accessible for all. With new practices and partnerships, all these initiatives have begun to map out the course towards a fair and integrated financial system.

Understanding Inclusive Development

The multilingualism of this 'Inclusive Development' cannot be understood without reference to the multitude.

Thus, the definition of inclusive development is the developmental process that does not allow anyone to be left behind. It is a human, economic and environmental development that seeks to bring parity, fairness and justice into the process of development. The objective is to increase the income floor to deliver choices that foster human capital development, such as education, health, employment and financial markets.

In this regard, financial inclusion has a critically important function to play. The first and foremost component of inclusive development is financial inclusion because such tools enable people and communities to overcome barriers to opportunities

to develop their own wealth.

Financial Inclusion: Another Important Facilitator of Inclusive Growth

It means the provision of financial services to those individuals and companies who are, in some or the other way, financially excluded from modern society. This includes formal sector banking and other credits, current and savings accounts, insurance, and more formal methods like mobile money and more complex credit facilities.

The financial services sector around the world has been rapidly implementing the digital model, and financial technology is considered the major driver of change. Given their niche targeting of First and Second Spike populations by designing and delivering convenient and affordable solutions through technology, fintech developments are addressing the challenge of including the excluded in access to formal financial services.

Traditional banking services remain inadequate for the populations of some developing countries, where a large part of the citizens live in rural areas, such as Nepal. Such financial inclusion solutions aim to confront these issues by extending non-traditional methods of economic self-employment to those customers who live far from the city's centre.

Challenges to Financial Inclusion and the Contribution of Fintech

Fintech has redefined the delivery of services that were previously conventional by offering simplified, efficient and cheaper services to people. Including mobile payments, micro-lending, and the digital wallet, fintech is gradually making basic financial services more accessible.

The flexibility of services to be both extensive and available to cater to a large market, especially in developing countries, is a strength that enhances the financial sector's inclusion. The above platforms eliminate common hurdles like high costs, vast

distances to physical banking halls, and poor or no knowledge of finances.

For example, micro-lending and peer-to-peer lending have allowed lots of individuals and companies to be funded by credit that other banks would normally not offer. Furthermore, all those users who do not have a bank account and conventional payment methods can rely on digital wallets and mobile payment systems, which allow them to transfer money, pay bills and access their savings accounts.

M2P Fintech's Contribution to Financial Inclusivity

Today, M2P Fintech is an industry pioneer – a leading technology enabler that delivers innovative products for banks, financial institutions and fintech organisations seeking to expand the financially excluded population's access to services. By creating new platforms, M2P gives banks the capacity to easily launch an array of digital products, such as micro-loans and digital payment solutions, to cover underbanked populations.

Their integration capabilities provide security and flexibility to businesses and individuals, including those in underserved or densely populated regions. These efforts make M2P instrumental not only in growing the revenue base of the financial institutions but also in helping people and SMEs to manage their financial destinies. The goal is to create a future where access to financial services is a right, not a privilege. This approach exemplifies how M2P Fintech is driving the inclusivity agenda, with players across the globe working together to expand financial access and enable people, businesses and communities to thrive.

The State of Financial Inclusivity in Nepal

Today, financial inclusion is a key focus for Nepal's economy, with both the government and various stakeholders working towards addressing the challenge. Significant improvements in financial services have been made, with dedicated efforts to

bring banking facilities to previously underserved populations. The government has taken proactive steps by implementing policies aimed at increasing access to money management information, promoting mobile banking solutions, and creating frameworks that enable innovative fintech solutions.

A major challenge for financial inclusion in Nepal is its geographical diversity. While large banking facilities are concentrated in urban centres, many remote, hilly and mountainous areas remain far from these services. However, the introduction of market technologies, particularly mobile money and digital financial instruments, has been a game changer. These technologies are bridging the gap, ensuring that even people in the most remote areas can access essential financial services through their mobile phones.

Additionally, the government's initiatives, such as the push for digital banking and mobile financial services, are playing a crucial role in driving financial inclusion. The collaborative efforts of the government, private sector and financial institutions are creating an environment where banking services are becoming more accessible to all, helping to expand financial inclusion across the country.

Challenges to Achieving Financial Inclusion in Nepal

Achieving financial inclusion in Nepal is a critical goal, as it aims to enhance the welfare of the population by providing access to essential financial services. While Nepal has made significant strides in improving financial access, there are still a few challenges that need to be addressed to achieve universal financial inclusion.

One of the main hurdles is the relatively low adoption rate of digital financial products and services, compounded by limited confidence in these offerings. Additionally, internet connectivity can be inconsistent across some regions, making

it difficult for all individuals to fully benefit from digital financial services. Overcoming these challenges will require continued investment in digital infrastructure, technology and awareness campaigns to improve accessibility and trust in these services.

Furthermore, ensuring that every individual has access to a smartphone, or other digital tools is crucial for broadening financial access. Education plays a vital role here, as it empowers people to understand their financial situation and make informed decisions. Strengthening communication channels and financial literacy will pave the way for greater financial inclusion across Nepal.

The Role of Collaboration in Achieving Financial Inclusivity

There is a need for collaboration between governments and policymakers, fintech companies, financial institutions, and development agencies to champion financial inclusion. Policymakers must, therefore, set up permissive regulatory frameworks that will allow fintech firms to flourish while at the same time address customer interest and safety. Thus, fintech firms can play a role in creating economical and easily sustainable solutions for reaching out to the targeted area.

Therefore, shared public-private partnerships between private and other players, including microfinancing banks, banks and other financial institutions, as well as the Government of Nepal, are necessary for the development of an expanded financial sector. It is through such partnerships that the possible development of such an infrastructure may be facilitated, financial education will be provided to the public, and the necessary and significant digital financial tools will be made available to the people.

Conclusion

It's important to understand that inclusive development is not strictly the process of enhancing the economic well-being of people but also the

process that provides equal opportunity for those people to access the necessary tools and resources that will help them enhance their well-being. As one of the components of the inclusive development concept, financial inclusion helps people and companies to get access to the economy and apply financial products for the management of their financial lives.

Thus, fintech solutions that unplug popular financial services by making them economical are essential to financial inclusion. Innovative technologies' by M2P Fintech are a sterling example of how technologies can reduce the barriers to providing equal opportunities as per financial needs. Still, it is evident that the only way to foster the dream of financial inclusion is through sustained tripartite partnerships between governments, policy-making

institutions, and the international community.

As development continues to progress in Nepal, proactive adoption of innovations such as digital financial solutions, coupled with strategic partnerships, will be key factors in ensuring that no one is left behind, regardless of regional or economic status.

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Nepal's unique management styles

| Kishore Thapa

Background

Despite possessing inherent natural beauty and abundant resources, the stark reality is that Nepal remains one of the world's poorest nations. Given its population and geographical size, Nepal should be considered a manageable country. However, situated between economic giants like India and China, Nepal lags significantly behind in economic development, a truly unfortunate circumstance.

Following a prolonged period of autocratic rule, the establishment of democracy, and the implementation of regime changes across different eras, Nepal has yet to achieve substantial progress in economic development. Instead, the youth, the very individuals responsible for building and safeguarding the nation, are increasingly concluding that there is no future for them in Nepal. This has led to a surge in migration, becoming a matter of necessity for many. This phenomenon poses a serious threat to the country's security and sovereignty.

Over the past 35 years, despite the consistent election of political parties and their leaders through majority votes in periodic elections, they have failed to improve the living standards of the people and have significantly weakened vital state

institutions. A culture of blame-shifting, masking incompetence with excuses, and shirking responsibility has deeply entrenched itself within Nepali politics, governance, and society.

This situation raises a multitude of critical questions. Is Nepal's political system inherently flawed? Are political leaders and activists incompetent? Or are we, as citizens, inherently insular and ignorant? Or perhaps, are we being held back by the influence of our powerful neighbours? While grappling with these questions, we have yet to arrive at definitive answers. This article aims to analyse how Nepal manages its government, institutions, organisations, the state, and even families. It will examine our strengths and weaknesses in management, our management style, and the factors contributing to our successes and failures.

Weaknesses in Public and Private Sector Management Systems

Citizens consistently express dissatisfaction with the quality of services provided by government offices and their operational procedures. Ironically, those in positions of power are often the most vocal critics of these very same government systems. Despite holding power for decades, these leaders and parties have failed to

enhance government efficiency and improve the prevailing work culture.

Development projects are plagued by cost and time overruns, and frequently compromise on the quality of delivery. Obtaining basic services such as driving licences or national identity cards can require years of waiting. Citizens are often forced to visit government/public offices multiple times to complete a single task. University academic calendars are not adhered to, and public transportation remains unreliable and chaotic. While some government offices have demonstrated efficient service delivery, these instances are exceptions rather than the norm.

The management systems within Nepal's ministries, departments, offices and public institutions are riddled with challenges. Frequent government changes result in the reshuffling of public institution heads and civil servants, leaving them with neither the time nor the opportunity to fully understand their roles or develop specialised expertise. This instability has rendered Nepal's bureaucracy disorganised and unpredictable. Instead of streamlining and optimising administrative systems for efficiency and results-orientation, the system appears to be in disarray. Moreover, complaints regarding bureaucratic interference are commonplace. Repeated failures of political leadership to implement timely and effective reforms have left Nepal's bureaucracy, public institutions, and security agencies ill-equipped to address the challenges of the 21st century.

Frequent shifts in policies with each new government, coupled with delays or indifference in implementing previous government decisions, have left the bureaucracy confused and unable to effectively prioritise its efforts. In recent years, corruption cases have surfaced where decision-makers evade accountability while civil servants or those responsible for implementation face the consequences. This has fostered a sense of

insecurity among civil servants, discouraging them from effectively executing government policies and programmes. Political parties' interference through trade unions has further exacerbated this issue, creating an environment where administrators are compelled to prioritise party interests over national or public interests. As a result, announced government policies, programmes and budgets often remain merely theoretical and fail to be effectively implemented.

Reasons and Consequences of Weak Management Systems

Several factors contribute to Nepal's weak management systems, some of which are outlined below:

i) Emotional Decision-Making Over Rational Choices:

Decisions grounded in facts and evidence are inherently more sustainable and effective. However, emotional and situational decisions often lack durability and fail to produce concrete results. Many decisions in Nepal – whether made by government bodies, private companies, or NGOs – are driven by immediate circumstances rather than by evidence and sound methodology. The ongoing crisis within the cooperative sector serves as a stark example of this issue.

ii) Lack of Accountability:

Politicians, high-level authorities, and decision-makers are rarely held accountable for their decisions or indecisions. For instance, members of the Constituent Assembly, tasked with drafting a constitution within a two-year timeframe, failed to deliver even after six years. No apologies were offered, nor were any explanations provided to the public. Accountability is conspicuously absent at every level, from the Prime Minister and Ministers to bureaucrats.

iii) Disrespect for Time:

Nepali society often fails to value the importance of time. Public programmes rarely commence on

schedule, leaving attendees to wait for extended periods. Meetings, both within government and private institutions, frequently commence and conclude late. Development projects often deviate significantly from their timelines, with delays becoming the norm.

iv) Frequent Policy Changes:

The prevailing political instability in Nepal has had a profound impact on all levels of governance and society. Frequent shifts in policy hinder continuity and impede the development of standardised practices within institutions. Delays and disputes in the implementation of key national programmes, such as embossed number plates for vehicles or the introduction of smart driving licences, serve as stark examples of this issue.

v) Hasty Implementation Without Preparation:

Projects and initiatives are often launched without adequate preparatory work or groundwork, leading to delays, resource shortages, and opposition from stakeholders. This lack of preparation is the primary reason behind the delays encountered in most major projects undertaken in Nepal.

vi) Lack of Work Ethic:

In Nepali society, labour is often undervalued, and there is a general lack of respect for different types of work. Many perceive work as a burden rather than as a duty or a source of fulfillment. This mindset pervades both the government and private sectors, contributing to widespread inefficiency and dissatisfaction.

vii) Lack of Managerial Competence:

Effective management necessitates skilled and capable individuals. However, in Nepal, political favouritism and nepotism frequently lead to the appointment of unqualified individuals to key positions, resulting in poor governance and widespread inefficiency.

viii) Inadequate Resources:

As one of the least developed countries, Nepal faces significant resource constraints across virtually every sector. Adverse geographical conditions, traditional social structures, and exploitative political practices further exacerbate these challenges.

ix) High Ambitions, Low Capability:

Public expectations, fuelled by unrealistic political promises, have risen considerably. However, the nation's limited resources and capacity are unable to fulfill these aspirations, leading to widespread disappointment and frustration among the populace.

Exemplary Historical Instances of Outstanding Management

Despite facing limited resources and numerous challenges, Nepal has demonstrated managerial capabilities deserving of global recognition. At the behest of the United Nations, the Nepali Army, deployed in various parts of the world for peacekeeping missions, has consistently outperformed the armies of other nations, earning an impeccable reputation. This has led to a high demand for Nepal's participation in complex peace processes. Similarly, the Armed Police Force and Nepal Police have also exhibited exceptional work in conflict-ridden countries.

Another significant example of Nepal's high-level management is evident in the state visits of foreign dignitaries. During such visits throughout different periods, the management has been consistently grand and dignified. Visiting dignitaries have consistently expressed reassurance regarding Nepal's role and management efforts. Notably, even for heads of state or government facing serious security threats within their own countries, Nepal has meticulously planned and executed visits that ensured they felt no security concerns.

Furthermore, the constituent assemblies,

parliamentary elections, local elections, and by-elections held over time have been conducted in a planned and reliable manner. International conferences, summits, sports events, and religious gatherings hosted in Nepal have also been organised seamlessly, establishing Nepal as an ideal destination for such events on the global stage.

Nepal has also demonstrated remarkable capabilities in managing various natural disasters and human-induced crises. Following the devastating 2015 earthquake, Nepal's relief, rescue, and search efforts garnered widespread international praise. The earlier predictions by global experts that Nepal's situation would mirror that of Haiti were unequivocally proven false. Post-earthquake reconstruction efforts, including the rebuilding of approximately 800,000 private homes within the stipulated timeframe and the restoration of damaged temples and heritage sites, showcased Nepal's exemplary disaster management and reconstruction capabilities. These approaches have since been adopted by international aid agencies operating in disaster-stricken countries.

In recent years, another compelling example of Nepal's management capacity has been its handling of the COVID-19 pandemic. Despite facing numerous adversities, the Nepal government, in collaboration with the private sector, security forces, and political parties, effectively managed lockdowns, vaccination campaigns, hospital arrangements, cremations, public transportation, educational institutions, industries, public services, and the overall economy. Nepal's success, acknowledged by international organisations and media outlets, served as a model even as some powerful nations struggled to contain the pandemic. Similarly, Nepal's ability to overcome blockades imposed by India at various times, through a display of national unity, is also noteworthy. Furthermore, Nepal navigated its decade-long armed conflict

through its own unique approach, albeit at a significant economic and human cost.

Lessons to Learn from Past Successes and Failures

An analysis of past experiences and events reveals that our managerial abilities exhibit exceptional agility during times of crisis. In such situations, the government, the public, and various political and professional groups often set aside their differences to collaborate. This spirit of unity exemplifies Nepali resilience and remains deeply ingrained within our collective consciousness. For instance, there were numerous reports of earthquake victims warmly welcoming both local and foreign rescuers, leaving a profound emotional impact on those involved. Regardless of religion, ethnicity, class, political beliefs, or social and geographic background, Nepalis united to confront these disasters, extending a helping hand to one another and ultimately demonstrating remarkable resilience in the face of adversity.

However, the commendable management observed during crises tends to falter significantly during periods of normalcy. A lack of adherence to timelines, a pervasive apathy towards work, and a consistent failure to fulfil responsibilities with integrity are prevalent. There is often a minimal emphasis on quality, sustainability, or accountability, while blame games tend to dominate the discourse. Moreover, unethical and corrupt practices are on the rise across all sectors of governance, industry, business, and social services, gradually weakening the fabric of society and the nation as a whole. This decline in institutional capacity, coupled with stagnant economic growth, is pushing the nation towards a state of severe conflict. Corrupt and unpatriotic individuals in positions of power, often influenced by foreign entities, pose a significant threat to national sovereignty and security.

The lessons we must learn from our successes and

failures so far are as follows:

1. Cultivate public awareness to sustain the energy, courage, and competence displayed during emergencies in normal times.
2. Enhance governance and service-oriented efficiency in public institutions by providing regular training, practice, and orientation to employees, ensuring their skills and motivation. Recognise the contributions of security personnel by providing adequate resources and rewarding their courageous efforts.
3. Offer policy and physical security assurances to private sector organisations, promoting job creation, revenue growth, and productive activities.
4. Regularly honor individuals or organisations that contribute significantly to employment generation, tax payment, and production of goods and services.
5. Conduct regular disaster preparedness drills at national, provincial, and local levels to better handle emergencies.
6. Incorporate entrepreneurship, professional integrity, and managerial skills into academic curricula at universities.
7. Provide training and orientation in management skills for public officials, private-sector managers, NGO leaders, and political and social leaders.
8. Eliminate overly bureaucratic and restrictive policies and replace them with simplified, progressive, and outcome-oriented frameworks, strictly enforcing them.
9. Adapt foreign management models and practices to Nepal's unique context instead of adopting them wholesale.

Conclusion

There is an urgent need to reform our management system, which demonstrates remarkable agility during crises but remains sluggish in normal times. A results-oriented, professional, service-focused, entrepreneurial, and proactive management system is imperative. To ensure our progress aligns with our unique cultural, geographical, historical, societal, and political context, we must prioritise the education and training of capable and responsible citizens from the earliest stages of schooling. Regular skill enhancement training is also crucial for employees, workers, managers, and leaders at all levels of the workplace.

We must actively guide our governing class and politicians, who are currently engaged in unproductive activities, towards a more constructive path. This necessitates a fundamental shift in the thinking and behaviour of citizens. Furthermore, we must proactively prepare to address the opportunities and challenges presented by unprecedented advancements in information technology, particularly artificial intelligence, climate change, natural disasters, and human-made crises or conflicts, by developing innovative and adaptable management capabilities.

(Thapa is former secretary of the Government of Nepal)



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Rethinking Customer Service: Putting “Employees First, Customers Second”

■ **Dr. Madan Manandhar**

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Madan Manandhar is PhD in management from the University of Birmingham, UK; MSc (HSD) from the AIT, Bangkok; MA (Economics) from TU Nepal and management training from the Harvard University, USA; University of Manchester, UK; Asian Institute of Management (AIM), Manila; Aston Business School, UK; and Institute of Development Studies, Rehovot, Israel.

With over 30 years of experience as an Institutional Development, OD Intervention, and Capacity Building Management expert, Manandhar has conducted numerous human resources management, project management, management research, and OD intervention-related training and studies for public and private/NGO institutions in Nepal. Some of the institutions he has worked with include the Ministry of Health, Ministry of Education, Ministry of Power and Irrigation, and the Department of Agriculture. Manandhar has also been involved as a trainer and training programme designer for various training programmes for employees of banking institutions, NGOs/INGOs, and public enterprises in Nepal under MAN. Additionally, Manandhar has undertaken

consulting research projects under the sponsorship of organisations such as UNDP, ADB, World Bank, DANIDA, DFID, and GiZ in Nepal.

Richard Branson: Quotable Quote, Oct 2021

“Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients.” - Sir Richard Charles Nicholas Branson is a business magnate who co-founded the Virgin Group in 1970. As of 2016, he controlled five companies from a former portfolio of over 400 (1).

In this article, we will explore how prioritising employees can lead to increased trust, streamlined operations, and ultimately, greater success for your company. By putting employees first, a win-win situation can be achieved with happier and more loyal customers and lower costs. This theory is based on the idea that happy and engaged employees are more likely to provide excellent customer service. Additionally, we will discuss how to build trust between managers and employees, invert the organisational pyramid, and empower employees through decentralised decision-making.

Traditional management practices have always prioritised the customer as an essential requirement for the existence and growth of the organisation, expecting employees to align with this focus. The common belief has been that the customer is king. However, the concept of putting employees first and customers second challenges this traditional mind-set. Viewing employees as merely a cost of doing business is an outdated perspective in the 21st century (7).

Organisations that focus on delighting the customer often end up increasing their costs without necessarily improving customer loyalty. The impact of this approach is similar to consistently solving customer issues. Today's customers are more informed and impatient than ever before (6).

In a services company, it is not just the services, products, or supporting technologies that attract customers; it is the employees themselves. While a competitive offering is crucial, employees play a vital role in delivering exceptional service and making a significant difference. It is essential to recognise the value of employees and prioritise their well-being to create a successful and customer-centric organisation (7).

Many people recognise the need to change how organisations operate and how employees are treated. However, acknowledging the need for change and actually implementing it are two different things. When Vineet Nayar became CEO of HCL, a digital IT engineering company in India with 25,000 employees in 2005, he introduced the radical philosophy of 'Employee First, Customer Second' (3). This approach has positioned him as a global thought management leader.

This revolutionary idea emphasises putting employees first. Employees are a company's greatest resource, and it is crucial for companies and managers to prioritise their well-being and development.

Nayar believed that managers and leaders often hold too much power, hindering the democratisation of organisations and stifling employee energy. He advocated for transferring ownership of change and growth to those closer to the value zone. Engaging employees based on their passions, beliefs, and ethics is crucial, considering the diversity among individuals (4,5).

Employees who directly interact with customers represent the company and play a crucial role in delivering the brand experience. If employees are not well taken care of and satisfied, customers will notice. Effective service leaders-managers understand that improving employee retention involves offering opportunities for growth and advancement, which keeps talented employees engaged with customers for longer periods, leading to increased customer satisfaction and loyalty (6).

Nayar's success is not a stroke of luck but is backed by research. Harvard University researchers (2024) have established a connection between employee satisfaction and profitability. Employee engagement goes beyond productivity, as highlighted in a Harvard Education article emphasising the importance of caring for employees, providing challenging work, and valuing their contributions to foster a desire to work with the organisation every day (3,7).

"Good pay and benefits are not enough. You have to show your staff you care, give them challenging work, and truly value their contributions so that they want to come to work with you every day!" - Andy O'Brien

Employee First meaning:

Employee first means prioritising the well-being of employees by recognising and appreciating their work, providing opportunities for growth and development, and treating them with respect and dignity. An employee-first culture fosters an environment where employees feel comfortable sharing concerns, have their voices heard and respected, see opportunities for growth, and maintain

a healthy work-life balance. While meaningful work can increase employee participation, true engagement requires autonomy, intrinsic rewards, and influence (6,7).

Customers second! – *Customers are always first.* Customers second is symbolic not literal. You cannot afford to lose or dissatisfy a customer in the name of employee first. The customers surely must be made aware, clearly, that our employees are not your stress reducing punching bags. Employees need to serve the clients, sometimes need to go an extra mile as well for a wow customer experience but the customer surely cannot expect the employee to come walking on their knees to make them happy! A happy customer sustains the organisation as much as a happy employee does. A happy customer is the best marketing agent for the organisation as well, and that too for free!! (7)

Implementing an employee-first, customer-second approach requires careful consideration and balance. While employees should be valued and respected, customers should not be neglected or dissatisfied. It is essential to communicate to customers that employees are not to be taken advantage of and that a balance between employee well-being and customer satisfaction is crucial for the success of the organisation (7).

In other words, prioritising employees' well-being can lead to a more engaged and productive workforce, ultimately benefiting both employees and customers. Striking a balance between employee satisfaction and customer service is key to creating a successful and sustainable business model.

Here are some benefits of prioritising employees:

Improved customer loyalty: Happy employees can result in satisfied customers.

Enhanced employee productivity: Focusing on employee well-being can boost productivity.

Increased employee retention: Appreciated and

fulfilled employees are more likely to stay.

Innovation and creativity: Happy employees tend to be more innovative and creative.

8 Steps to Create an Employee-First Culture (7)

Here are 8 methods that company leaders- managers, and HR managers can use to build an employee-first culture and create a positive environment for employees:

1. Engage in two-way communication with employees

Build trust by actively listening to employees' concerns, ideas, and suggestions, and keeping them informed about company initiatives and changes.

This does not mean constantly seeking their opinions, but rather being receptive to their input and transparent about company developments. For instance, when introducing a new initiative, explain its significance and impact on employees. Similarly, promptly communicate any changes in leadership, management, or direction to ensure transparency and avoid confusion. Many organisations struggle with this basic communication task due to fear of change or reluctance to share negative news, leading to missed opportunities for effective employee engagement.

2. Provide regular feedback and coaching

Motivate employees by giving clear direction on performance and offering coaching to help them improve and grow.

One of the most effective ways to motivate your employees is by providing regular feedback and coaching. This involves giving clear direction on their performance and ways they can improve. If you are unsure about how your employees are doing, there are ways to assess their progress without directly asking them:

- Engage in open conversations with your employees about their thoughts on the company

and how they see their role within it. Encourage them to provide feedback on how their job can be more fulfilling.

- Monitor the time it takes for them to complete new or unfamiliar tasks to gauge their learning speed.
- Coaching and mentoring are valuable tools for offering feedback and guidance to help employees grow and succeed.

3. Empower them through leadership development opportunities

Offer leadership development programmes to empower employees to contribute to the company's success and reduce turnover.

Here are a few ways you can help your employees succeed:

- Give clear expectations and feedback.
- Provide the training needed for each role as per their performance needs.
- Give employees the tools they need to do their jobs.

Give employees training opportunities so they can improve their KSA and become more valuable members of the team. This includes not just formal training sessions but also informal opportunities to learn new skills through peer learning, coaching, mentoring and reading articles/case studies/books or taking online courses.

4. Give them the resources they need to succeed

If employees are struggling because they don't have the right tools or resources, give them what they need. That could mean providing software programmes or equipment that will make their work more efficient or effective. Some companies even provide employees with laptops so they can work remotely when needed.

Give employees training opportunities so they can improve their skills and become more valuable members of the team. This includes not just formal

training sessions but also informal opportunities to learn new skills through reading books, learning best practices, cases or taking online courses.

5. Recognise and reward achievements

Acknowledge and celebrate the accomplishments of your employees. This can be done through verbal praise, bonuses, promotions, or other forms of recognition. Recognising their hard work and dedication can boost morale and motivation.

Show appreciation for their work

Implement a rewards and recognition programme to acknowledge employees' efforts and create an engaged workforce the best way to do this is by creating a dedicated rewards and recognition programme that includes regular meetings between managers and employees.

A rewards and recognition programme can be used as part of annual meetings or as an initiative focused on recognising employees who go well above and beyond their job descriptions. In either case, it's important to set clear expectations for what constitutes an 'above-and-beyond' effort, so everyone knows what behaviours are being rewarded.

6. Promote work-life balance

Support a healthy work-life balance, especially in a work-from-home setting, to reduce burnout and maintain productivity. A healthy work-life balance can lead to increased productivity, creativity, and overall job satisfaction.

7. Foster a sense of pride in the mission and work

Sense of pride: Believing in the mission and work. A crucial aspect of fostering a positive workplace culture is ensuring that all employees are aligned with the core values and mission of the company. When a strong culture is in place, it should influence all decisions made within the organisation. This sense of shared purpose and values helps employees develop a sense of pride in the work they do for the company.

When former employees leave as brand ambassadors, it indicates that the organisation is on the right track. As a leader/manager, it is important to cultivate a work environment where every team member feels proud to be a part of the team.

8. Performance culture: Recognising top talent

A performance-based culture is essential for fair treatment in the workplace. Nepotism and favouritism should not determine vertical movement within an organisation; instead, performance evaluation should be based on empirical evidence. One effective way to achieve this and foster a positive workplace culture is by clearly defining roles, responsibilities and desired goals for employees.

Transparency and data-driven performance evaluation can help ensure that all employees take pride in their work and are accountable for meeting their targets. By linking Objectives and Key Results (OKRs) and Key Performance Indicators (KPIs) to measurable output data points, everyone can understand who is performing well and why. This approach eliminates anxiety about unclear evaluation criteria and promotes a culture of recognition for top talent.

Practical Examples from Diverse Sectors

The ‘Employees First, Customers Second’ approach is applicable across various industries, including start-ups, IT, servicing, engineering, construction, financial corporations, educational institutions, and malls. This shift in priorities aligns internal focus with customer satisfaction, leading to positive outcomes.

Conclusion

Employees are vital to the success of any organisation, as they ensure its smooth operation even in the absence of the owner. Showing appreciation to employees directly impacts their performance.

In conclusion, fostering an employee-first culture can

significantly enhance the workplace environment and lead to increased employee satisfaction. Prioritising employees ultimately benefits the organisation by improving customer service and driving profits.

The lesson is clear: Take care of our employees, and they will take care of our customers. Take care of our customers, and profits will follow.

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खाना पकाउने ग्याँस (एल.पी. ग्याँस) प्रयोगकर्ताहरूलाई सुरक्षा सम्बन्धी

नेपाल आयल निगम लि. को

अति आवश्यक जानकारी

एल.पी. ग्याँस अत्यन्तै प्रज्वलनशील पेट्रोलियम पदार्थ भएकाले बसको प्रयोगमा पर्याप्त सतर्कता एवं सावधानी अपनाउनु जरूरी हुन्छ । त्यसैले खाना पकाउने ग्याँसको चुहावटले हुने दुर्घटनाबाट बच्न देहायका कुरामा विशेष ध्यान पुऱ्याउन सम्पूर्ण उपभोक्तावर्गमा नेपाल आयल निगम अनुरोध गर्दछ ।

दुर्घटनाबाट बच्न ध्यान दिनुपर्ने कुराहरू :



१. सिलिण्डर ल्याउदा लैजादा बन्दछौं । भान्सागा सिलिण्डर सँधै ठाहो राखी प्रयोग नरो । सुलाएर, फोटाएर प्रयोग ननरो ।



२. रेगुलेटर, रबर, पाइप, चुलोअस्ता उपकरणहरू गुणास्तर भएको मात्र प्रयोग नरो । साथै हरेक दुई वर्षमा ग्याँसको पाइप फेरो ।
३. काम सकेपछि सँधै रेगुलेटर बन्द गर्न नबिही ।
४. खाना पकाउदा सँधै भयल ढोका खुला राखी र सुतीको कपडा लगाएर मात्र खाना पकाउने नरो ।

ग्याँस चुहावट भएमा ध्यान दिनुपर्ने कुराहरू :



१. खाना पकाउने स्थानमा एल.पी. ग्याँसको तिखो गन्ध आइरहेको छ भने ग्याँस चुट्टिएको भन्ने बुझ्नु पर्दछ । ग्याँस तिक भएमा पहिले रेगुलेटरको र पछि चुलोको गैर बन्द नरो ।



२. भयल ढोका खुला राखी र भिक्का निस्कने बस्तर जसले ग्याँस चुलो, सलाए, लाईटर, धुप आदि नबाली । विद्युतजन्म उपकरणको प्रयोग ननरो ।
३. ग्याँस तिक भएमा रेगुलेटरलाई सिलिण्डरबाट छुटाई सिलिण्डरमा केप्टी क्याप लगाई बाहिर खुला स्थानमा राखी र बचावसिद्ध नजिकको ग्याँस विक्रेता जसमा ग्याँस उठाउनेमा सम्पर्क नरो ।

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The world is experiencing a new technology revolution, which is fundamentally altering products, production, pricing and transactions. Simultaneously, the world is undergoing a reorganisation of global economic and technological linkages, which requires business owners and managers to frequently adjust to shape-shifting supply chains and markets.

The change is particularly salient for Asian businesses, as the east is not only the new hub of global economic growth, it is also the new stage for global contest for resources, markets, technology and influence. In addition, Asia is the battle ground for climate change containment and there are growing incentives and pressures for switching to green energy, industry, trade and living.

The relentless and radical change presents transformational possibilities for the emerging Asian economies and businesses, but it also creates great anxieties about unpredictable and unquantifiable disruptions. Asia's managers need to stay tuned into the technological and

geopolitical developments and harness their anxieties to become fit for the next future rather than get stupefied by those.

Covid-enforced pervasive digitalisation of businesses has resulted in exponential increase in data generation and capture, which has made machine learning and AI feasible as business and management technologies. The splash made by generative AI during the past year or so is forcing management leaders to reorganise information, communication and product creation. The lure of predictive AI to automate business processes, cut costs, and assist management decisions is making AI integral to operations and strategy. However, management leaders need to invest in developing AI-compatible workforce and culture. The education system tends to respond to change slowly and, therefore, it is for the businesses to produce the workforce for the AI economy.

2...

Running data and AI intensive businesses comes with significant vulnerability and responsibility.

AI algorithms autonomy makes them inscrutable while making the management responsible for automated decisions and their impact. Today's management leaders need to ensure development and deployment of AI systems that do not cause unintended harm to either the business or the society. Also, as the cyber realm grows, so do cyber theft, manipulation, espionage and disruption. Management leaders have the added task of securing access to data, controlling use of data, and protecting digital infrastructure.

The exponential growth in digital computing and communication also imposes the responsibility of containing the growing carbon and waste footprint of the energy and material intensive digital economy. Management leaders need to invest in cleaner energy and recyclable materials to pre-empt punitive or discriminatory regulations, as introduced by the EU, to retain market access and minimise compliance cost.

Geopolitics is another major management issue for today's business leaders. The quest for a world with open borders has ended in global financial, health and supply chain crises and nation states have duly returned to barrier building

and selective partnerships. Until a few years ago, geopolitics was a business of politicians, diplomats, spies and generals. Today, this term is mentioned in boardrooms almost as frequently as strategy and profits. Even consumers feel the shifts in geopolitics in prices and workers feel it in their job opportunities and incomes.

3...

The new economic centrality of China and India, the US's pivot to Asia, and Europe's bid to set global norms once again are shaping the new business landscape. The reordering of supply chains, fragmentation of global finance, climate-linked trade discrimination, and country-specific export and import bans flow from geopolitics. The history, geography and politics of Asia are not conducive to the creation of a pan-Asia economic block, which requires management leaders to find ways to do business differently in the east, south and west Asian sub-regions.

Asia's management leaders need to be innovative, flexible and agile in their digital and green transition and also in structuring their businesses and organisations to operate across the proliferating barbwire.

Ten Commandments of Leadership	
First	- Have clear vision for yourself and your Organisation.
Second	- Share this vision and ensure that it is communicated and understood. Ashared vision inspires and motivates.
Third	- Empower people, give them decision making powers.
Fourth	- Always be value based first and performance oriented thereafter.
Fifty	- There is no substitute for Honesty, Integrity, Hard Work and Humanity.
Sixth	- Team Work and Team Spirit are essential ingredients of corporate success. Organisational excellence and performance are the products of team work.
Seventh	- Reward Performance – both psychologically and in kind and create a deep sense of ownership in employees.
Eighty	- Always Aim for the moon but never promise to deliver the moon. It is better to under-promise and over deliver.
Ninth	- Never prejudice a situation or a person – always have an open mind and be a good listener. A closed mind kills innovation.
Tenth	- Contribute and give back in large measure to society, for it is from society that we earn our livelihood.

(Kaul is Chairman of Nicco Engineering Services Ltd and Past President of Asian Association of Management Organisations)

Business transformation: People leadership is the key

■ Rekha Sethi

Asia-Pacific Telecommunity (APT) organizes Information and Communication Technology (ICT) projects (including pilot projects in rural areas) funded by the Extra-Budgetary Contributions (EBCs) from Japan, the Republic of Korea and the People's Republic of China. The project on Promoting the Use of ICT for Sustainable Development Goals was initiated in 2020. 'Photovoltaic Power System for Sustainable Development in Bhanu Municipality – Nepal' (EBC-C 2020) is a project funded by the Extra-Budgetary Contributions from China (EBC-C). EBC-C 2020 project has been implemented in Nepal in collaboration with experts from China along with the support of the Ministry of Communications and Information Technology (MoCIT) – administration body associated with APT in Nepal. Apart from disseminating the basic details regarding the implemented project through this article, it has been expected that the readers shall be aware about the process to participate in the future opportunities granted by APT.

ICTs are specifically mentioned as a means of implementation under Sustainable Development

Goals (SDGs). ICTs are crucial in achieving all of the SDGs, since ICTs are catalysts that accelerate all three pillars of sustainable development – economic growth, social inclusion and environmental sustainability – as well as in providing an innovative and effective means of implementation in today's inter-connected world. ICTs are identified as targets in the SDGs for education, gender equality, infrastructure and in the implementation goal for the achievement of all of the SDGs.

MoCIT announced the call for proposal on June 28, 2020 based on the Invitation for Proposals on Promoting the Use of ICT for Achievement of Sustainable Development Goals under the EBC-C for 2020 dated June 19, 2020. MAXTECH Study and Services prepared the project proposal in collaboration with Bhanu Municipality and with participation from China Academy of Information and Communications Technology (CAICT) for the promotion of sustainable development through the implementation of photovoltaic power generation as a clean and pollution-free power generation method that converts solar energy into electricity.

A reliable source of energy is an essential requirement for the efficient operation of ICT equipment as well as other electrical devices. Sources of clean energy are an integral part of a sustainable community. In addition, redundant source of electricity is necessary for critical operation during and after disaster as well as during connection failure or shut-down of regular energy source.

The purpose of EBC-C 2020 project application is to have an opportunity to implement photovoltaic power generation within Bhanu Municipality in Nepal for the promotion of the efficient use of ICT to achieve the SDGs. This project purposed to install photovoltaic power generation and energy storage equipment in order to enhance the operational security of ICT facilities and lights which ultimately reduce the risks of power outages and save operating costs.

MAXTECH Study and Services conducted multiple rounds of consultations with Bhanu Municipality and CAICT for the preparation and submission (July 19, 2020) of the project proposal. The consultations were carried out through virtual mode and telephone conversations due to the COVID-19 situation. Notification on the Selection of Proposals on Promoting the Use of ICT for Achievement of SDGs under the EBC-C for 2020 (dated February 4, 2021) was received from APT. Based on the notification letter, MoCIT issued an acceptance letter on March 15, 2021 which initiated the implementation phase of the project.

The expected outputs of the project include deployment of two types of equipment. Installation of PV systems along with energy storage equipment in order to support the operation of equipment associated with ICT as well as operation of lights in Bhanu Municipality Office, Tribhuvan School (Bhanu Municipality Ward# 11), and Chandrawoti School (Bhanu Municipality Ward# 7). Similarly, it was also to

support the installation of PV systems along with energy storage equipment in order to support the operation of street lights in the communities at Aamdanda (Bhanu Municipality Ward# 5) and Rupakot (Bhanu Municipality Ward# 11).

EBC-C 2020 Project on Promoting the Use of ICT for Achievement of Sustainable Development Goals Programme organized by APT, Bangkok, Thailand has been implemented in Bhanu Municipality, Nepal as per the Memorandum of Understanding (MoU) signed between Bhanu Municipality & MAXTECH Study and Services. This project has deployed photovoltaic power system as source of electricity to support the smooth operation of ICT equipment as well as basic electrical devices in the municipality office and two schools as well as to support installation and operation of solar street lights in two communities.

Bhanu Municipality has been divided into 13 wards. The major area of Bhanu Municipality is connected with the national grid electricity. Meanwhile, to reap the benefits of emerging technology and consider the access to reliable source of electricity in disaster condition, this project has deployed redundant source of electricity. From this project opportunity, through the implementation of photovoltaic power generation and energy storage equipment, the operational security of ICT facilities as well as street light systems has been greatly enhanced, the risks of power outages have been reduced, operating costs have been saved, and efficiency has been improved.

The field survey regarding EBC-C 2020 was conducted at proposed sites in Bhanu Municipality, Tanahun (October, 2021 ~ November, 2021). The field survey identified the detail requirement of the sites as per the equipment as available in the institutions that need to be connected to the provisioned PV system. The field survey defined the system sizing and placement based on field

situation.

The major components including PV modules, battery, inverter, light and charge controller, have been selected from among Renewable Energy Test Station (RETS) certified components in order to ensure the quality. Further, the supplied equipment were inspected in sites by a team led by the mayor of Bhanu Municipality with participation of ward chairpersons as well as the beneficiaries.

EBC-C 2020 project has installed 3.06 kWp PV System in Bhanu Municipality Office, 6.3 kWp PV System in Tribhuvan School, 2.52 kWp PV System in Chandrawati School, 40 watts x 13 Poles Solar Street Lights in Aamdanda, and 40 watts x 13 Poles Solar Street Lights in Rupakot.

The project had planned for monitoring visit of the sites by team members from CAICT. However, the international visit for monitoring by Chinese experts could not be implemented due to the circumstances created by the COVID-19 situation. An expert from Alternative Energy Promotion Centre (AEPC) as well as an officer from MoCIT participated in the verification and inspection of the project equipment deployed in the respective sites as per the request of Bhanu Municipality. The verification of the project equipment was conducted on January 3 – 4, 2023 in Bhanu Municipality.

A program was organized in Bhanu Municipality Office Hall on January 4, 2023 for the handover of the project equipment. The mayor, deputy mayor, chief administrative officer, officer from MoCIT, expert from AEPC, ward chairpersons, ward representatives, representatives from beneficiary schools and communities, staffs of the municipality as well as team members of the project participated in the handover program. The beneficiaries expressed their ownership on the handed-over equipment and thanked the project for the deployment of the equipment. The mayor and deputy mayor thanked APT and MoCIT for the support extended to the municipality through EBC-C 2020. Further, they expressed their

commitment for the sustainability of the project outcome including ensuring the continuity in smooth operation of the deployed systems.

A team member of the project from Nepal visited the laboratory (CAICT) in Beijing on April 15, 2023. The visit included project exchanges associated with EBC-C 2020. The visit was an opportunity to promote ICT cooperation as well as to learn about innovative tools and techniques including renewable energy technology for sustainable development.

APT organizes APT Telecommunication/ICT Development Forum (ADF) which is a unique platform for practical and technical discussions and information sharing among stakeholders including the governments, research institutes, and cooperation in the region. The 18th APT Telecommunication/ICT Development Forum (ADF-18) was organized on August 24 – 26, 2020, virtually due to COVID-19. Similarly, ADF-19 was organized on November 22 – 24, 2022, virtually. The latest version of the forum (ADF-20) was organized on October 9 – 10, 2023, in a hybrid format (physical as well as virtual/online attendance) in Kuala Lumpur, Malaysia. Each of the above mentioned versions (18th, 19th, and 20th) of ADF provided a platform for presentations about Photovoltaic Power System for Sustainable Development in Bhanu Municipality – Nepal.

Session about EBC-C Projects during ADF-20

The implementation of EBC project in a geography generates knowledge and experience. The learnings from a project provides useful insights for the other areas as well. The project team is grateful to APT and the China government for the project opportunity in Nepal. The effective use of technology, with localization as necessary, leads to the path of sustainable development.

(Sethi is Director General of All India Management Association-AIMA)

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अब बन्छ सबैको सपनाको घर...
किनकि हामीसँग छ सर्वाधिक न्यून ब्याजदर...

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प्रधान कार्यालय: धर्मपथ, काठमाडौं
कल सेन्टर: ०१-५९७१२२२
टोल फ्री नं.: १६६००९३७३७३

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Some reflections on engendering development practices

| Rita Thapa

Genesis:

When people are enabled to manage themselves, they most benefit their societies/communities – and in return, themselves.

I have had the singular opportunity to found two organisations, Tewa – the Nepal women’s fund (1995) and Nagarik Aawaz – the peace building organisation (2001). Besides these, working within several donor agencies; creating spaces for women in social and entrepreneurial fields; leading/founding women’s networks; and serving on international/regional feminist boards; - have all given me a broad range of perspectives on institutional development and its multifaceted managerial aspects. With this background, I shall share some of my lived experiences of inclusive and engendered development, and management experiences within those institutions and networks.

Introduction

Over the decades, I have seen that the way we do our work depends on the time and the context of any given period. But central to this is a person’s upbringing, moral values, attitudes

and aptitudes which all count to a great degree. But in my experience, central to this is a person’s motivation and intention. Such leadership, within an institutional setup, will have the ability to see if all others, are likewise motivated and inspired by the work they do. Do we have an enabling environment? Does it lend to the larger good? Does it at the same time also facilitate our lives? Sometimes we seek financial gains and lay emphasis on the amount of salary – but in my experience, our priorities can shift if we as people feel ‘fulfilled’ and happy in our bones – if we can transcend the initial urge for financial benefit. It is quite inexplicable even to the person undergoing this transformation within themselves – thus for me leadership is central to enable that transformation to have a chance to happen. But in institutions, where transitions are minimal owing to established systems and practices over a very long time, a weaker leadership can also be inspired to act by having other stalwarts carrying on the work unabated.

Therefore, in my experience, we need to be mindful primarily of who our leaders are. What are their intentions? Have they long-term and

short-term plans that they are going to fulfill? Do they have stated goals, values and strategies for all to follow in the government/institution that they are running? Do they practice what is preached? As a nation/collective, is an equitably inclusive citizenry/constituency the priority? Do accountability and transparency go beyond clichéd words and are built in practices? Do the people they are responsible for feel trust and respect and a sense of relief, have confidence in their leadership, and genuinely benefit from the state/institutions?

Any nation state/institution is there to serve its people or constituency. Therefore, benefits stemming from these services need to happen and comfort to be felt by the citizenry/constituency.

Human Resource and Leadership

In my experience, each and every person is the most valuable asset in any given organisation or endeavour. A leader who has the capacity and the capability to enable a person to rise beyond what they thought was possible and propel themselves to go farther than their goals, need no longer to manage them. First and foremost, all of us as human beings need to be treated with respect; be in a place that is transparent and accountable; and know that they are aligned with a cause for the greater good. Then outcomes will far exceed the goals set initially. Leadership will not only hold the vision but enable an equitable and an inclusive process for all, by creating the place that is facilitating all to be the best of themselves and therefore to happily contribute.

Personally, in my experience, I have learnt that any of us and in particular leader/s, cannot do good work on the outside without simultaneously working on themselves – with introspection and reflections. Work requiring us to intervene in other people's lives call for a complete transformation of oneself from within, where one eventually changes to be the one whose values we own and advocate. This is a journey one is compelled to take, based

on what one undertakes to accomplish. It is only then that the energies align and unfold to multiply the good exponentially.

Participation and Inclusion

Often in development work we speak of participation and inclusion. These are very big words. True participation can only happen with ALL sides involved having total ownership. Where or when power is skewed or out of balance, it cannot be achieved. In Nepal where we are overtly dependent on foreign aid – development work can rarely be totally participatory. For many who give monies – there is an unspoken hierarchy of position and power, and in the usual cases, the one who is giving is always on top. Money is equated with power and control. Generally, those working on the grounds are less valued – it is often forgotten that they actually hold the ground knowledge and the true intent to do good in their communities. This fact is often trivialised. In my experience, partnership can only happen in an environment where there is complete trust, together with the practice of transparency, accountability and mutual respect. Though in my experience, this is very rare.

Inclusion is more complex. Who do we include and why? If we are speaking of all the people across class and caste, who have been systemically disenfranchised as in the caste hierarchy or being peripheral owing to geography, social status – such as women, those with different sexual preferences, people with one or other disabilities, or those with differences other than the dominant class or groups, the process will simply not be easy! Inclusion is easily said than done.

Such an agenda will require dedicated and focused efforts implying additional time and resources. It speaks of power and how power needs to be redistributed in most cases. We in Nepal now have lived experiences. Take the transitional process for example, where direct conflict victims after 18 years, have yet to receive their due.

What is explicitly enshrined in the Constitution is hardly practiced. Take for example, women's 33% representation. In the last 2022 general elections, not only were women represented as a token gesture, they have all been relegated to secondary positions without access to decision-making power and access to resources. VDC chairs have only 1% women and mayors only 2% women – the rest are all deputies. Whatever the stated reasons, the Nepali state failed to honour the texts in the Constitution. Sharing power is of course never easy – unless each and every participant internalises and practices it personally and institutionally.

In the founding years of Tewa (September 1995 – June 2001), we had Maiya and Ram as our cleaners/helpers – a couple from the 'Pode' community, an untouchable class. In the initial days the small staff team cooked and ate a simple meal together at lunch time. Although we pleaded with Maiya and Ram, they never ate with us. When I had almost given up, in our fourth year, Maiya and Ram sat to eat with us. Although the law had abolished untouchability, it took them that long a time to feel that they were one of us. Only that day did I feel that we had truly built an inclusive organisation! People who have endured systemic and structural violence take a very long time to heal and return to wholeness. Only then can they assimilate and integrate into the larger society or have a sense of true ownership. At the macro level, has the state ever made ongoing efforts to support and implement non-discriminatory laws and have we, as a society or as individuals, transformed ourselves to ensure that effective practice is within our day-to-day lives?!

Engendering Institutions and Practices

As a feminist activist over at least three-and-a-half decades, I founded and built organisations with feminist values. Some 30 years back few women had the experience and necessary knowledge of development work to assert their viewpoint, therefore, I chose to found Tewa with only women

on its governing body. This would ensure that: we did not expend energy in futile arguments with men, as many of us do not have the hands-on experience, and that the benefit and the credit of making Tewa happen, go explicitly to women.

In the case of founding and grounding Nagarik Aawaz, although our approach was feminist and the leadership lay with women, we needed to include men. In both the organisations we also ensured inclusivity not only from a gender perspective, but also with a GESI lens. The first batch of 24 conflict affected youths whom we worked with in 2002, came from 18 districts and were from very diverse backgrounds of class, caste, ethnicity and geography and political parties including the warring factions at the time. This made cross-learning very rich and diverse not only from a gender perspective but also culturally and contextually imbued with co-existence, tolerance, and appreciation, rather than 'othering' or demonising. It was an essential approach for peace building work in the context of an active armed conflict and post-conflict transitions.

Throughout my work in networks and organisations, I have learnt that the more we enable women to 'rise to the occasion' the more they have excelled – of course with the necessary support and capability building. How can we expect women (who are counted as lesser citizens in a patriarchal setting) who have had less access to education and exposure than men, to run the race with men on an equal footing! As we all know, women have been largely penalised for their reproductive roles, rather than giving them due recognition and support for birthing and nurturing Nepal's human resource and leadership. Limiting them to domesticity, caregiving and farming – does not enable them to grow with formal education and garner necessary exposure. These roles simply do not give them their due status or recognition. In simple words, over centuries, this form of covert violence committed

against women is in my opinion, a blatant violation of human rights.

Therefore, any of us now engaging in development work need to undertake an analysis and start reversing discriminations as necessary. This will not happen without explicit mandates and the flexibility of additional resources and time. It is proven by feminist economists that Nepal's possible graduation to a middle-income country is made possible only owing to the work of women. According to our eminent feminist economist Bina Pradhan, the government has not recognised the domestic and care giving work by women. And whilst subverting this kind of work by women, at the same time the government misappropriated it towards the elevation of Nepal from an LDC to a middle-income country. If this is our state, what can we expect! How then can a whole nation be engendered!

Conclusion

Many of us have done some good work in small pockets despite all existing adversities. But the country at large continues to suffer from

mismanagement and inefficiency. Leadership is key – I cannot but over emphasise it! In recent years in Nepal, two examples of effective leadership, have been demonstrated by some key municipalities and Nepal Electricity Authority. But if we look at countries in the region – Singapore is a shining example. In some 60 years beginning with the founding father, Lee Kwan Yew – we have a case study to emulate. In terms of effectiveness in Nepal, there may be many other small, good examples – but at the larger level we continue to suffer.

Even within the successful ones here in Nepal, I have not yet done a GESI analysis or a study of a succession plan to ensure long-term institutionalisation of these institutions. From my own experience, I personally feel, that building successful long-lasting institutions and organisations is possible. All we need though is a visionary, ethical, selfless and intentional leadership – which we sadly lack!

(Rita Thapa is a feminist activist)



Effect of Human Resource Management Practices in Nepali Financial Institutions

Dr. Sabita Bhandari

ABSTRACT

Human Resource Management (HRM) practices are instrumental in shaping the operational efficiency and competitive edge of financial institutions. The liberalisation of the economy and globalisation have spurred rapid changes in HRM practices, significantly influencing organisational citizenship behaviour (OCB) as a means to enhance competitive advantage in Nepal.

In today's business landscape, human resources are viewed as human capital, a critical driver for boosting competitive advantage and ensuring the sustainability of business operations, including those in the financial sector. This study seeks to investigate the impact of HRM practices on the organisational citizenship behaviour of employees in Nepal's financial sector, encompassing commercial banks, development banks, finance companies and insurance firms. The analysis focuses on four key HRM dimensions: training and development, performance appraisal, compensation systems, and employee participation.

By examining the perspectives of employees at managerial and assistant levels, the study explores the relationship between HRM practices and OCB, as well as the extent to which HRM practices influence organisational citizenship behaviour. The findings provide valuable insights for HR practitioners, policymakers and organisational leaders aiming to cultivate a culture of proactive employee engagement and sustained organisational growth.

Keywords: Financial Institutions, HRM Practices, Organisational Citizenship Behaviour, Strategic Management, Performance Appraisal, Employee Development

Introduction

Human resources encompass all individuals, from top-level executives to entry-level employees, working within an organisation. This collective workforce represents the organisation's skills, attitudes, knowledge and performance. Today, employees are viewed as valuable assets, and motivating and retaining them is a crucial aspect of human resource management (HRM).

HRM encompasses all activities necessary for managing an organisation's workforce. It involves acquiring, developing, utilising and maintaining human resources to ensure long-term organisational sustainability. HRM aims to maximise both employee and organisational effectiveness by aligning individual and organisational interests through the effective use of human resources.

As a personnel function, HRM treats human resources as valuable assets that contribute to an organisation's success. This perspective is applicable to both private and public sector organisations. From a managerial standpoint, HRM provides a framework for strategically managing the relationship between various job roles and HR practices.

HRM has always been vital in addressing organisational challenges and supporting strategic goals. Nepal Rastra Bank (NRB), for instance, developed an HR plan for fiscal years 2018/19 to 2021/22, adopting a participative, bottom-up approach to HR planning.

According to the HR Plan (2018/19-2021/22), NRB's human resource planning process follows a systematic approach involving the following key steps:

1. **Assessment of Current Human Resources:** Evaluating the existing workforce, including the number, skills, experience and capacity of current employees.

2. **Analysis of the Organisational Plan:** Aligning HR planning with the organisation's strategic goals, operational needs and future growth objectives.
3. **Forecasting Human Resource Demand:** Estimating future staffing needs based on projected organisational requirements, technological changes and market trends.
4. **Analysis of Human Resource Supply:** Identifying internal and external sources of talent to ensure an adequate supply of qualified candidates to meet forecasted demand.
5. **Matching Demand and Supply of Human Resources:** Bridging the gap between the forecasted demand and the available supply of human resources to ensure a balance between staffing needs and available talent.

Human Resource Management (HRM) practices encompass a range of critical variables, including recruitment and selection, training and development, performance appraisal, career planning, compensation, employee participation, and job design (Sabita Bhandari (2079), Alima, A.K., & Faizuniah, P. (2018)). On the other hand, behavioural outcomes are shaped by variables such as motivation, cooperation, involvement and organisational citizenship. Among these, job design is found to have the highest sensitivity to organisational performance, followed closely by employee participation and compensation systems. While recruitment and selection, training and development, and career planning positively influence the behavioural outcomes of organisational performance, their impact is comparatively minimal.

HRM refers to the efficient and strategic administration of human resources within an organisation. It encompasses a systematic process for acquiring, developing, utilising, and maintaining human resources to achieve individual, organisational and societal goals. Key HRM functions include recruitment and selection, rewards and compensation, performance

appraisal, training and development, industrial relations, and the handling of grievances and discipline. The integration of these functions into the organisation's overall strategic management is essential for ensuring alignment between HRM activities and business objectives. **Adhikari (2001)** emphasises that HRM combines business strategy – the preferred approach to compete in the marketplace – with HR outcomes, such as high-quality hires, competitive compensation, and effective employee training and development.

Figure 1 represents a conceptual framework highlighting the relationship between Human Resource Management (HRM) practices and Organisational Citizenship Behaviour (OCB). The framework emphasises the key dimensions of HRM practices, including Training & Development, Performance Appraisals, Compensation Systems, and Employee Participation. These HRM practices collectively influence employees' behaviour and attitudes, which subsequently lead to improved Organisational Citizenship Behaviour, a critical factor in achieving organisational success.

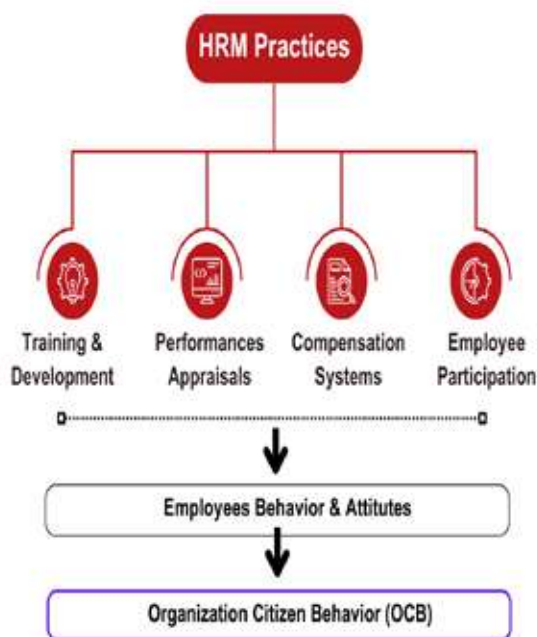


Figure 1: Conceptual Framework of the Study
The framework illustrates the impact of four HRM practices (Training & Development,

Performance Appraisals, Compensation Systems, and Employee Participation) on Employees' Behaviour & Attitudes, which in turn affect Organisational Citizenship Behaviour (OCB). This model is designed to explore the dynamics within Nepali financial institutions.

HRM is fundamentally a systematic arrangement and handling of human resources, competencies, and energies within an organisation. Its primary aim is to align the goals of the organisation with the goals of its employees, thereby fostering a mutually beneficial relationship (**Mahapatro, 2010**). This process involves managing human capital in the most effective manner, which includes selecting, developing and rewarding employees to maximise their contributions to organisational success (**Shrestha, 2021**).

In the context of Nepali commercial banks, HRM plays a pivotal role in enhancing employee competencies and fostering business success. Officers in these banks recognise the value of aligning knowledge management (KM) strategies with HR strategies to support employee development. This alignment enables them to leverage teamwork, delegate authority, and adopt diverse training programmes and leadership approaches. However, knowledge management (KM) practices related to HR planning and strategic business approaches remain underdeveloped.

The integration of business strategy, KM and HR practices has a positive impact on the market and financial performance of Nepali commercial banks. Such alignment facilitates better employee development and organisational agility. Despite this, the role of leadership in motivating subordinates and allocating essential resources to achieve market and financial objectives has been found to be less effective. This highlights the need for stronger leadership practices that inspire employees and drive superior performance. Additionally, greater investment in human

capital, information technology, infrastructure, and research and development (R&D) programmes is required to enhance product and service quality, foster innovation, and sustain competitiveness in Nepal's commercial banking sector. By prioritising these areas, commercial banks can achieve stronger financial performance and market growth while fostering a culture of continuous improvement and innovation.

Nepali bankers and decision-makers are currently grappling with a range of challenges arising from both domestic and international pressures. Since 1990, Nepal has been implementing a series of economic reform policies aimed at liberalising its economy and fostering sustainable growth. The restoration of democracy marked a significant turning point, with notable growth in the banking sector compared to other industries. Recognising the vital role of the banking sector in economic development, the Government of Nepal introduced major reform initiatives to strengthen the competitiveness of the manufacturing and service sectors.

The liberalisation and reform policies of the 1990s, along with the introduction of the Industrial Policy of 1992, prioritised deregulation, increased competition and reliance on market-driven mechanisms for resource allocation. These policies aimed to create a more dynamic and market-responsive economic environment. To attract both domestic and foreign investment, the government introduced several measures, including tax incentives, licensing facilitation, and the promotion of foreign direct investment (FDI). Institutional support mechanisms were also established to streamline the investment process and ensure a favourable business environment (Maharjan, M.P. (2013)).

Furthermore, the government has taken proactive steps to encourage private sector participation in the economy. By promoting investment from private investors, the government aims

to enhance the country's production capacity, introduce modern technology, and attract foreign capital. Efforts have also been made to transfer managerial and technical expertise, thereby supporting knowledge transfer and fostering industrial modernisation. These combined efforts are intended to position Nepal as a more competitive player in the regional and global economy, ultimately driving sustainable growth and development in the country's financial and industrial sectors.

Over the past two decades, Nepal's banking industry has experienced significant growth in terms of business volume and market size. However, despite this expansion, both public and private sector banks face persistent challenges that threaten their stability and sustainability. Recent investigations into the operational performance of several banks have revealed substantial financial losses, which are largely attributed to politically driven governance, ineffective management, misaligned workers' unions, and weak human resource management (HRM) practices. Additional factors, such as an inadequately skilled workforce and mismanagement of internal processes, further exacerbate these challenges.

To maintain competitiveness and ensure long-term sustainability, Nepali banks must strengthen their market position by adopting strategic HRM practices. Effective HRM, particularly in the areas of knowledge management and workforce development, plays a pivotal role in enabling banks to defend and expand their market share. By leveraging knowledge management strategies, banks can enhance employee capabilities, promote continuous learning, and adapt to dynamic market conditions (Karki, D et al (2023)).

Moreover, it is essential for Nepali banks to develop organisational strategies that prioritise human capital as a key driver of success. Identifying the HR profiles that contribute most to organisational performance enables

banks to tailor their knowledge management initiatives accordingly. By aligning HRM with knowledge management strategies, banks can create a workforce that is agile, innovative and equipped to respond to market complexities. This alignment not only fosters a culture of continuous improvement but also positions Nepali banks to sustain their competitive advantage in an ever-evolving financial landscape.

Conclusion

In Nepal, Human Resource Management (HRM) requires modernisation to align with contemporary human resource development (HRD) principles, enhance competencies, and establish effective training policies, rewards, and compensation systems. These updates are essential for fostering capacity building and improving organisational performance. Many Nepali organisations face challenges stemming from inadequate employee relations, poor communication, personality conflicts, inconsistent roles and status, political interference, and ambiguous professional relationships.

Such issues are prevalent not only in Nepal but also in developing countries worldwide. With the recent wave of industrialisation, the HRM frameworks of banks and financial institutions in Nepal are undergoing significant transformations. Organisations are adopting modern HRM practices aimed at recruiting and retaining skilled and competent personnel. Top executives are enhancing their strategic planning, goal-setting, and communication skills, reflecting a shift toward evidence-based management practices. Additionally, young managers educated abroad and in the country, are joining the workforce, bringing with them a diverse range of management perspectives and expertise.

Employee relations and perceived organisational support have become critical areas of focus, particularly in relation to performance evaluation systems. Timely communication between

supervisors and subordinates plays a vital role in maintaining effective relationships within organisations. The growing financial sector in Nepal is actively embracing modern HRM approaches, including the use of computerised HR data, strategic recruitment and selection of skilled labour, and increased attention to employee training and development. Furthermore, financial institutions have introduced structured compensation and benefits packages, as well as performance appraisal systems that utilise rating scales to assess employee performance. These evolving HRM practices aim to create a more dynamic, efficient, and performance-oriented organisational culture in Nepal's financial sector.

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Merger and Acquisition of Payment System Operator in Nepal

■ Sachit Nath Pant

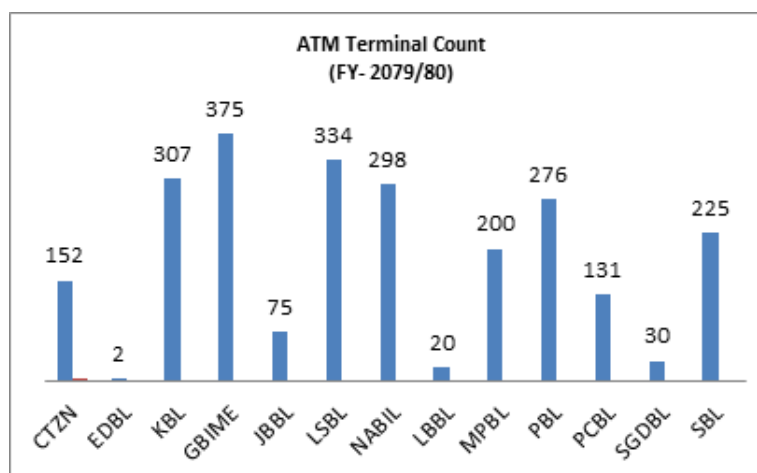
Mergers and acquisitions are not a new concept in Nepal, as various banks and financial institutions have merged into singular entities. Similarly, recent developments have seen mergers and acquisitions occur within the payment system sector.

Payment systems are a critical component of the financial system, significantly contributing to efficiency and sound growth in monetary policy and market development. Recognising this importance, Nepal Rastra Bank, the central bank of Nepal, is steadfast in its commitment to ensuring the safety and efficiency of Nepal's National Payment System.

To strategically reform the payment system and achieve a safe, efficient and impactful national payment system that fosters financial stability and economic growth, Nepal Rastra Bank is implementing a strategic approach.

In a significant step towards enhancing the growth and efficiency of the payment system in Nepal, the two largest payment system operators, Nepal Clearing House Limited and Nepal Electronic Payment Solution Limited, have finalised a merger and acquisition, uniting into a single entity.

Nepal Electronic Payment Solution Limited (NEPS) is a prominent payment system operator in Nepal, primarily focused on synergising payment solutions and mechanising banking processes. This aligns with Nepal's ongoing socio-economic development and supports the government's Digital Nepal framework. NEPS aims to promote financial inclusion by leveraging digital mediums to bring the unbanked population into the formal financial system. Having established a dominant position in electronic payment card services, NEPS is committed to delivering innovative solutions that enhance and strengthen payment services within the financial service market, ultimately contributing to the nation's economic progress.



Nepal Electronic Payment Solution Limited (NEPS) supports and manages ATM terminals of member banks by monitoring services to ensure smooth workflow operations. NEPS currently offers a range of products and services to banks and financial institutions affiliated with its payment system.

The table above shows the number of automatic teller machine (ATM) terminals of various banks and financial institutions affiliated with Nepal Electronic Payment Solution Limited (NEPS) during FY 2079/80. NEPS continuously supports, manages, and monitors these terminals on behalf of its member institutions. Additionally, NEPS has successfully implemented cardless ATM withdrawal for its member banks and financial institutions. While mobile banking features are currently limited to member institutions, NEPS plans to expand these services to non-member banks as well.

Furthermore, NEPS provides centralised electronic fund transfer solutions to member banks for card issuance, transaction processing, and terminal management. NEPS is connected to various national and international card networks. Currently, it issues Visa cards and acquires MasterCard, Visa, and UnionPay cards. It also offers end-to-end card issuance and management services for debit, credit and prepaid cards to its member banks.

Nepal Electronic Payment Solution Limited (NEPS) has introduced contactless card transactions, allowing users to tap and pay. This convenient payment method has a transaction limit of Rs. 5,000 per transaction. NEPS is responsible for determining the number of transactions and implementing risk reduction measures for this service.

As per the payment system directive regulated by the central bank of Nepal, maximum cash withdrawal limit from payment card shall be as shown below.

Licensed Institutions	Instrument	Transaction Limit (Rs)	Per Day Limit (Rs)	Per Month Limit (Rs)
Bank and Financial Institution	Prepaid Card	10,000	20,000	2 Lakh
	Debit Card	25,000	1 Lakh	4 Lakh
	Credit Card	Threshold Limit up to 10%		
Payment Service Provider	Prepaid Card		5,000	25,000

According to the Payment System Unified Directive 2080, banks and financial institutions must adhere to strict guidelines when issuing electronic payment cards, including debit, credit, and prepaid cards. Commercial banks, national-level development banks, and financial institutions can issue all three types of cards, while other banks and microfinance institutions can issue debit and prepaid cards. Additionally, digital wallets are limited to issuing prepaid cards as per the directive.

To further promote the Digital Nepal framework, NEPS has introduced the paperless pin feature, known as Green Pin. This eliminates the need for physical paper pins, making it easier and more convenient for cardholders to generate one-time passwords directly to their registered mobile numbers during the initial card activation.

Nepal Electronic Payment Solution, is a leading player in electronic payment card service in Nepal as shown in the table below.

Particulars	Total Volume in Nepal	Neps Volume	% of NEPS Share
Number of Debit Cards	10,856,357	4,856,044	45%
Number of Credit Cards	238,794	149,727	63%
Number of Prepaid Cards	108,641	34,126	31%

The table above indicates that NEPS processes 45% of debit card transactions, 63% of credit card transactions, and 31% of prepaid card transactions in Nepal on behalf of its member banks and financial institutions. This represents a significant share of the total electronic card payment system in Nepal.

Particulars	% of NEPS's Share (Txn Count)	% of NEPS's Share (Txn Amount)
Debit Cards	35.13%	35.80%
Credit Cards	48.82%	51.50%
Prepaid Cards	23.24%	19.42%

As per the table published by the Payment System Department of Nepal Rastra Bank (NRB) for the Fiscal Year 2079/80, Nepal Electronic Payment Solution (NEPS) processed a significant volume of transactions via electronic payment cards on behalf of its member banks and financial institutions.

While liquidity management and risk asset quality remain challenges for the entire financial technology sector, NEPS has achieved sound growth. Operating income increased by 6% from Rs. 237,465,542 in FY 2078/79 to Rs. 251,881,238 in FY 2079/80.

Revenue from fees, which measures the economic benefits and cash flows to NEPS, experienced significant growth of 5% from the previous year, reaching Rs. 233,192,226.9 in FY 2079/80.

Nepal Electronic Payment Solution (NEPS) revenue includes all income generated from its core business activities, net of value-added taxes and other taxes collected from customers and remitted to government authorities.

Revenue from day-to-day operations generates cash flow and contributes to the organisation's growth. The following services provided by NEPS on behalf of its member banks contribute to revenue growth and improved profitability:

Revenue Details (NEPS)	FY 2079/80	FY 2078/79
8 Digit Issuing BIN enablement	200000	38342529
Acquiring ATM	36773109.78	17253744
Acquiring POS	16581427.52	2046485
ATM Billing	2841233.3	
Card Management-Credit Card	12751475.14	68727535
Card Management-Debit Card	61100921.21	
Card Management-Prepaid Card	2590919.64	
Green PIN for POS-Implementation Charge	2000000	6518686
Income 3D Secure Enablement Fee	673790.32	
Income ACS 2.2 Implementation Charge	240000	
Income-ACS 2.2 Monthly Charge	4929516.13	2261645
Income-Contactless Card Personalization-Monthly Fee	920161.29	
Income-Cooperative Card	60677.285	
Income-SCT Routing Fee	4719898.65	5687376
Income-EMV Card Personalization Fee	5700029.66	
Income-Master Card	4009642.53	
Income-UPI Card	1622151.89	
Issuing ATM Credit Card	62842.783	45613395
Issuing ATM Debit Card	50798827.04	
Issuing ATM Prepaid Card	283750.96	
Issuing POS Credit Card	7265032.127	19136925
Issuing POS Debit Card	11458699.2	
Issuing POS Prepaid Card	428827.79	4810892
PIN Miller Printing	5079292.62	
MOCO Application (Integration) Fee		400000
Service Income	100000	
Accrual Income		10591377
Total	233192226.9	221390589

NEPS has successfully introduced an innovative concept called Green PIN to enhance card activation convenience. This allows users to set a PIN directly from a POS terminal. This innovation, along with the use of POS terminals for cash disbursement, can help reduce the need for ATMs, particularly in rural areas, thus promoting financial inclusion.

Additionally, NEPS has integrated with a digital platform known as Mobile Commerce (MOCO) to simplify electronic card payment integration into a single platform, further advancing the digital Nepal framework.

Statement of Profit or Loss (NEPS)		
Particulars	2079/80	2078/79
Revenue from Operation	230860327	221390589
Other Income	21020911	16074953
Total Income	251881238	237465542
Expenses		
Operation Expenses	52678001	61738788
Employee Benefit Expenses	60273472	60034352
Finance Cost Lease Liability	3520989	2865693
Depreciation and Amortization Expenses	35623710	28865002
Depreciation on Right of Use Asset	4995809	5538465
Other Expenses	13850384	9612064
Foreign Exchange Loss	278983	472462
Total Expenses	171221348	169126826
Profit Before Tax	80659890	68338716
Tax Expenses		
Current Tax (Expenses)/Income	-21019544	-17164815
Deferred Tax (Expenses)/Income	4961655	698829
Profit for Year	64602001	51872730

Nepal Electronic Payment Solutions (NEPS) plans to expand its operations by adding more member banks to its payment card services. Additionally, the organisation aims to facilitate the acceptance of RuPay cards through a mutual agreement with the National Payments Corporation of India (NPCI), enabling cross-border transactions. In preparation for implementing a domestic card scheme in Nepal, NEPS and Nepal Clearing House Limited (NCHL) have agreed to finalise a merger and acquisition.

NEPS is a leading player in electronic payment cards, while NCHL plays a crucial role in facilitating payment infrastructures through its digital payment platform. Aligned with the Digital Nepal framework and National Payment System Development Strategy, NCHL provides integrated solutions to banks, financial institutions, non-bank financial institutions, and government and semi-government organisations. NCHL's services include electronic check clearing, inter-payment systems, and retail payment systems. NCHL also has an agreement with NPCI to facilitate cross-border non-card payment transactions.

NCHL's revenue includes all income from core business activities, net of value-added taxes and other taxes collected from members. This revenue directly contributes to the organisation's growth and objectives.

Revenue Details (NCHL)	2079/80	2078/79
Cheque Clearing Fees-NPR	119646415	140288735
Cheque Clearing Fees-USD	369135	209610
Cheque Clearing Fees-EUR	37965	14940
Cheque Clearing Fees-GBP	43605	25755
Cheque Clearing Fees-High Value	25500	26300
Cheque Clearing Fees- Express	218721900	203109400

NCHL ECC Archive Fees	3345585	2407200
NCHL-ECC Other Fees & Charges	18329601	25645967
IPS Transaction Fees-NPR	73833405	64878355
IPS Transaction Fees-USD	44970	30070
IPS Transaction Fees-EUR	250	11445
IPS Transaction Fees-GBP	430	510
IPS Other Fees and Charges	118270	66147
NCHL-IPS/NPI Subscription Fee	25869194	23226215
NCHL-IPS/connect-ips Creditor Listing Fees	2959	357644
connectIPS /RPS Income	309345471	274218993
Less:- Revenue Sharing	-154672737	137109498
Net ConnectIPS /RPS Income	154672734	137109495
ECC-Software-B/Fis		
NCHL Login Id Fees	35256094	33728727
NCHL Membership Fees-Renewal	7429688	7781250
NCHL-Membership Fees		75000
Network Connectivity & Management	9130847	8219996
NCHL Software AMC Renewal	9498021	10022813
Total	676376568	657235574

As per the table, Nepal Clearing House Limited (NCHL) revenue increased by 3% to Rs. 676,376,568 in FY 2079/80 compared to the previous year. NCHL will share revenue from connectips and other Retail Payment System (RPS) income with banks and financial institutions after generating it from daily business activities.

Operating profit also exhibited an increasing trend, rising by 8% to Rs. 610,659,441 in FY 2079/80 compared to the previous year.

Statement of Profit or Loss (NCHL)		
Particulars	2079/80	2078/79
Operating Income		
Revenue	681134113	661619546
Software License-Members		253000
Operating Expenses		
Operating Expenses	95534709	84896041
Cost of Software License-Members		
Gross Profit	585599404	576976505
Add: Interest Income	144471242	97252623
Add: Other Income	3763053	1511864
Less: Administrative Expenses	41670349	51741743
Less: Human Resources Expenses	75697727	60980075
Less: Finance Cost	5806182	

Operating Profit	610659441	563019174
Depreciation Expenses	37155385	24913366
Amortization Expenses	17023818	14667275
Staff Bonus Provision	55648024	52343853
Profit Before Tax	500832214	471094680
Income Tax Liability	128801958	119268575
Deferred Tax and Expenses	-4765376	-2797419
Profit for the Period	367264880	349028686

A significant portion of both organisations' profits stems from fees, charges, and penalties levied on customers for the services provided. However, based on the financial statements for FY 2079/80, NCHL exhibited a higher overall growth in profit margins compared to NEPS.

Ratio Analysis (FY 2079/80)		
Particulars	NEPS	NCHL
Gross Profit Margin	32%	86%
Operating Profit Margin	35%	85%
Net Profit Margin	28%	53%

The merger and acquisition of the two largest payment system operators will significantly boost Nepal's payment system. By expanding into new product categories, broadening the customer base, and increasing revenue streams, this merger will contribute to overall business growth and the realisation of financial inclusion goals, aligning with the government's vision for a Digital Nepal.

Currently, Nepal has 10 payment system operators, each with distinct roles, objectives, products, and services, collectively contributing to the overall growth of the business strategy.

Payment System Operator (PSO)
Nepal Clearing House Limited (NCHL)
Smart Choice Technologies Limited (SCT)
Nepal Electronic Payment System Limited
Union Pay International Company Limited
Visa Worldwide Private Limited
Nepal Payment Solution Limited
MasterCard Asia/Pacific Private Limited
Fonepay Technology Private Limited
First Pay Technology Private Limited
Gate-way Payment Service Private Limited

With the merger and acquisition of Nepal Clearing House Limited and Nepal Electronic Payment System Limited, the number of payment system operators in Nepal will decrease to eight. According to the Payment and Settlement Regulation (First Amendment, 2080), 2077, published by Nepal Rastra Bank, licensed institutions can merge or be acquired by other entities to improve business growth and profitability, provided it aligns with their purposes and objectives and is mutually agreed upon.

Mergers and acquisitions can enhance efficiency and streamline operations within the payment system industry for the two largest entities. However, they can also lead to conflicts and friction due to differences in corporate culture, values, visions, leadership styles, decision-making processes, and organisational structures. Such clashes can negatively impact communication and morale among employees of the merging entities.

No. of Staff (FY 2079/80)		
Particulars	NEPS	NCHL
No. of Staffs	48	72

The merger and acquisition between the two largest entities directly impacts employee workflows and productivity. As of FY 2079/80, NEPS and NCHL had a total of 72 and 48 staff members, respectively.

This merger and acquisition marks the first instance of such a significant consolidation within Nepal's payment system industry. It is expected to positively impact the growth of the payment system, integrate solutions outlined in the National Payment System Development Strategy, and align with the government's vision for a digital Nepal framework. This, in turn, will contribute to bringing the unbanked population into the formal financial system.

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Time to Prioritise C-Suite Security to Safeguard the Organisation

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ABSTRACT

Today's organisations depend heavily on digitalisation to operate efficiently and successfully. However, despite all of the advantages, digitalisation also presents a variety of cyber threats that organisations must contend with. Organisations therefore need to address the human aspects of cybersecurity by cultivating an informed and proactive workforce in conjunction with implementing technological and other cybersecurity measures. More importantly, securing C-suite executives, who have become prime targets for attackers due to their executive privileges, exclusive access to organisations' cyber assets, and low cybersecurity awareness, is of paramount importance. In this article, we have analysed and enumerated the significance of cybersecurity for the C-suite and concluded with some considerations necessary for the C-suite's cybersecurity.

Keywords: C-suite executive security, human factors in security, organisation security.

1. Introduction to the problem

Cybersecurity has become more crucial than ever for organisations due to digital transformation – integrating digital technologies into every facet of their operations and activities. Organisations are leveraging digital technologies such as cloud computing, artificial intelligence (AI), the Internet of Things (IoT), and others to streamline business processes, enable data-driven decision-making, improve efficiency, reduce costs, and enhance customer satisfaction. Nevertheless, despite these benefits, digital transformation exposes organisations to various cybersecurity threats and concerns. To further exacerbate the problem, the sophistication of cyberattacks continues to escalate; for instance, deepfakes, advanced persistent threats (APTs), biometric security breaches, ransomware, and advanced social engineering attacks that cyber attackers and criminals widely implement to carry out their nefarious deeds. Arrangements such as remote work, work-from-home, hybrid work, and bring-your-own-device (BYOD) have become the new normal, further compounding cybersecurity problems [1]. These arrangements have increased the attack surface by blurring the distinction between stringent organisational and lax personal cybersecurity, leaving employees more susceptible to cyberattacks and raising the possibility of legal noncompliance.

Organisations are responding to these attacks by increasing investments in cybersecurity technologies and measures [2]. The same has been corroborated by the rapidly growing cybersecurity market size [3, 4]. Further, they demonstrate an increasing commitment to complete cybersecurity governance and management by simultaneously stepping up their efforts to avoid external attacks and implement insider information-sharing policies [5]. Additionally, major economies worldwide are amending their existing legislation and enacting several new cybersecurity laws and regulations to cover and address the emerging cyber risks and

threats [6], which organisations must adhere to. Notwithstanding all these initiatives, cyberattacks on organisations continue to grow in frequency and sophistication, inflicting damage on vulnerable organisations across every sector [7]. Even more concerning is that no organisation, regardless of the industry type, is immune to cyberattacks [5]. Organisations must thus adopt a more proactive and comprehensive approach to cybersecurity and resilience to reduce disruption and other adverse effects of cyberattacks.

Among the other cybersecurity considerations, the human factor remains both the greatest asset and the most significant vulnerability that can either strengthen or weaken an organisation's cybersecurity. Even with technological advancements that bolster digital defences, the human factor remains the most prevalent attack vector – an astounding 95% of 2021 cyberattacks were caused by human errors and negligence [8]. Addressing employee vulnerabilities and weaknesses is thus essential to enhancing the organisation's cybersecurity posture. More specifically, a comprehensive approach is required to protect C-suite executives, who have become the prime target of cyberattacks in recent years. Senior executives are experiencing more frequent cyberattacks, which are again continuously increasing; for instance, in 2023, 42% of senior executives reported having experienced cyberattacks in their professional and personal lives [9], while in 2024, this figure increased to 72% [10]. This escalation of executive-targeted attacks may be the rationale behind the ever-increasing interest among organisations concerning their executives' cybersecurity and the legal instrument mandates placing additional cybersecurity expectations on leaders.

2. Why prioritise C-suite security?

In short, while C-suite executives play a pivotal role in driving organisational success, they also represent a significant vulnerability in the realm of cybersecurity. More specifically, the

stakes are high for C-suite executives, whose positions amplify the potential fallout from security incidents and data breaches. The blend of exclusive access and control over the organisation's cyber assets, executive privilege, and increasing responsibility (viz. mandated by the laws) towards the organisation's cybersecurity, in combination with a lack of cybersecurity awareness and skills among C-suite executives, underscores why protecting executives from cyber threats is paramount. The dynamic threat landscape, where cyber attackers constantly innovate their tactics to target the C-suite, further heightens this necessity. Therefore, a robust security culture led – and participated in – by executives is fundamental to effective organisational cybersecurity.

2.1 The flexible practices designed for C-suite executives come with security risks.

Organisations put in place several practices to help C-suite executives fulfil their roles and responsibilities efficiently and effectively; nevertheless, these practices also pose cybersecurity risks that C-suite executives should be aware of. Often in violation of the 'least privilege' principle, C-suite executives hold access to a wealth of sensitive data, including corporate secrets, competitive data, employee data, and financial data [11, 12]. Access to this data can be highly lucrative to cyber attackers, who could readily monetise such sensitive data, for instance, by selling stolen data on the dark web or demanding a ransom from the victim organisation. Likewise, in several organisations, C-suite executives inherently enjoy the highest level of privileged access to and control over most of the organisation's cyber systems and networks [11]. This means that by compromising the C-suite executive's account, the attackers could have unrestricted access to and movement in the organisation's digital network and environment. Finally, senior executive directives are generally executed without question [12], thus further magnifying the potential impact of compromised executive accounts. While senior executives

may have the authority to disable or override certain cybersecurity features in cases of urgency, it is crucial to understand the risks involved. Additionally, undermining the organisation's security protocol could pose serious risks and simultaneously set a poor example for the organisation's staff members. After all, C-suites are the custodians of the organisation's cybersecurity, and employees expect them to be aware of cyber threats as well as foster a security culture within the organisation.

2.2. Security concerns arise from the blurring boundary between personal and professional security of C-suite executives.

Travel and remote work are common requirements of C-suite executive roles and work nature [10], which raises the possibility of coming into contact with unsecured networks, systems and devices. Moreover, with a significant portion of their communication happening through personal channels, the distinction between corporate and personal security becomes blurred, which leads to more vulnerabilities. On top of that, personal security is often not covered by organisation policies and procedures and is typically less stringent than organisational security. Additionally, it encompasses C-suite personal communications, information and affairs. This therefore becomes challenging for the security team to protect the personal accounts of C-suite executives while preserving their privacy, productivity and connectivity. The situation is further exacerbated by the fact that most C-suite executives lack adequate cybersecurity awareness and skills to safeguard their personal devices and online accounts [9, 13, 14]. These highlight why maintaining good cyber hygiene for executives is essential for maintaining their leadership and operational efficiency while improving the organisation's security posture, minimising the risk of operations interruptions, and preventing data compromise or loss.

2.3. C-suite executives play a crucial role in

the development and implementation of organisational cybersecurity strategies.

C-suite executives hold ultimate accountability for an organisation's risk management strategy and policies, as they establish the business's tolerance for cyber risk and allocate adequate budget and resources to manage it within that tolerance. Since all cyber risks are not equal, it is the C-suite executives' responsibility to carefully assess the risks by keeping in mind other risk categories, such as operating risk, credit risk, and market risk, and accordingly break the cyber risks into mitigable risk, transferable risk, and acceptable risk [15]. Without a doubt, performing so will require adequate knowledge of cybersecurity that C-suite executives must acquire. This, however, does not imply they have to be cybersecurity experts; rather, it simply means C-suite executives are aware of the business's use of technology and associated operational risks. Moreover, they might be able to assist cybersecurity professionals in identifying and locating the business assets (e.g., the crown jewels of the company) that need to be protected and determining which assets should be given priority in light of the risks. While contrary to that, many C-suite executives continue to misunderstand or underestimate the true scope and importance of organisational cybersecurity, failing to grasp how profoundly a robust risk management strategy can safeguard not just cyber assets but the company's financial stability, business and reputation [10, 14]. Therefore, fostering a strong sense of cybersecurity at the C-level is imperative for organisations. This will help highlight the significance of cybersecurity and elevate it on the organisation's list of priorities. Furthermore, it could support cybersecurity cultural transformation, compliance with internal or external requirements, and the overall maturity and resilience of the organisation in this area.

2.4. The need to adhere to security roles and responsibilities mandated by legal instruments for C-suite executives.

Several legal instruments, like the New York

Department of Financial Services (NYDFS) cybersecurity regulation and the EU Network & Information Security Directive (NIS 2 Directive), have expanded the roles and responsibilities of senior management concerning cybersecurity. These regulations have exclusive mandates for senior management, including adherence to cybersecurity awareness and training programmes and acquiring enough knowledge of cyber-related matters to oversee cybersecurity-related concerns effectively. Any noncompliance with such regulations has serious legal repercussions in the event of a security breach. C-suite executives must therefore comprehend the mandates of the relevant legislation and acquire the knowledge and skills to comply with them.

2.5. Cyberattack tactics targeting C-suite are continuously evolving in sophistication and growing in frequency.

Cyberattackers are continuously innovating their attack tactics and techniques. They are always identifying new vectors for launching attacks. Additionally, cyberattacks have evolved from simple threats to sophisticated, multifaceted operations that continue to adapt to technological advancements, organisational defences and global circumstances. To attack executives and leaders, the attackers use personalised attack methods, such as spoofing, whaling, and spear phishing [12]. Many other advanced techniques, such as malware, doxing, email compromises, and online impersonation, are also deployed to attack executives [14]. In addition, they are leveraging AI's capabilities to make attacks more realistic, such as deepfakes and machine-generated phishing emails, which are nearly impossible to detect even for security experts. Even more concerning, these attacks on C-suite executives are not only limited to increasing complexity and diversity but have become more frequent [10, 14]. The cybersecurity of C-suite executives is thus not only the responsibility of the security team but is largely dependent on C-suite personal cyber hygiene. This necessitates that C-suite executives

be aware of relevant cyber threats and acquire the knowledge and abilities of security best practices necessary to defend against these threats. After all, cybersecurity is a shared responsibility, and C-suite executives can be the best people to communicate this message to their organisations and teams.

3. How to prioritise C-suite security?

There are two aspects to C-suite security. The first is what should be done to pique the interest and engagement of C-suites in cybersecurity initiatives. The other is what actions are required to enhance the C-suite's cybersecurity knowledge and expertise.

3.1. *Engaging C-suite in cybersecurity initiatives.*

C-suite executives' interest and engagement in cybersecurity are crucial for securing organisational support, guaranteeing adequate investment, and coordinating cybersecurity with overarching business goals. On the contrary, C-suite executives are among the most difficult groups to engage in cybersecurity activities because of their time constraints and short attention spans [13]. Even more alarming is the fact that a majority of C-suite executives are not paying enough attention to one of the most prevalent security threats [16, 17]. Therefore, in promoting cybersecurity to C-suite executives, security professionals should be able to communicate in the C-suite's language and connect cybersecurity to their prevalent concerns. A few key strategies that could be useful in effectively communicating and advocating cybersecurity at the executive level are [13, 18]:

Frame cybersecurity as a business risk. Present the potential consequences of a cyber incident or a data breach in terms of key performance indicators (KPIs) such as financial loss, downtime, productivity impacts, and regulatory penalties. Align cybersecurity with strategic business objectives and position it as a key enabler of business continuity. Demonstrate how enhancing

cybersecurity is necessary for garnering the benefits of safe innovation and digital transformation. For example, how strong cybersecurity is essential to mitigate the risks associated with adopting new technologies, such as cloud services, AI, IoT, and remote work solutions. Additionally, explain how strong cybersecurity is critical to safeguarding the organisation's intellectual property and helps retain investor, partner and customer trust.

Highlight how strong cybersecurity measures are a part of legal and regulatory obligations and industry-specific standards. For example, explain how different cybersecurity operations affect adherence to cybersecurity frameworks and legislation, such as the General Data Protection Regulation (GDPR), Health Insurance Portability and Accountability Act (HIPAA), NIST Cybersecurity Framework (CSF) 2.0, the International Organisation for Standardisation (ISO) 27000 family, and other national cybersecurity legislation. More significantly, it should emphasise legal risks and liabilities for noncompliance that lead to cyber incidents and sensitive data breaches. C-suite executives must perceive that cybersecurity is also a legal responsibility.

Demonstrate how the organisation's robust security posture gives it a competitive edge. For example, emphasise how a company's strong security may set it apart from the competition and inspire confidence in partners, investors, and clients, which may aid in attracting strategic partnerships and investments in the business. Prepare and deliver reports on cybersecurity performance, threats, incidents, and investments to C-suite executives. These reports should be concise and simple to comprehend for the C-suite. High-level metrics that non-technical executives can easily understand, such as the number of threats detected, response times, and breach simulations, can be used for this purpose. Also, provide regular updates on the progress of risk mitigation strategies, incident response planning,

and cybersecurity projects to the executives. These activities will help build confidence in the C-suite that cybersecurity is being actively managed and is aligned with the company's strategic goals.

Leverage industry expertise to gain C-suite's interest in cybersecurity. For example, invite external cybersecurity experts or consultants who could offer an outside perspective on cybersecurity and its benefits for the organisation. They could also brief C-suite executives on the latest trends, threats, and best practices in the industry. Additionally, share industry benchmarks and comparisons with competitors to show how the organisation's cybersecurity posture stacks up and where improvements are needed.

Communicate cybersecurity succinctly using facts and figures. Business language and real-world examples are preferred over technical jargon and specifics in this type of communication. For example, communicate in terms of industry-specific damages brought on by cyberattacks, financial harm the company might sustain in the event of a cyber incident, investments made by competitors for their cybersecurity, the return on investment (ROI) that cybersecurity can deliver, and so on. Refer to suitable real-life cases of cyber incidents or data breaches to demonstrate the potential impact of cyber incidents or data breaches, such as the deepfake attack that cost a Hong Kong-based company \$25 million. Quantify the risks and benefits of cybersecurity; for instance, utilise cost-benefit analysis to show the cost of implementing cybersecurity measures against the potential financial and reputational cost of a cyber incident or a data breach.

3.2. *Securing the C-suite from ever-evolving cyber threats*

Cybersecurity protection for C-suite executives is critical, as they are prime targets for cyberattacks due to their high-value roles, access to sensitive data, strategic information, decision-making processes, and visibility. It is therefore essential to implement comprehensive cybersecurity

measures tailored to the needs of executives and mitigate threats relevant to them. A few key considerations for C-suite executive security are as follows [14, 18, 19]:

Comprehend the roles and responsibilities of C-suite executives. In this way, one can get a better perspective and understanding of the cyber risks and threats associated, which can then be employed to design role-based security programmes and measures for C-suite executives. This is important; after all, cyberattackers are now focusing their efforts on individuals and roles in organisations. Furthermore, there is no singular approach to minimising human risks. Each organisation experiences distinct variations of the same types of attacks and therefore must tailor its behaviour engineering and cybersecurity education programmes accordingly.

Design and regularly deliver cybersecurity awareness training to C-suite executives. These awareness programmes should improve their comprehension of the cyber threats that are prevalent to them and assist them in developing the mitigation skills necessary to defend against such threats. Additionally, the programmes must be brief (15–20 minutes), considering the time constraints of C-executives. Above all, these lessons ought to be customised to address executive-specific threats and meet their unique needs. For example, they may need to be prepared for more advanced, individualised social engineering methods such as 'whaling,' email compromise, and online impersonation, which target C-level executives specifically.

Integrate the protection of the personal devices of C-suite executives in the overall cybersecurity strategies and budgets. It is crucial, though, that the security measures respect their privacy and don't interfere with their day-to-day activities – that is, they should not in any way hinder their productivity and connectedness. The best security solutions are subtle, flexible and designed to let

users continue leading their lives with as much normalcy as possible while at the same time offering necessary security services.

Fortify the C-suite's cyber defences with robust security mechanisms, such as multi-factor authentication (MFA), a reputable password manager (to generate and store complex, unique passwords for every account), encrypted communication platforms (for sensitive communication), endpoint security (i.e., ensure devices are equipped with antivirus, antimalware, and virtual private networks or VPNs), data encryption (i.e., ensure that all sensitive communications and data stored on devices or transmitted over networks are encrypted), mobile device management (MDM) systems (that can enforce security policies on personal devices, including remote wipe in case of theft), up-to-date security patches (fix vulnerabilities or exposures in software systems), and so forth. More importantly, it should be ensured that everyone in the organisation, even C-suite executives, is subject to a zero-trust architecture and role-based access control (RBAC), i.e., users have only the necessary privileges for their role.

Cybersecurity is no longer an issue that is restricted to the technical team; rather, it has become a business issue that demands attention from executives and boards and holds an important place in their meetings [4, 20, 21]. C-suite executives should have access to cybersecurity expertise, and discussions about cyber risk management should be given regular and adequate time on the meeting agenda. Their discussion of cyber risk should include subjects such as the identification of risks, for example, in terms of what to avoid, accept, mitigate, or transfer through insurance, as well as specific plans and resources associated with each approach.

Promote security as a shared responsibility. This can be performed by advocating for a company-wide cybersecurity culture where employees

at all levels understand their role in protecting the organisation. Executives should set the tone for this culture by endorsing security training, awareness programmes, and a 'security-first' mindset across all business units. Encourage C-suite executives to publicly demonstrate their commitment to cybersecurity by endorsing initiatives and communicating their importance to employees and stakeholders. Leadership buy-in is critical for driving organisational change.

Establish a distinct, specialised team for the C-Suite security. This team will be in charge of identifying the particular requirements of C-suite executives and tailoring security measures to meet those demands. Their responsibilities will also include monitoring and routinely assessing the C-suite executives' security posture through various means, such as simulated attacks, knowledge tests, and behavior audits.

4. Concluding remarks

The digitalisation of organisations can offer immense benefits in terms of efficiency, productivity, cost savings, data-driven decision-making, customer experience, business agility, innovation, and others. However, this also brings with it several risks and threats that the organisations must deal with. Therefore, to best garner the benefits of digitalisation, all employees – including C-suite executives – must comprehend that cybersecurity is a shared and collective responsibility. They must remain well-informed on cybersecurity issues pertinent to their roles and take the appropriate recommended actions.

In recent years, C-suite executives have become the prime target of cyberattacks due to the vast amounts of sensitive information, systems and strategic decisions they control. As organisations increasingly rely on digital systems, ensuring the security of executives at the highest levels is no longer optional – it is a critical necessity. Protecting them requires tailored strategies that blend technology, training and awareness to

mitigate the risks of cyberattacks. A combination of proactive measures, including continuous monitoring, secure technology infrastructure, and a strong cybersecurity culture, will ensure that C-suite executives are shielded from potential threats. Ultimately, the security of C-suite executives is integral not only to protecting the individuals in these roles but also to safeguarding the broader organisation's assets, reputation and continuity.

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- सामाजिक सञ्जाल वा जुनसुकै माध्यमबाट प्राप्त मेसेजको भरमा वित्तीय कारोबार नगर्ने, कारोबार गर्नुअघि सम्पूर्ण विवरण यकिन गर्ने,
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Management of Insurance Companies in Nepal: Challenges and Opportunities

■ Surya Prasad Silwal

The insurance industry in Nepal has witnessed tremendous growth and transformation over the past decade. As an important component of the financial services sector insurance companies provide a safety net against unexpected risks, thus contributing to the overall stability of the economy. However, managing an insurance company involves solving unique challenges, adopting best practices and adhering to the regulatory framework that evolves over time. This article discusses the management of insurance companies in Nepal, discussing the regulatory environment, governance, operational aspects, challenges and the way forward for the industry.

Overview of the insurance sector in Nepal

The insurance industry in Nepal consists of life and non-life insurance (general insurance) companies. The life insurance sector usually dominates the market. They offer a variety of products such as term insurance, whole life policies, endowment policies and annuities. Non-life insurers provide coverage for health, fire, motor, and other types of

property and casualty insurance.

However, the insurance penetration rate in Nepal is still quite low as compared to global standards. As of recent years, the insurance sector's total premium income still accounts for only a small percentage of the country's gross domestic product (GDP). Despite these limitations, this sector is showing growth. This is driven by increased awareness, expanding distribution channels and a growing middle class.

Regulatory framework for insurance companies

The regulation and supervision of insurance companies in Nepal are managed by the Nepal Insurance Authority (NIA), which operates under the Insurance Act 2022. NIA plays a pivotal role in regulating, supervising and developing the insurance sector in Nepal. As an autonomous government body, NIA is responsible for ensuring that the insurance industry functions in a way that promotes the financial stability of the sector,

protects the interests of policyholders, and fosters growth and innovation within the industry. Its role extends to major areas of regulation, supervision, policy formulation and consumer protection.

The regulatory framework consists of:

1. *Licensing and Registration:* Insurance companies must obtain licence from the Insurance Board to operate. The board evaluates the financial soundness, management structure and overall sustainability of the company before granting a licence.
2. *Capital Requirement:* NIA mandates a minimum capital requirement for insurance companies. For life insurers, the minimum paid-up capital requirement is Rs. 5 billion, while for non-life insurers it is Rs. 2.5 billion. These requirements ensure that insurance companies have enough capital to cover their liabilities.
3. *Solvency Margins:* Companies are required to maintain a certain solvency margin to ensure that they have enough assets to meet future claims.
4. *Investment Regulations:* Insurance companies are regulated regarding their investment practices. A certain portion of their funds must be invested in government securities to mitigate risk and ensure financial stability.

The authority also plays a role in overseeing the fairness of premiums, claims settlements, and the conduct of insurers in the marketplace.

Corporate governance in insurance companies

Effective company governance is crucial for the smooth operation of insurance companies. In Nepal, corporate governance standards are influenced by both local regulations and global best practices. The board and management are responsible for ensuring that the insurance company meets its legal obligations with a focus on long-term growth and profitability.

Key aspects of governance include:

1. *Board of Directors:* The board is responsible for overseeing the strategic direction of the company, ensuring that the management operates effectively, and protecting shareholders' and policyholders' interests. Board members are usually required to have a mix of skills in finance, risk management and the insurance business.
2. *Risk Management:* Effective risk management is at the heart of any insurance business. Companies must assess and manage underwriting risk, investment risk, operational risk and market risk. The management team plays a vital role in implementing appropriate risk management, internal controls, internal audits and promoting a culture of compliance.
3. *Transparency and Accountability:* Insurance companies must publish financial statements regularly, adhering to the auditing standards, and disclose all relevant information to the regulator and the public. Transparency promotes accountability and strengthens public trust in the sector.

Despite these regimes, problems such as insufficient risk management practices, shortage of skilled professionals and political scenario affects the insurance industry.

Operational management in insurance companies

The operational management of an insurance company involves handling underwriting, processing claims, sales, distribution and investments. Operational efficiency is key to maintaining profitability and competitiveness.

1. *Underwriting:* Underwriting is the process by which an insurance company assesses the risk of insuring a person or entity. This includes document evaluation, pricing, and setting terms and conditions. For insurance companies proper underwriting is important to avoid underwriting losses. This may have a

significant impact on profitability.

2. *Claim Management:* One of the main concerns of insurance companies is proper settlement of claims. The claim settlement process in Nepal sometimes suffers from delays and disputes. Insurance companies must ensure that claims are resolved in a timely manner while avoiding fraudulent claims. This requires an efficient claims assessment process, skilled personnel and robust systems.
3. *Marketing and Distribution:* Insurance companies in Nepal have traditionally relied on agents and brokers as their main distribution channel. However, the advent of digital technology has led to a shift towards online marketing and digital platforms. This trend has made insurance accessible to a wider audience. Especially, in urban areas, customer engagement has significantly improved through the use of mobile apps, websites and online customer service portals.
4. *Investments:* Insurance companies manage large funds collected through premiums. These funds must be invested wisely to generate returns. Insurance companies in Nepal invest mainly in fixed deposits in banks and financial institutions. They also diversify their investment in stocks, real estate and other sectors to maximise returns while minimising risks.

Challenges in the management of insurance companies

There are several challenges in managing an insurance company in Nepal which affects the growth and sustainability of this sector.

1. *Low Coverage and Awareness:* Insurance coverage in Nepal is one of the lowest in South Asia. Lack of awareness about the importance of insurance, especially life insurance, is hampering growth. Many people still view insurance as an unnecessary expense.
2. *Regulatory and Legal Constraints:* Although the regulatory environment is improving, there

are still limitations in some areas. For example, compulsory investment in government bonds limits the ability of insurance companies to diversify their portfolios and earn higher returns. In addition, insurance laws and regulations can sometimes be slow to adapt to new market trends and innovations.

3. *Limited Product Variety:* Many insurance companies in Nepal focus on traditional products such as life insurance and basic general insurance policies. There is still room for further innovation in product offerings to meet the changing needs of the population, such as coverage for emerging risks like climate change.
4. *Political and Economic Instability:* Political instability, frequent changes in government policy, and economic challenges have historically posed a risk to the stability of the financial sector in Nepal. These factors can affect an insurance company's ability to operate effectively and plan for the long term.

The way forward

Following measures can be taken to overcome the challenges faced by insurance companies in Nepal:

1. *Increasing Awareness and Education:* Insurance companies need to invest in educational campaigns that highlight the benefits of insurance. This may include collaborating with educational institutions, holding seminars and using digital platforms to reach the mass market.
2. *Digitisation:* Adopting technology can increase operational efficiency, improve customer service and expand market access. Insurance companies should embrace digital transformation, invest in InsurTech and explore mobile insurance platforms.
3. *Product Innovation:* Companies should diversify their product offerings to cater to different market segments. Micro-insurance products and specialised policies for rural

populations can help increase penetration.

Strengthening Risk Management: Developing more sophisticated risk management frameworks and improving data analytics will help insurers better predict and mitigate potential risks, thereby improving profitability and sustainability.

Conclusion

Managing an insurance company is a complex process that involves navigating the regulatory situation, ensuring good governance and adapting to market dynamics. Continuous improvement, technological progress and the possibility of

greater awareness holds promise for the future of the insurance industry in Nepal. However, dealing with challenges such as low market penetration, limited product variety and political instability will be critical to realising the full potential of this sector. When the industry matures, effective management practices and innovative strategies will play a key role in promoting sustainable growth.

(Surya Prasad Silwal is former chairperson of Nepal Insurance Authority)



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Asia-Pacific Telecommunity (APT) organises ICT Projects and Collaborative Research funded by the Extra-Budgetary Contributions (EBCs) from Japan, the Republic of Korea, and the People's Republic of China. 'Collaborative research for designing agricultural digital ecosystem for smart villages at highlands near the Himalayas in Nepal' (EBC-J 2023) is a project funded by the Extra-Budgetary Contributions from Japan (EBC-J). EBC-J 2023 project has been implemented in Nepal through collaboration with experts from Japan along with support from the Ministry of Communication and Information Technology (MoCIT) - administration body associated with APT in Nepal. Apart from disseminating the basic details regarding the implemented project through this article, it is expected that the readers will be aware about the process to participate in the future opportunities granted by APT.

The International Collaborative Research (Category-I Project) was formerly known as 'HRD Programme for Exchange of ICT Researchers/Engineers'. The objective of the programme is to promote the exchange of advanced knowledge and technical know-how among ICT researchers/engineers in the Asia-Pacific region through international collaborative research projects on ICT and ICT utilisation. This supports a face-to-face interaction and the exchange of new ideas and technical know-how among researchers and engineers in the APT member countries (Source: <https://apt.int/apt/ICT-Project-Research>).

MoCIT announced a call for proposals based on the *Invitation for Proposals for International Collaborative Research and ICT Pilot Projects for Rural Areas for 2023 (Funded by the Government of Japan)* as issued by APT on April 24, 2023.

MAXTECH Study and Services submitted the project proposal entitled ‘Collaborative research for designing agricultural digital ecosystem for smart villages at highlands near the Himalayas in Nepal’ on August 15, 2023 in collaboration with Bhanu Municipality and with participation from Japan Telecommunications Engineering and Consulting Service (JTEC).

Bhanu Municipality in Gandaki Province is located near the Himalayas and most of the population is dependent on agriculture that applies traditional methods and tools. The research result can be beneficial not only for Bhanu Municipality but also for other highlands in Nepal and other Asian countries.

The objectives of this collaborative research are:

- To investigate issues in the agriculture, education, and healthcare fields of Bhanu Municipality at highlands near the Himalayas in Nepal.
- To design a pilot project plan for an Agriculture Digital Ecosystem for smart village of Bhanu Municipality at highlands near the Himalayas in Nepal.

MAXTECH conducted multiple rounds of consultations with Bhanu Municipality and JTEC for the preparation and submission of the project proposal. The consultations were carried out as face-to-face meetings, virtual meetings, and through online/telephone conversations. Notification on Proposal Selection for International Collaborative Research (EBC-J) for 2023 (dated December 28, 2023) was received from APT. Based on the notification letter, MoCIT issued an acceptance letter (February 28, 2024) which initiated the implementation phase of the project.

MoCIT - Nepal, announced the ‘Digital Nepal Framework’ in 2019, which summarises Nepal’s digital strategy. Utilising the spread of internet and mobile broadband, MoCIT promotes digitisation

in eight fields to support economic growth and social welfare in Nepal.

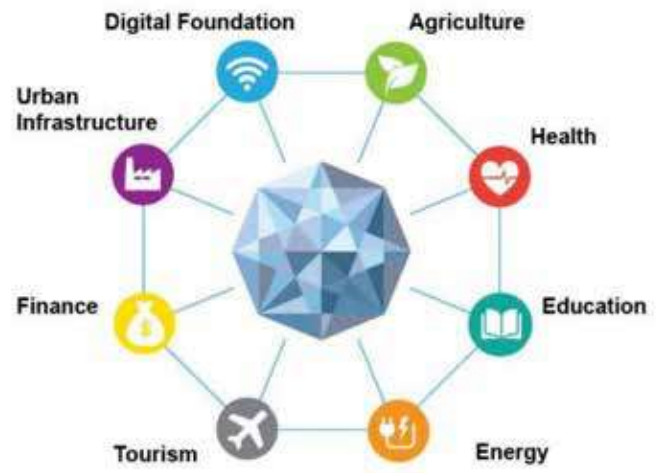


Figure 1: Digital Nepal Framework (Source: MoCIT)

The project kick-off meeting was held virtually on March 28, 2024. Representatives from Bhanu Municipality, JTEC, and MAXTECH participated in the meeting to discuss about steps to be taken during the execution of the project.

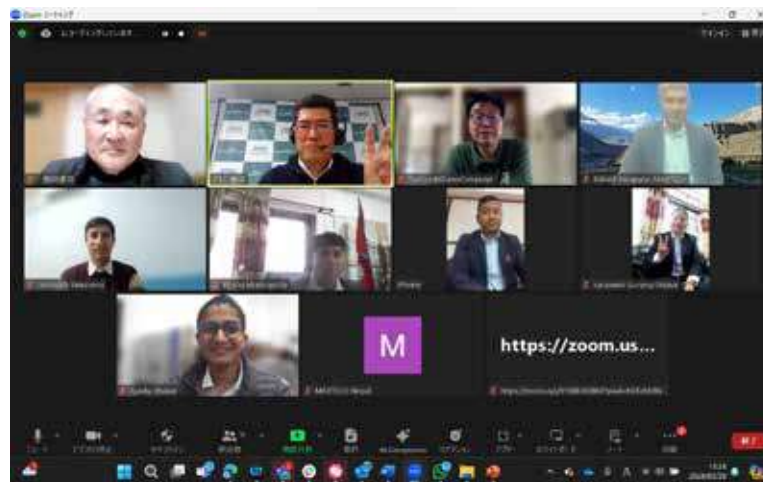


Figure 2: Online Kick-off Meeting

The outputs of the project include:

- Studied about network infrastructure such as internet, internet of things (IoT) devices, and sensors available in Nepal's local market for possible future pilot project in agriculture;
- Studied about the accessibility and utilisation of ICT infrastructure like internet and smartphones by farmers;
- Studied the issues for crops cultivation regarding weather, seeds, fertiliser, and technology;
- Studied issues for harvesting, storage, transportation and sales of crops;
- Studied issues for education of agriculture;
- Studied issues for nutrition programme;
- Studied issues of identification of right cash crops to mitigate challenges with its cultivation, harvesting, storage, transportation, and sales;
- Studied cases in Japan on crop cultivation, transportation and sales of crop, education of agriculture, and nutrition programme in the high-altitude area in Japan;
- Designed ICT-based agriculture eco-system for Bhanu Municipality;
- Held workshop in Bhanu Municipality.
- Held workshop in Kathmandu.

Japan side research during the initial stage started study about the projects associated with Shinshu University Project as well as Compost Project in Nepal. The researchers from Japan (Mr. Tatsumi MUNESATO from JTEC, Mr. Takashi TASHIRO from Daiwa Computer Co., Ltd., and Mr. Tatsufumi YOSHIOKA - individual researcher) participated in joint study in Nepal with Nepali team members in May, 2024. The joint study in Nepal started with an interaction at National Innovation Centre about current practices and the potential capacity of the centre to develop the soil sensors as well as IoT devices and equipment required for agriculture.

The joint study team visited the Ministry of Agriculture and Livestock Development (MoALD) and discussed about smart agriculture, climate change, and chemical fertilisers as well as pesticides being used. The necessity of compost preparation and management as well as creation of a link between people in cities and farmers was discussed. The necessity of traceability of actions/processes related to agriculture was also discussed during the meeting.

The meeting in MoCIT included discussions about the Digital Nepal Framework which includes 80 digital initiatives which aim to propel



Figure 3: National Innovation Center, Kathmandu



Figure 4: Ministry of Agriculture and Livestock Development (MoALD), Kathmandu



Figure 5: Ministry of Communication and Information Technology (MoCIT), Kathmandu

socioeconomic growth in Nepal by addressing crucial challenges while unlocking the growth potential.

The joint study team also visited GeoKrishi, Rikishi Compost, and National Soil Science Research Centre in order to learn about the ongoing practices as well as different subjects associated with the research.



Figure 6: National Soil Science Research Centre, Lalitpur



Figure 7: Farmers Group in Bhanu-4, Tanahun

During the visit to Bhanu Municipality, interactions were conducted with leaders, officers and farmers. It was learned that rice, wheat, mustard, vegetables, and corn are the major agricultural products produced in Bhanu Municipality. The farmers expressed about water shortage, shortage of fertilisers in the market, and high labour cost. Further they expressed about climate change, the changes in rainfall cycle, and changes in the cultivation calendar.

Bhanu Municipality has been divided into 13 wards among which the research team visited wards 1, 4, and 5 to meet the farmers as well as to test the soil using the sensor equipment brought from Japan.

In September 2024, three researchers from Nepal (Mr. Ananda Raj Tripathi, Mayor of Bhanu Municipality, Mr. Dinesh Khanal from MoCIT, and Mr. Lekhnath Timalsena from MAXTECH) visited the relevant locations in Saitama, Nagano, Shizuoka, Gifu, and Aichi Prefectures, where they learned about examples of organic certification used in Japan and agricultural ICT initiatives.

The team learned about local production ecosystem in Ogawa town where organic farming



Figure 8: Research Team in Ogawa

has been practiced since the 1970s and more than 70 organic farmers grow crops without using pesticides or chemical fertilisers.

The research team participated in meetings with the Faculty of Agriculture at Shinshu University and Kami-ina Agricultural High School. The team visited rice fields in Shiojiri City where 'Agricultural SaaS' collects and stores data on rice growth stages and the required water levels in rice paddies. An AI system compares the current rice growth state, captured by field cameras, with the accumulated data, determines the optimal water level for the current growth stage, and subsequently controls the water gates. The team also visited an organic kiwi tourist farm in



Figure 9: EBC-J 2023 Workshop in Bhanu Municipality

Kakegawa City, as well as the Organic Villages of Shirakawa Town and Kurokawa District. Additionally, the team visited the Morning Market operated by the Toyohashi Organic Farming Association and Fukutsu Farm.

The researchers from Japan (Mr. Tatsumi Munesato, Mr. Takashi Tashiro, and Mr. Tatsufumi Yoshioka) participated along with Nepali team members in the workshops in Nepal held on December, 2024. One workshop was held in Bhanu Municipality on December 6, 2024 and the other workshop was held in Kathmandu on December 10, 2024.



Figure 10: EBC-J 2023 Workshop in Kathmandu

The participants of the workshop in Bhanu Municipality included the mayor, deputy mayor, chief of Agriculture Knowledge Centre – Tanahun, faculty of Agriculture Campus – Lamjung, ward representatives, farmers and officers. Similarly, the secretary of MoALD, mayor of Bhanu Municipality, joint secretary of MoCIT, under-secretaries of MoCIT (including focal point for APT), deputy director of School of Management Tribhuvan University (SOMTU), officers of MoCIT, and representatives from other stakeholders (including GeoKrishi, and Rikishi Compost) participated in the workshop in Kathmandu.

In the final workshop, the project presented the studied design for the pilot project of

an Agriculture Digital Ecosystem for the smart village of Bhanu Municipality.

APT-CI collected the following issues in Bhanu Municipality and Nepal.

- i. In the small local market, organic crops can only be sold at the same price as crops grown with chemical fertilisers.
- ii. Urban consumers want to buy organic produce and crops with fewer pesticides, but are having trouble verifying whether the organic produce on display in stores is truly organic and crops are with fewer pesticides.
- iii. Few farmers can access compost which enriches soil sustainably, promotes long-term productivity, leading to consistent quality yields and is odour-free.

Project designs the pilot project as following.

- i. Install traceability system in the organic farming phase by QR code to certify that crops are organic to consumers for their online order by local Electronic Commerce (EC) service.

- ii. Bhanu Municipality will get technology transfer training of compost creation from compost vendor in Nepal, who creates compost which enriches soil sustainably, promotes long-term productivity, leading to consistent quality yields and is odour-free.

The anticipated pilot project shall collaborate with Bhanu Krishi - mobile App created by the municipality. This agriculture digital ecosystem will also promote the agriculture method which activates soil microorganisms and holds carbon in the soil and mitigates global warming. In addition, it can reduce nitrate nitrogen which can have negative effects on soil, rivers, and animals, humans through plants and crops.

The implementation of an EBC project within a specific geography generates valuable knowledge and experience. The lessons learned from a project can provide crucial insights for implementation in other areas. The effective utilisation of technology, incorporating necessary localisation measures,

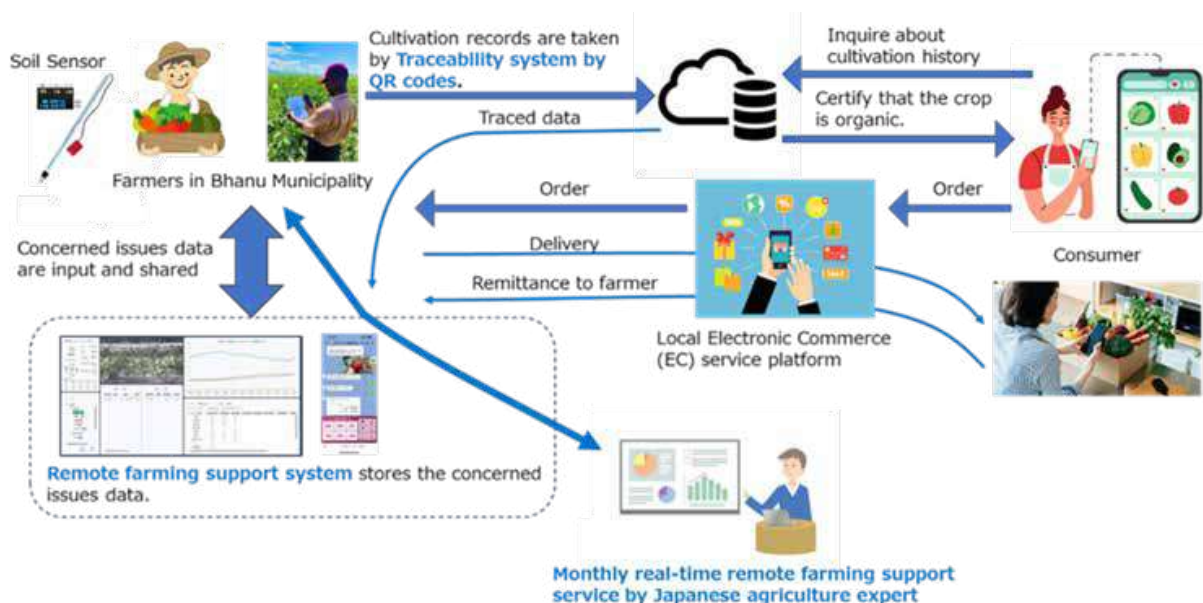


Image of whole network/system

Figure 11: Network of Digital Ecosystem

contributes significantly to the path of sustainable development.

Acknowledgements

This International Collaborative Research is supported by the Asia Pacific Telecommunity (APT) and an Extra Budgetary Contribution from the Ministry of Internal Affairs and Communications (MCI), Japan.

We extend our sincere gratitude to APT and MCI, Japan, for their generous funding support for this collaborative research project. Additionally, we would like to express our deep appreciation to the Ministry of Communication and Information Technology (MoCIT) - Nepal and the Ministry

of Agriculture and Livestock Development (MoALD) - Nepal for their valuable and constructive suggestions and support throughout the research project. We also extend our thanks to Bhanu Municipality for their essential cooperation and support, including facilitating meetings with farmers, arranging visits to farm fields, and coordinating visits to relevant agricultural organisations such as the Agriculture Knowledge Centre - Tanahun. Finally, the authors would like to express their gratitude to all participating farmers in Bhanu Municipality.

Mr. Tatsumi Munesato completed Bachelor of Science (Mathematics) from Hiroshima University in March (1987). He joined Nippon Telegraph and Telephone Corporation (NTT) in 1987 and JTEC in 2013. He conducted projects such as e-Village in Myanmar and Telemedicine survey in India, APT-J2 (telecentre research in Myanmar, Thailand and Indonesia), and APT-C1 (Agriculture ICT research in Indonesia).

Mr. Subash Neupane completed MBA (2016) in Global Leadership and Management as well as Bachelor's (2014) in Electronics and Communication Engineering from Tribhuvan University (TU). He has been working as Managing Director in MAXTECH Study and Services (Pvt.) Ltd., Kathmandu since April 2007. He has also been serving as a faculty member at Central Department of Management as well as School of Management at Tribhuvan University, Kathmandu.



The logo for 'Upāyā' features the word in a bold, blue, sans-serif font. The letter 'u' is lowercase and has a horizontal orange bar above it. The letter 'ā' is lowercase and has a horizontal orange bar above it. The letter 'yā' is lowercase and has a horizontal orange bar above it. The letter 'a' is lowercase and has a horizontal orange bar above it. There are orange square accents on the left and right sides of the word.



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Admin & Finance
Officer



ANITA KUNWAR
Business Development
Assistant



BEDHNIDHI DAHAL
Senior Office Assistant

ACTIVITIES FROM FEB 2024 TO FEB 2025



21st Executive Committee of MAN after taking oath



AAMO MEETING



AAMO 1st Council Meeting, Hong Kong held in February 2024



AAMO 2nd Council Meeting, Macao held in October 2024

PRE-BUDGET DISCUSSION 2024



Pre Budget Discussion Programme held on April 7, 2024



Hon'ble Finance Minister Barsha Man Pun addressing the Pre Budget Discussion Programme



CEO CONFERENCE 2024



Rt. Hon'ble Vice President Ram Sahaya Prasad Yadav inaugurating CEO conference on 31st May 2024



Pre-event press meet regarding CEO conference



MONETARY POLICY DISCUSSION 2024



NRB Governor Maha Prasad Adhikari inaugurating Monetary Policy Discussion Programme on June 24th 2024



MEETING WITH PRESIDENT & VICE PRESIDENT



21st Executive Committee of MAN paid a courtesy visit to Rt. Hon'ble President Ram Chandra Paudel



21st Executive Committee of MAN paid a courtesy visit to Rt. Hon'ble Vice President Ram Sahay Prasad Yadav

MEETING WITH MINISTERS

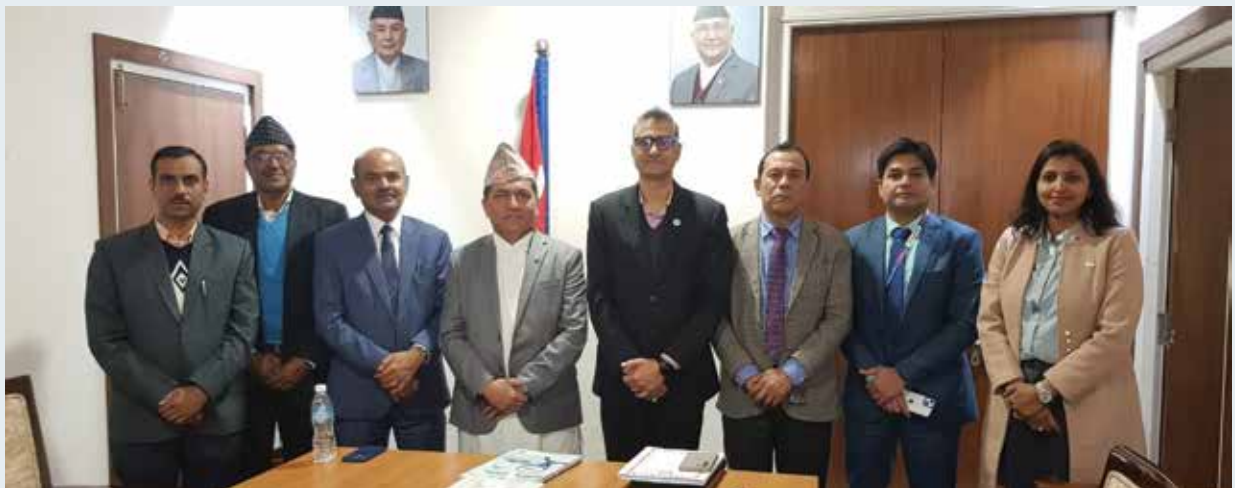


21st Executive Committee of MAN paid a courtesy visit to Hon'ble Deputy Prime Minister and Finance Minister



21st Executive Committee of MAN paid a courtesy visit to Hon'ble Foreign Minister on September 9, 2024

MEETING WITH CHIEF SECRETARIES



21st Executive Committee of MAN paid a courtesy visit to Chief Secretaries (from the top) Mr. Baikuntha Aryal, Ms. Lila Devi Gadtaula, Mr. Ek Narayan Aryal

MEETING WITH SECRETARIES



Meeting with Finance Secretary; Industry and Commerce Secretary; Federal Affairs and General Administration Secretary



MDC ALUMNI MEETING



AAMO YOUNG MANAGERS PROGRAM 2024



AAMO Young Managers Program held during November 24 -29, 2024 in Macao

TRAINING AND WORKSHOP 2024



FRIDAY MANAGEMENT TALK PROGRAM



CONSULTATION WITH PAST OBs



Consultation Meeting with past Office Bearers of MAN held on 2nd August 2024 in Hotel Himalaya, Lalitpur

AWARDEE COURTESY MEETING



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President



MR. ROSHAN BAHADUR THAPA
Vice - Prsident



MR. PASHUPATI NEPAL
Secretary General



PRATIVA RIJAL OLI
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MR. PRADHUMANN UPADHYAY
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MR. RAVI KUMAR AGRAWAL
Executive Member

MAN-BAGMATI PROVINCE ACTIVITIES



MAN Bagmati Province Chapter Formation

Employment Fair initiated by MAN Bagmati Province



Pre-Budget Discussion 2024 organised by MAN Bagmati Province



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President



MR. DEVILAL SHARMA TIMILSINA
Vice-President



MR. MADHAV BASTAKOTI
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MR. SURYA BAHADUR ROKA
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MR. DURGA PRASAD HUMAGAIN
Executive Member



MR. GANESH BAHADUR THAPA
Executive Member



MR. PRAKASH REGMI
Executive Member



MR. AMIT THAPA, CA
Executive Member



MRS. ANJANA PANDEY
Executive Member

MAN-GANDAKI PROVINCE ACTIVITIES



Formation of MAN, Gandaki on 7th Magh 2079.

MAN Gandaki Team from left- Member Mr. Ganesh B Thapa, Member Mr. Prakash Regmi, Treasurer Mr. Surya B Roka, Secretary Mr. Madhav Bastakoti, Vice President Dr. Devilal Sharma, President Dr. Bir Bahadur Karki & Member Mr. Durga P Humagain



Meeting with Chief Minister of Gandaki Province, Mr. Surendra Raj Pandey by MAN Gandaki Team.



A program on "Management Dialogue On Tourism And Business" conducted By MAN, Gandaki on 17th May, 2023 at Nepal Tourism And Hotel Management College with MAN Gandaki members Mr. Ganesh B Thapa and Anjana Pandey as the speakers.

MAN-SUDURPASHCHIM PROVINCE COMMITTEE



DR. SHIBA SAPKOTA



PREM RAJ BHATTA



HEM RAJ JOSHI



MR. SAROJ REGMI



DR. MIRAJ ALAM ANSARI



MR. MUKUND PRASAD BHATTA



MR. GHANSHYAM JOSHI



MR. LAL BAHADUR DEUBA



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MAN-SUDURPASHCHIM PROVINCE ACTIVITIES



Advance Credit Appraisal Training for RM/BM of Commercial Banks organised by Man-Sudurpashchim Province Chapter in association with Bankers' Club Dhangadi on 30-31 August 2024



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विशेषताहरू

- बच्चाको जन्म भए लगत्तै बीमा गर्न सकिने
- ४ वर्ष पश्चात विद्यालय भर्ना वा उच्च शिक्षाको लागि एकमुष्ट रकम प्राप्त हुने
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