

Obstacles To Economic Development In Nepal

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Introduction

The recent expenditure of the State capital budget has been alarmingly low (less than 5 percent of the capital budget in 2015) indicating the State has not been able to use the taxpayers' money for the economic development. Capital budget has been primarily for the infrastructures such as roads, irrigation systems, hydropower projects and so on. Infrastructure is the spine of the overall economic development. Many human-made and natural obstacles have been in the way to the infrastructure development in the past and currently, too causing constraint on the overall economic development, and delaying the poverty alleviation.

The country would not economically develop if the State collects the money from the citizens in the various names of tax but does not use it for the economic development. So, money needs to go around and make everybody work and create assets and develop the country. If money sits in the State treasury it won't be better than a scrap of paper.

The State collects money from the common folks in the form of various taxes. Every citizen pays VAT (Value-added Tax) on every service or item s/he pays for. If you go to a restaurant you get the bill with the VAT on the meals you ate and the drinks you drank. If you are a rich person you pay a very high tax on a car you buy. The tax on a car is more than the price of a car. But you might not feel it because the tax has been already added to the price. Then, you pay annual tax on your car, and surely the tax on the fuel for the car. So, you pay very high price for having a car.

All the tax money go to the State treasury, and then every year the Finance Minister allocates the money to keep on the army, police, and the civil servants working, and then the remaining money to the development projects. The State even borrows some money from the central bank or from multi-lateral banks or donor countries and agencies, and gets some in grant for the development projects. The State also could print money. Naturally, the money allocated to keep up the army, police and civil services goes to the service delivery for defending the nation and for maintaining law and order in the country.

Many large and even small development projects don't complete on time because of the many loopholes deliberately or unknowingly made in the developments Acts the State employees and other actors involved in the development activities have exploited for their financial benefit causing heavy losses to the nation.

For a few thousands rupees, the employees of the Nepal Electricity Authority have caused the leakage of energy worth of billions of NPR over 12 years, the State newspaper 'gorkhapatra' reported recently. This is only one case came to the public notice out of maybe thousands of such cases. The whole set of the employees get involved in such unscrupulous activities.

Everybody blames the lack of coordination and cooperation among the ministries for the delay in project implementation and completion. However, the National Planning Commission (NPC) mandated with coordination among the ministries apparently remained unconcerned very much. Some lawmakers talked publicly about the lack of coordination but obviously nobody listened to them.

Another element that affects the project implementation has been the environment. Even if a project does not so severely adversely impact the environment, and the environmental impact assessment has been positive the local folks sometimes block the project implementation stating it would negatively affect the environment.

The misuses of the State treasury and irregularities in spending the money have been the impediment to the development of the country. Billions of NPR were spent irregularly the Auditory General stated in the audit report on the State expenditures.

The prime minister and the energy minister of the coalition government KP Oli had presided over had been responsible for irregularities in delivering the electricity to the consumers causing hundreds of billions of NPR worth of loss to the nation. However, the same prime minister always boasted of being the nationalist making the mockery of nationalism.

The Parliamentary Public Account Committee is the sole responsible agency to sort out any irregularities in the State businesses, and get back the State money lost to the corrupt bureaucrats and politicians but it has never attempted to get reimburse the money not to mention punishing the culprits making the perpetrators of irregularities in the State businesses go without retribution. Logical thinking people believe that the members of the parliamentary Public Account Committee must have the share in it.

The two large neighbors have been boon and bane, too. They have been helping Nepal to develop. However, they became aggressive against Nepal whenever their interest did not served. Sometimes, they went to the extent of the closure of the border entry points causing the most harmful effect to the economic development.

Nepalese people had to spent most of the time and energy reinstating democracy during the last 70 years causing to miss the economic development and prosperity. They won the victory over the autocratic Rana rule, and set the democracy in 1951 only to lose it to the Shah king in 1960. They lost the democratic system of governance and the fast economic prosperity for 30 years. They shed blood again to reinstate democracy in 1990. Again, they lost democracy to the Shah ruler in 2005. Ultimately, Nepalese got rid of the monarchy forever in 2008.

Use Of Development Budget

The development or capital budget might have only a small portion for paying the salaries except for the labor-intensive projects means the projects that use mostly labors for projects otherwise the budget goes to buy various machinery and equipment, and construction materials. If the State money means budget does not buy all those things, and does not build roads, irrigation systems or hydropower projects then the money remains useless as waste papers. Money becomes active only when it is spent, and passes on from one hand to another buying services and products ultimately creating assets causing economic development.

Recently, the capital expenditure in other words the use of the project budget allocated to infrastructures has been disastrously low. So, the State could not build a significant number of roads, irrigation systems, and hydropower projects to name a few. It has a chain of negative reactions to the development.

For example, nobody can travel or move goods and services for sale or for any other purposes from one part of the country to another without roads. The highly hyped rural or postal roads in the Terai did not materialize so far making the rural people unable to move their products to the market causing the sluggish development of the rural Terai. So, the lack of roads is the primary constraint on the development of the people's businesses.

Irrigation systems are required for agricultural production. That might be for food crops or cash crops or any other crops humans need. When the State does not build irrigation system means the agricultural production lags behind. Majority of Nepalese depends on the agriculture. So, without the development of agriculture, Nepalese would not be able to improve the life.

The budget allocated to hydropower projects has not been fully used means hydropower projects are not built. Consequently, the power outage has been for more than twelve hours a day even during the wet season. This means our factories don't work at the full capacity, businesses have been closed due to the energy shortage, and householders have to look for an alternative energy to run the kitchen.

Thus, the unused capital budget means a lot more for the common folks.

Even the few percentage of the use of the capital budget has been in the last quarter of every fiscal year. Everybody tries to finish off the budget in this quarter rather than doing something good for the country. Consequently, a large portion of the budget goes into the pockets of the concerned ministers, civil servants including the lowest level engineers, and professionals of other different disciplines, and certainly the contractors. The proof of the money went to the pockets of the State employees has been most of the new houses built in the urban areas including Kathmandu belonged to the State employees.

The first quarter of a fiscal year is the festival month. It starts in the mid July when the monsoon is still active not good for any uncovered construction work. Hardly any civil servants work on using the capital budget in this quarter but they consume the budget allocated to their salaries whether they work on the development projects or not the State needs to feed them and their families. Other civil servants, army or police engaged in service delivery work twelve months a year. The State needs to keep them up.

The second quarter of a fiscal year is for passing on the budget from the center to the department and then the department to the project. Then, the project management has to award the project jobs to the contractors. A cadre of different political parties fights for the contract jobs for the contractors of their choice causing the political interference in the project work. It has made selecting a contractor and awarding the jobs to contractors a challenging task to the project management recently. This has been one of major hindrances to awarding jobs to the sincere and well-performing contractors.

By the third quarter of a fiscal year, the project management awards the jobs to the contractors. However, they don't start the work in the field. Contractors might have different excuses made-up or real ones. Most of the time, the State employees work very closely with the contractors not to complete the development work as scheduled

but frankly to ascertain how to extract maximum benefits for both civil servants including ministers, and surely for contractors.

Only in the fourth quarter, contractors could initiate some work. So, common folks might find some workers repaving the roads, digging ground for laying water or sewerage pipes. By the time, the contractors do some work on real development projects, the pre-monsoon starts; and soon the fiscal year comes to an end and the budget gets frozen until the next year. Thus, each development project has a little chance to work as scheduled every year.

Public Procurement Act

The Public Procurement Act plays a significant negative role in awarding a contract jobs. This Act also gives an excuse to the project management for not doing proper work and for making benefits to the political bosses that award the project jobs to contractors for not doing a good job but for receiving a large sum of commission.

Following the Public Procurement Act, the project management has to call for the lowest bidders for the development work. This is usually done in the second quarter of a fiscal year even though nothing prevents the project management to do it in the first quarter. The project management needs to give at least 35 days to the contractors for bidding. Comparative evaluation of bids takes a considerable time. Then, the project management needs to push the paper through the department, the ministry and the minister to finally award the jobs to contractors.

In response to why the Saaljhandi-Sandhikharka-Dhorpatan Road Project has made the progress of only 24 percent of the project work during the seven years, the project engineer Home Bahadur AC said that awarding a contract of more than NPR 2 million worth of construction work takes two months following the Public Procurement Act, the news in 'gorkhapatra' of November 17, 2016 stated.

The Public Procurement Act has a nice provision for any project management that includes the department, ministry and a minister, too to make money. The Act has the provision for extending the time and cost of any project. Contractors could ask for more money and time for completing the jobs deliberately kept unfinished. This is the loophole everybody exploits to make money causing the cost overrun and time overrun to the development projects making the taxpayers' money go waste. The high cost of projects and late completion of projects have been the results of the project managers in conjunction with the contractors deliberately delaying the project completion for making money through the extension of the project period and the project cost causing the entire population suffer from not having the positive results of the projects as scheduled.

Land procurement

Land procurement for a project is the challenging task any project management faces. The project management has to get it done through the local administration that has its own rules and regulations to do so. The local administration needs to publish the notice of acquiring land from the private landowners for any project in one or more national language newspapers. It needs to give sufficient time to the

landowners to claim for the compensation. It also needs to set the appropriate compensation rate at which the land is acquired.

The local administration often sets the price of land for acquiring for any project setting up a committee on which the representatives of local registration office, local development office, and local political leaders sit, and the local administration chief presides over. Such a committee set the land price as rational as possible and as close to the market price as possible for the project management to pay.

Even when the land price is so reasonable, the local landowners make troubles to the project management putting forward different demands. The project management faced such an encounter with the locals had been for acquiring the land for the Melamchi Drinking Water Project. The locals asked why they needed to part with their land and even water for the benefits of the folks in the Katmandu Valley if they didn't get any benefit from it. The project management took some time before it was amicably resolved the issues of land acquisition for the project.

Sometimes, local even the central political leaders have incited the local folks to make fuss about the project management acquiring land. This was usually the opposition parties did so to make the political party or parties in power fail in the project implementation and then discredit them in the eyes of the common folks. Thus, political parties have put their interest above the interest of the nation.

During the Panchayat rule means the direct rule of the king, the project management had a little problem of acquiring any land for the project. The then Zonal Commissioner simply grabbed the land the project engineer demarcated for any project. Landowners could not say anything about it. The landowners could not even claim the compensation for their land; if they did it was a very small amount they received. Thus, King Mahendra built Brikutimandap previously called Exhibition Area in Kathmandu. He did the same thing for building houses for his daughters and sons in Kathmandu. These are only a few examples of how the people in power grabbed the land and made the common folks even poorer during the king's rule.

At that time, the common folks were not strong enough to fight against the establishment. Today, the people have already got rid of the despotic monarchal system, and the common folks have been significantly strong to fight against any injustice done to them. Nobody could simply copy what the despots had done in the past not only for grabbing land but also for any other things.

Land Reform Act has been the major obstacle to the implementation of the development projects. It has capped the land anybody or any company could hold. This Act has been a major hindrance to the agricultural development, as farmers could not have the sufficient land required for even a mid-scale farming not to mention the large-scale farming. This Act was the brainchild of the then King Mahendra that wanted to keep the Nepalese people as the subsistent farmers forever. The Act also restricts companies owning land as required by their businesses causing the disadvantage to the development of large manufacturing companies, infrastructures companies and even the hydropower companies.

Even after Nepal became the Federal Democratic Republic, lawmakers have not dared to amend this Land Reform Act because majority of those lawmakers have the mindset of socialism. They have the phobia of capitalism and development of

capitalists. So, they have simply followed the path of the then King Mahendra to keep on the people from becoming richer.

Forest Act

Forest Act has made the forestry department and the forest ministry owners of forest. So, any projects have to wait for the approval of the Forest Department for cutting the trees that have been in the land of the project areas. Road projects and other projects have suffered from this provision made in the Forest Act.

For example, the road projects have to secure the approval of the forestry department to cut the trees in its way. Getting an approval of the forestry department is not a simple thing, as the department has to follow its rules and regulations and even needs to secure the approval of a minister.

The country has many examples of the Nepal Electricity Authority could not build its towers for power transmission lines because the Forest Department either did not issue an order to cut the trees or delayed terribly.

The remedy to this malice is to make projects the owners of anything including the trees in their lands then they would not need to go to the Forest Department. They could pay the compensation for the trees if the Forest Department has grown them or the Forest Department could claim the proceeds from the sale of the timbers and other forest products.

Labor Law

Labor Act has been the devastating for the businesses. Anybody could hire a labor but nobody could fire. The law has well protected the laborers making businesses vulnerable to dictation of trade unions and even individual laborers. Many small businesses had to close because of the labor problem. However, some of the smart managers have been running the businesses employing informally paying only daily wages denying so many benefits the Labor Law has prescribed. The business community has been putting heavy pressure on the government to amend the Labor Law.

Irregularities In State Accounts And Development

If we take a look at the last but one page of "gorkhapatra" of April 20, 2016, we find two-parallel news: one is about the irregularities in the State financial management another is about the increased cement production in the private sector.

The first news titled "Trend In Widespread Irregularities In Expenditure" said that the annual report of the Auditor General had recorded the 45.26% of the State expenditure was not done properly following the rules and regulations. The State offices had spent NPR 4.296 billions not following the financial rules and regulations, and they had recorded NPR 14.966 billions as expenditures without the receipts for the payments done. Other agencies including the district development offices had spent NPR 3.928 billions irregularly.

The officials evaded the rules and regulations. For example, to avoid the bidding for contract jobs, the State officials had awarded the work in small pieces not requiring bids following the Public Procurement Act. The State finance managers had recorded the expenditures without the receipts for the payments done. These State finance managers had purchased everything, as did women purchasing a bunch of green vegetables from a farm-product seller at Ason in Kathmandu. These women simply threw a banknote and grabbed the vegetables and rush homes to cook morning meals.

Local Development Ministry, Physical Infrastructures and Transport Ministry, Urban Development Ministry, and Irrigation and Energy Ministry had paid more than needed to contractors, made double payments, paid for additional work without evidences, paid contractors without charging for damages, and did not deduct tax while making payments, the Auditor General's report stated.

Who would say that these were not the daylight robberies if almost 50% of the expenditures were done without following the laws? Practically, a half of the expenditures the State offices had incurred ostensibly for the development projects had been wasted. Not totally wasted, as the money did not go to the drains but it definitely went to the pockets of probably the concerned ministers, secretaries to the ministries, then to the concerned decision makers at various levels of the bureaucracy including the accountants, engineers, site overseers, and finally the contractors. These were the State officials responsible for keeping the nation in poverty despite so much of resources was poured in the country.

How could the accountants prepare the expenditure sheets not following the Public Procurement Act and without the receipts for payments, and then the project-in-charge signed off the documents; how could they make double payments, and how could they make payments without receipts if the money were not to go into their pockets? Clearly, they had prepared fake accounts of expenditures. Nobody needed more evidences than the annual report of the Auditor General to catch the supposed-to-be honorable State elected and regular hired officials turned into the daylight looters.

Surely, the responsible ministers and State officials were supposed to catch those State thieves and contractors but they could not do so because probably, the State law-enforcement officials themselves were having shares in those stolen money. Probably, it would not be incorrect to say that the law-enforcement officials turned into looters had been running the State development administration.

So, it was not wonder that the incumbent prime ministers, former prime ministers, ministers, secretaries to ministries, accountants, engineers and overseers not to mention the contractors had so many visible assets such as the lavishly-built houses in Kathmandu, the cars they rode, and other house appliances they had at home, and the jewelry their dames (madams) used to wear during the social events and dinner parties.

The most unfortunate thing had been that despite these facts everybody knew, and those guys had been openly stealing the State resources the common folks could not do anything because those very corrupt people had been in power. The most unacceptable thing but repeatedly happening had been those same corrupt guys won the general elections again and again. Obviously, voters could not figure out those

corrupt politicians or they had no choice other than those corrupt candidates to vote for.

For example, most of the infamous corrupt Panchas had been back to power, the former minister Khum Bahadur Khadka that had served the jail term for corruption won the election to the central working committee member of the Nepali Congress Party with the overwhelming votes. Before leaving the office, former Prime Minister Sushil Koirala gave Khadka NPR 3.5 millions from his prime ministerial fund for his medical treatment as reported in the media in the country where millions of people died not having a few rupees to buy even the pills for fighting common fever.

Obviously, the Commission on Investigation into Abuse of Authority (CIAA) had no laws to do anything against the State looters when billions of rupees stolen about which the Auditor General's report had told the nation, and the report had been submitted to the president of the Federal Democratic Republic of Nepal but what the poor president not better than a life-size puppet could do except for accepting the report on camera.

Finally, the ball was in the court of the parliament where laws were made. Parliamentarians had been tricky not to craft laws that would give the power to the CIAA catching the State looters because most of the parliamentarians either had been the former ministers or they were serving in different ministries or they had been in line for the ministerial offices certainly for making billions of rupees while in office. Why should the parliamentarians craft laws that would harm those looters in power that they themselves would be anticipating to be in their shoes at least once in their political lifetime?

The president sends the Auditor General's annual report to the parliament for the necessary actions that were supposed to be for catching the muggers to recover the State money irregularly spent and to smooth over the irregularities in the State accounts. The Parliamentary Public Account Committee had the authority to force the ministers, secretaries, State officials including accountants, engineers, overseers and contractors to pay back the amount they had looted from the State budget making double payments, or without receipts, or not deducting tax and so on but the same parliamentarians that aspired to hold the ministerial positions sit on the Parliamentary Public Account Committee. Then what they would do had been nothing but keep all those irregularities in the accounts pending forever making the dishonestly earned money clearly visible to the public.

What the common folks could anticipate any development in the country where the law enforcement officials elected or hired such as prime minister, ministers, secretaries to the ministries, other officials including accountants, engineers, and so on openly broke the laws, and showed the expenditures for the work they never had done and for the jobs they never had contracted out to the contractors, according to the Auditor General's report in question. They had simply invented the documents for different development projects and then pocketed the money. That was why they could not submit any evidences of expenditures done for the development projects. Consequently, the expenditures shown had been without receipts for payments and so on were entirely faked.

That had been the dark side of the State doing anything for the development but the bright side had been the news in "gorkhapatra" of April 20, 2016 about the private company increasing the production of cement in the Banke district in the far western

Nepal. The good news had been that the Jayabagesvori Cement Pvt Limited had the cement factory with the capacity of producing 450 tons per day in the Banke district but having the high demand for the cement, the company was to double its capacity to 900 tons per day. The business house that owned this company had another cement factory with the production capacity of 1,050 tons per day capacity in Birgunj in the central Terai Nepal. So, it had been very good news for the country that had to rebuild thousands of houses torn down by the quakes in April 2015.

Demands for cement had been in the rise, as the construction in the private sector had been booming, and not so booming but increasing in the State sector, too because some construction had been going on despite the State thieves had been stealing the budget allocated for the development.

This year, demands for cement would be especially high, as the quake-torn-down houses, schools, health posts, police outposts, various State offices in different part of the country had to be rebuilt. Only thing impeding the reconstruction process had been the government-led by Prime Minister KP Oli had been taking time to disburse the grant and loan money to the quake victims. The government said that it had deposited the money in the bank accounts of Nepal Reconstruction Authority (NRA) that in turn sent the money to the reconstruction agency of the concerned ministries for providing the funding to the quake victims for building their schools, and the State agencies to build schools, health posts, and other buildings.

Doubling the capacity of the cement factory would create a number of jobs in the factory, and in the stone quarry, and in the transport of limestone from the quarry to the cement factory, in the distribution and transportation of cement from factory to the main distributors and then to the consumers or builders. Thus, it created a chain of increase in jobs for the common folks. Surely, the jobs in the service sector too would be created.

The increased laborers needed foods for themselves and for their family members. Such increased demands for foods would encourage the farmers to have more food production that would motivate the agriculture, horticulture, and livestock farmers to produce more of their products.

Laborers and their families needed clothing, footwear, houses, house appliances, and other creational means such as TVs and radios, movies theaters, and schools for their kids. It had been hard to tell everything in this short write up what impact would produce by an increase in the capacity of a single cement factory. So, we could imagine if a large number of private companies were to produce many different industrial goods probably our youths would not need to go to the Middle East Countries to bake in the sizzling sun while working at the construction projects such as Olympic Stadium in Qatar.

Irregularities in performing official duty as barriers

Irregularities In Waiving Taxes

The recent hot news in the State media and private media has been about the three officials that have been responsible for waiving taxes including VAT to the businesspeople and the companies. The guys in question are Chudamani Sharma, Umesh Prasad Dhakal and Lumba Dhoj Mahat. They were the officials on Tax

Redemption Commission. Lumba Dhoj Mahat was the Chairperson of Tax Redemption Commission, Umesh Prasad Dhakal member, and Chudamani Sharma a member secretary. The trio of Sharma, Dhakal, and Mahat managed to waive tax revenue more than 20 billions of NPR, according to the report of the Auditor General. Currently, Investigation Into Abuse of Authority (CIAA) has been investigating the matter following the numerous complaints and the report of the Auditor's General on the irregularities in waiving the taxes.

Sharma has been under the custody of CIAA since June 2, 2017. Other two guys have been on the run since then. CIAA published a notice on the State-run newspaper "grokhapatra" on June 22, 2017 stating anybody helping to find those guys would be appropriately awarded.

CIAA filed a lawsuit against these three guys at the Special Court for causing the revenue loss of more than NPR 20 billions waving even the VAT the customers had paid demanding the maximum penalty, and the bail of NPR 10 billions to release Sharma.

The spouse of Sharma has filed a habeas corpus at the Supreme Court. CIAA has produced Sharma at the court but the apex court has not release Sharma on bail rather asked the Special Court not to take any actions on this case until the habeas corpus is presented at the full bench of the Supreme Court, as the case indicated the complex constitutional issues. The full bench asked the Special Court to submit the dossier of the case to the Supreme Court.

Hearing on the habeas corpus, the divisional bench of the supreme court found that it has some critical issues including the issues of whether the Tax Redemption Commission is a semi-judicial body or a simple administrative body whether CIAA could take actions against its members or not. To settle all these issues, the divisional bench ruled to submit the case to the full bench.

The members of Tax Redemption Commission have given an unlimited power even denying any lawsuits against their actions at any law courts. The law was enacted at the time of the king's rule for making unlimited money at the cost of the State losing revenue, and is continued today. The Income Tax Act of 2002 has been in effect. The finance ministry had set up the current Tax Redemption Commission in 2015.

According to the interview former Acting Auditor General Sukadev Bhattarai Khatri has given to the reporter of Republica, and posted on myrepublica.com, the then Auditor General has urged the then Finance Minister Dr. Ram Sharan Mahat not to set up a Tax Redemption Commission as it goes against the Tax Act of 2002 but he did set up, and then the Commission has waived the taxes going against the Tax law that says only the parliament could do so. Despite the heavy pressure the then government had put on him not to do so, Former Acting Auditor General Khatri had made public the 54th audit report of the Auditor General that contained the report on Tax Redemption Commission waiving the taxes arbitrarily, said Khatri while talking to the interviewer.

Answering to the question of "What's the exact loss to the state coffers due to the commission decision?" Former Acting Auditor General Khatri said, "Upon applications received related to tax dispute worth Rs 40.83 billion, the commission decided on pending taxes worth Rs 30.52 billion only. The commission negotiated at Rs 9.54 billion as payable taxes and waived Rs 21 billion. After the commission's decision,

taxpayers have paid about Rs 6 billion out of Rs 9.54 billion and remaining over Rs 3 billion is not yet paid. It means the loss to the state coffers is Rs 24 billion."

Recently, the Parliamentary Finance Committee has instructed the government Prime Minister Sher Bahadur Deuba has presided over to immediately dissolve the Tax Redemption Commission, as it has been against the current political scenario and the Tax law, and it has given an unlimited power to its members making them so powerful, that their actions would not be questionable at any courts. It remains to be seen how fast Prime Minister Deuba would act on dissolving the Tax Redemption Commission, and correct the previous mistakes of giving an unlimited power to the members of the Tax Redemption Commission.

On August 11, 2017, hearing on the habeas corpus filed by the wife of Chudamani Sharma, a full bench comprising justices such as Deepak Raj Joshi, Deepak Kumar Karki, Kedar Prasad Chalese, Sharda Prasad Ghimire, and Anil Kumar Sinha of the Supreme Court ruled to release the suspended Director General of Inland Revenue Office Chudamani Sharma for the largest possible corruption case on general date to appear in the court; and continue the hearing on the corruption case against Sharma at the Special Court making the actions of the Tax Redemption Commission under the jurisdiction of CIAA.

Interview Related To Case Against Chudamani Sharma

"Tax Settlement Commission itself was against law"

July 23, 2017 08:40 AM Republica

In its 54th audit report, Office of the Auditor General had disclosed in April that controversial tax discounts of over Rs 21 billion were provided to different firms and companies by the Tax Settlement Commission (TSC) led by Lumba Dhawaj Mahat. The commission formed in 2015 had decided on the taxes worth Rs 30.52 billion and settled at Rs 9.54 billion.

Erstwhile Acting Auditor General Sukadev Bhattarai Khatri took the decision to disclose the issue although they were under great pressure not to do so.

The audit report has questioned the opaque tax settlement, which incurred huge loss to the government. Commission on Investigation into Abuse of Authority (CIAA) has investigated the issue and has recently filed corruption cases against all three members of the TSC at the Special Court and it has sought to recover Rs 10.02 billion from each member. TSC's member secretary Chudamani Sharma is in custody while Mahat and Umesh Dhakal are at large. Republica's Rudra Pageni caught up with Khatri to take insight on various aspects of controversial tax settlements. Excerpts:

Can't the court or any other agency question the decisions of Tax Settlement Commission?

We should first consider the existing tax laws and the practice of self-declaration of taxes. We should pay the taxes accordingly as per the Income Tax Act of 2002. Unlike today's self-declaration practice, tax officials used to determine the tax payable by all the business firms and companies before 2002. The tax disputes could be high because tax officers used to determine the taxes. Now the context is

different as taxpayers declare taxes on their own. Tax offices can reassess the taxes if needed. If dissatisfied with such reassessment, the taxpayers can seek legal remedies at three levels.

They can apply for review with director general of the Inland Revenue Department. Then they can appeal at the Revenue Tribunal if dissatisfied again. As last resort, they can go to Supreme Court to address their grievance. This means, taxpayers have already got ample opportunity to address their grievances and the commission is not needed in the changed context. On the other hand, only the parliament can waive the taxes and no others can do so, according to the Income Tax Act. The new laws replace old ones, says the legal practice.

Can we conclude that the commission's decision can be questioned?

Of course, its decisions can be questioned. Its decisions other than in good faith can be questioned, as per Tax Settlement Act 1976. On the other hand, the constitution says that any issue except statements made in the parliament can be questioned at the court, and this provision does not even spare the President. Therefore the commission cannot be above the law. The prevailing law -- the Income Tax Act -- has said that only the parliament can waive or reduce the tax.

What's the exact loss to the state coffers due to the commission decision?

Upon applications received related to tax dispute worth Rs 40.83 billion, the commission decided on pending taxes worth Rs 30.52 billion only. The commission negotiated at Rs 9.54 billion as payable taxes and waived Rs 21 billion. After the commission's decision, taxpayers have paid about Rs 6 billion out of Rs 9.54 billion and remaining over Rs 3 billion is not yet paid. It means the loss to the state coffers is Rs 24 billion.

What are the factors behind such big loss of Rs 24 billion to the state coffers?

Preamble of the Tax Settlement Act 1976 has clearly stated that the commission can be instituted to settle disputed taxes in good faith for the cause of the country's economic benefit. But the commission has abused the clause of 'good faith' stated in the law, which has caused the losses the state.

The commission was meant for settling taxes for the bankrupt and insolvent firms but this commission has waived taxes of the companies and firms that are making robust profits and are being operated by the people living lavish lifestyles. The commission has waived the Value Added Taxes (VAT) worth Rs 770 million to distilleries, hotels and construction companies. The VAT is collected from the customers and should be compulsorily paid to the state within the deadline.

This is only a tip of iceberg we disclosed following a brief study of the commission's report in our 54th audit report unveiled in April. We are yet to study all the files. The waived amount on VAT is huge, according to our estimate.

What type of a crime the commission has committed by waiving the taxes collected from the customers?

The business houses and companies collected 13 percent VAT promising to pay the amount to the government. But the commission defined it as tax dispute and waived

it. Moreover, the commission has surprisingly decided to return already paid taxes through self-declaration system. The commission has returned Rs 78.2 million to 9 taxpayers and such amount could be more.

The commission had ill intention in making such decisions then. Do you agree?

Yes, it has waived the VAT, and also decided to return the taxes from the state coffers. This proves the commission had mal-intention while making such decisions. It's not only against the tax laws but also a serious crime.

What is your reaction to returning the money from the state coffers?

It's quite difficult to understand why they decided this. At the same time it is also interesting to note that a business firm has got waiver of 99.05 percent. The disputed tax amount of a distillery was Rs 3.29 billion but it was settled at Rs 39.9 million. Statistics show that a firm has been asked to pay only Rs 10,000 in a tax dispute of Rs 446.6 million.

Business people were appealing repeatedly to the government for setting up commission for one time. Isn't this settlement report unfolding the mystery behind their plea?

Take an example of three firms of the same type named A, B and C and almost equal amount of the taxes they owed to the government. Let's say annual transaction of each firms was worth Rs 10 million and their profits were also similar. Firm 'C' paid taxes as per law and in time but 'A' and 'B' did not. They rather waited for the set up of the commission to get waiver. If we allow practices like this, then it can grow into an epidemic for the country's taxation system.

Can the government recover the settled taxes in this way?

The commission has already negotiated on the disputed taxes and settled through a contract signing. It is not practical to recover.

Are those who allowed such illicit waiver, are the culprits?

You can understand it easily. I don't have to state this.

Do you mean the business firms can be aloof from it but not the people in the commission?

This is a case under judicial review. Let us not comment on it.

Hasn't the commission followed its own guidelines while settling the tax disputes?

No, it has not followed. It has waived only around 35 percent taxes to the government entities while the private businesses and firms have got 99 percent tax discounts. It is evident that it did not follow its own guidelines and decided without any rationale.

Why was the commission given more authority than permitted by the law?

Yes, the commission was given more authority. In 2008, in a meeting of the Public Accounts Committee, erstwhile secretary of Ministry of Finance and deputy auditor general had pledged not to form such commission but the government formed it.

Does the Income Tax Act 2002 forbid forming of such commission?

The act restricted anyone going beyond this law. As the clause 142 has clearly stated that no one except the parliament can reduce, increase or waive tax. The commission was formed despite the provision of three agencies-- director general of Inland Revenue Department, Revenue Tribunal and the Supreme Court -- for appeal. The Income Tax Act 2002 has no provision for the commission. Had it (the act) thought about formation of such commission, it would not have provided for the three agencies for appeal.

Did you receive any pressure from the political quarters and business communities to not disclose the works of the commission in your audit report?

The government provided the commission's report only after we complained at the parliamentary committee. Various government agencies made delays to provide details against our efforts to assess the taxation of a telecom company. We decided that taxes were due although the cabinet had decided to waive it. We were pressurized to omit both issues but we replied them that we were putting it in the report anyway.

Is erstwhile Minister for Finance Ram Sharan Mahat responsible for these decisions? Is he clean?

Mahat himself had contributed to bring in the Income Tax Act 2002. He should have known that there was no rationality for the Tax Settlement Commission after the Act came into effect. Why did he institute such commission, which he knew was against the Act? I do not understand it. It's better to ask him.

<http://www.myrepublica.com/news/24301/>

July 23, 2017 08:40 AM Republica

Irregularities in Sajha Prakashan

Following a series of news reports on the irregularities in Sajha Prakashan in Republica and Nagarik dailies, the Parliamentary Public Accounts Committee (PAC) started off investigating the alleged irregularities in Sajha Prakashan serving subpoena to Secretary to Education Ministry: Shanta Bahadur Shrestha and chairperson cum general manager of Sajha Prakashan: Dolindra Prasad Sharma to be present at the committee for inquiry on Friday, August 4, 2017, the news on myrepublic.com stated on August 4, 2017 quoting the PAC officials.

"We have called education secretary Shanta Bahadur Shrestha and Dolindra Prasad Sharma, chairperson and general manager (GM) of Sajha Prakashan tomorrow," said Ram Hari Khatiwada, a member of PAC. "I wonder what the ministries are doing by not taking action against the corrupt people!" he said, the news stated.

Ministry of Education (MoE) set up a three-member panel on July 27 to probe into the irregularities in the Sajha Prakashan making its Accounts Officer Bhola Nath

Paudel as a member but replaced him with Sunita Khanal: accounts officer at Department of Education on Thursday, August 4, 2017 after the news reports in Republica and Nagarik revealed that GM Sharma appointed Paudel's wife Nabina Koirala Paudel to a job at Sajha Prakashan on July 30, 2017, the news stated.

GM Sharma has been accused of appointing those folks close to political leaders and media persons, maintaining no record of annual incomes, creating fake documents, printing textbooks illegally, transferring NPR 5 million from Sajha to the GM's bank account, serving both as the chairman and the GM going against the rules, and not conducting an audit of the accounts during his tenure as a GM of two-and-a-half years, the news on myrepublica.com stated on August 4, 2017.

Then education minister Chitra Lekha Yadav appointed Sharma as general manager of Sajha publications in January 2015. He was given the responsibility of chairperson as well a month later. Sharma's tenure ended in January 2017. He was reappointed as a chairman and GM for four years in January 2017. Dhani Ram Paudel of the CPN (Maoist Center) was education minister at the time, the news on myrepublica.com stated.

<http://www.myrepublica.com/news/24965/>

Irregularities In Purchasing Land

Talking to the anchor of the Radio Nepal morning program "antar-sambad" on August 5, 2017, NC Lawmaker also the member of Parliamentary Public Account Committee (PAC): Dhanaraj Gurung said that Nepal Oil Corporation (NOC) had purchased the land for constructing petroleum depots at various areas not directly from the landowners but from the middlemen at the rate of a number of times higher than the landowners received; a plot of land of which the prevailing market price had been NPR 200,000 but the landowners received NPR 300,000; they were happy but the price NOC paid was recorded NPR 1 million.

PAC has urged Commission On Investigation Into Abuse of Authority (CIAA) to investigate the process NOC had adopted for purchasing land, the officials involved in the process, and other necessary document, as PAC found that NOC had overstepped the process any State-owned companies had to follow for acquiring land causing the estimated loss of one billion NPR, the news in the "artha bazaar" section of "gorkhapatra" stated on August 5, 2017.

Chairman of PAC: Dorprasad Upadhaya said that NOC did not follow the Public Land Purchase Act, and Land Acquisition Act of 1977 (2034) while purchasing land in Jhapa, Chitwan, and Bhairawa. PAC Chairman Upadhaya also said that first, NOC purchased land not following the directives of the Parliamentary Consumer Welfare Protection Committee for acquiring public and private land; second, NOC did not follow the Land Acquisition Act of 1977 (2034) for purchasing the private land; third, the prices of land had been tremendously higher than the prevailing prices; fourth, the land is of low quality, as the land is mostly of the riverbank; he also said that the irregularities in purchasing land had been because of purchasing through middlemen rather than directly from the landowners, the news in the "artha bazaar" section stated.

PAC Member Ram Hari Khatiwada said that NOC not only did not follow the Land Acquisition Act of 1977 (2034) but also even its Purchase Rules and Regulations of

2007 (2064) for purchasing land, causing irregularities in land acquisition; he also said NOC paid NPR 650 millions for the land of NPR 230 millions, the news in the "artha bazaar" section stated.

Another news item in the "artha bazaar" section of "gorkhapatra" stated on August 5, 2017 that the land NOC had purchased in Bhairawa in the last month has been flooded because of the monsoon rains; NOC had purchased 14 bigha land some of the land had been part of the area where once the river flowed; now the river has been flowing to the west leaving the land.

In the advertisement NOC published in the front page of "gorkhapatra" on August 5, 2017, NOC has stated that it has purchased the land through bidding; it has verified the prices of land writing to the local administration; NOC is practically and legally off-limit to what prices bidders have paid to the landowners or what prices landowners have received; so, NOC has followed the proper process for purchasing land; none of the NOC officials has any link with the bidders or the land sellers.

Other Irregularities

Talking to the anchor of the Radio Nepal morning program "antar-sambad" on August 5, 2017, NC Lawmaker also the member of Parliamentary Public Account Committee (PAC): Dhanaraj Gurung said that previous energy minister had awarded the contract on constructing the 1,200 MW Budhigandki Hydropower project to the Chinese Company that had been blacklisted for not completing the construction of 42.5 MW Sajen Hydropower Project and Chameliya Hydropower Project signing off the document at the prime minister's Baluwatar residence on the day he quit office.

NC Lawmaker Gurung said that the opposition in the parliament did not talk about such corruption but always opted to keep muted; some political leaders even made calls to him to stop talking about corruption at the PAC; his reply to such callers had been they had placed calls on the wrong person.

Out of 477 lawmaker that signed off on the attendance register on Friday, August 4, 2017, 380 lawmakers disappeared causing the lack of quorum for passing various bills in the parliament; following the demand of NWPP Lawmaker Dilliprasad Kafle for checking the presence of lawmakers in the parliament for passing the bills, Speaker Onsari Gharti Magar found only 97 lawmakers were present causing the lack of quorum for passing the bill; so, she postponed the passing of the bills for two days; following the Article 94 of the Constitution at least one-fourth of the total lawmakers needs to be present for passing any bills; currently, the parliament has 592 members; so at least 148 lawmakers need to be present for passing bills; more than 45 bills have been waiting for passing in the parliament; every lawmaker once signed off the attendance register entitled to receive an allowance of NPR 1,000 for her/his presence in the parliament, the news in the front page of "gorkhapatra" stated on August 5, 2017.

After the revenues collected in the fiscal year 2016 has been twice the revenue collected in fiscal year 2015, the Ministry of Land Reform and Management has set up four teams: one team for Jhapa, Morang, Sunsari, another for Bharatpur and Butwal, and one each for Banke and Kaski to investigate the causes of doubling the revenue; the capital income tax collected on sale and purchase of property was NPR

2.07 billion in the FY 2015; it increased to NPR 4.62 billion in the FY 2016, the news in "gorkhapatra" stated on August 3, 2017.

The divisional bench of Judges Bhimkumar Ojha, and Balbhadra Banstola of the high Court of Patan has issued an order to release SSP Shyam Bahadur Khatri involved in smuggling 33 kgs of gold on a general date, repealing the ruling of the Kathmandu District Court on demanding NPR 200,000 bail amount for releasing SSP Khatri, the news in "gorkhapatra" of July 30, 2017 stated. Gold smuggling has been rampant causing millions if not billions of revenue loss to the nation. Smugglers have been smart to exploit the legal loopholes for release and pardon.

The meeting of the Parliamentary Public Account Committee held on Tuesday, August 1, 2017 has instructed the government to repeal the contract on installing 25 MW solar power plant in Nuwakot the previous government had awarded to the Chinese Company called "Risen Energy Company" at NPR 3.72 billion not awarding another Chinese Company called "Pinggao and Haroen Company" that quoted NPR 3.04 billion causing the loss of NPR 0.68 billion to the State, and also instructed the government to start a fresh process for awarding the contract on this project following the Public Procurement Act, and the rules and regulations, and act transparently; the estimated cost of the project is NPR 4.50 billion, and the World Bank is providing Nepal with the funding for this project, the news in "gorkhapatra" of August 2, 2017 stated.

Prime Minister Sher Bahadur Deuba with the entourage of concerned ministers has made an inspection visit to the Mugling–Narayangad Road that connects the hills with the Terai obviously to expedite the ongoing expansion work on this vital road on August 2, 2017, and he said to the project chief and the contractor, "this road is a national lifeline; I cannot tolerate any delay in the project work; tell me directly if you have any problem of working with any state agencies; I will immediately resolve the problem; and I will talk to the donor agency: The World Bank if you have any problem, to resolve it," the news in "gorkhapatra" stated on August 3, 2017.

With the funding from the World Bank, widening of this road has been going on since April 2015 with the target of completing it within two years. The deadline for completing the road has been missed in April 2017 but only 53 percent of the expansion work has been completed so far, and the new deadline has been set for December 2017 to complete, the news in "gorkhapatra" stated on August 3, 2017.

The Chinese government had built the Mugling–Narayangad Road in 1979 in grant. It has drastically cut the traveling time between Kathmandu and Terai. So, most of the vehicles take this route for traveling from Kathmandu to any destinations in Terai. Consequently, the traffic has been heavy causing traffic jam and delay. So, widening of this road has been necessary. Then, the government reached an agreement with The World Bank for funding the expansion work and for completing it within two years starting in April 2015. However, only 53 percent of the completion of the expansion work has been completed in August 2017. The delay has been entirely due to the quakes and the embargo on trucks entering Nepal from India for about six months. According to the new agreement, the widening work will be completed in December 2017. The road will be widened from five meters to 11 meters from Narayangad for 16 km, and thereafter to seven meters up to Mugling. The total length of the road is 36. The time taken to travel on this road after the completion of the expansion work for any vehicles will be reduced to 35 minutes from 70 minutes, the news in "gorkhapatra" stated.

Speaking at the Parliamentary Committee on Good Governance and Monitoring, Chief Commissioner of CIAA has said that after the Constitution deleted the investigation into the improper activities from the functions, duty and rights of CIAA consequently, making CIAA not able to investigate the private sector and non-governmental organization thus reduced the jurisdiction of CIAA, and increased the policy-level irregularities, as even for the minor deals the government has made policy-level decisions, the news in "gorkhapara" of August 2, 2017 stated.

However, the lawmakers on the committee has charged CIAA with not being able to effective, and ignoring the corruption committed under the political protection; member of the committee also former prime minister Jhulanath Khanal has said that complaints about corruption in the education sector has been the highest but the investigation into the cases CIAA has done, has been insignificant, the news in "gorkhapara" stated.

The Parliamentary Committee on International Relations and Labor has found that the human trafficking from Nepal has been in conjunction with the State mechanism, as 60 percent of the laborers illegally going to the gulf countries for work have gone in close cooperation with the immigration officials, airport security, and airline officials, according to the report prepared by the Parliamentary team headed by Prabhu Shah: the then Chairman of the parliamentary Committee on International Relations and Labor after visiting the gulf countries such as Saudi Arabia, Kuwait, Qatar, and UAE, and interacting with the Nepalese laborers, the officials of the Nepalese embassy and other stakeholder for ten days for the onsite study on the situation and condition of laborers in Chaitra (March/April), the news in "gorkhapatra" on August 9, 2017 stated.

Some custom clearing agencies have been evading tax on imported goods in conjunction with the custom officials. The custom official has signed off two custom declaration forms for the same goods for two trucks with different license plates at the Bhairawa Custom Office means one truck going without paying tax on the goods it has been carrying; some of the custom officials suspicious of the second truck carrying the same custom declaration form stopped it and brought it back to the office; the chief of the custom office has said that serious investigation into the case would be done, and the concerned official would be questioned, the news in "gorkhapatra" on August 13, 2017 stated.

The Melamchi Drinking Water Development Board had awarded a contract to the Chinese Company called China-15 Railway Bureau for constructing the more than 27 km long tunnel at NPR 4.24 billions. The Chinese company started off digging the tunnel in April 2010 but it walked out of the job after excavating six kilometers of the tunnel in September 2012. Then, the Board signed off a contract on digging the rest of the tunnel with the Italian company CMC di Ravenna at NPR 7.72 billions in 2013, and the company started off digging the tunnel in January 2014. The estimated cost of the project is NPR 23 billions; so far, the expenditure has been NPR 22.34 billions as of August 10, 2017, the project chief has said.

The project was supposed to complete after four years in 2017 but the time was extended to September 30, 2017 in view of the Indian sanctions and the quakes in 2015. However, the project has not been on target, as it met a soft rock at 2.202 km of the remaining portion of the tunnel toward the Melamchi River, and constructing the tunnel has been drastically delayed. At the same time, the subcontractors have

stopped working saying they have not received payments from the CMC di Ravenna. If the project meets its new target the water might flow to Kathmandu in March 2018; it has completed 25.382 km of the tunnel, the news in "gorkhapatra" on August 10, 2017 stated.

Support Prices for Agricultural Products

However, the lawmakers and the government they have set up have not been able to relieve the small farmers of the problem of selling their products even at the support prices the government used to announce every year keeping the farmers on the mercy of the local traders, and the factories for buying their products.

For example, the news on 'gorkhapatra' of December 6, 2016 stated that the State-owned company called Nepal Food Corporation (NFC) has delayed setting the prices of different varieties of rice and then purchasing the rice from the farmers in Banke causing the small farmers to sell their rice at low prices to the local traders to meet their immediate needs for the seeds and other inputs for the new crops to cultivate, and for the household expenses, too.

The agricultural season in 2016 has been the most favorable for producing the rice. So, farmers have made a good use of the favorable monsoon for higher production of rice. However, farmers would not benefit from high production of rice if they could not sell their products at the profitable price on time. If they could not sell their products on time then they would not have money for sowing the next crop. They would need to go back to the local moneylenders to borrow at a high cost. So, the State agency such as NFC needs to be very smart and buy the farmers' products on time at the price the State sets. Farmers would not be able to cash in the nature's favor if the State does not act accordingly.

Not only the NFC but also sugar factories have been delaying the purchase of sugarcane distressing the farmers, as they could not cut down the sugarcane for another crops, and the sugarcane is losing its weight, too. Some farmers complained that the factories have been deliberately delaying to purchase the sugarcane from the farmers to take the advantage of the weight loss of sugarcane.

Economic Liberalization

In the name of economic liberalization, the then government elected after the reinstatement of multi-party democracy in 1990 sold liquidated or suspended the industries, factories, and means of transportation ostensibly for the fast economic activities without burdening the State.

The idea of the economic liberalization was perfect provided the government had made an environment conducive to flourish the private or cooperative business so that the private and cooperative organizations could immediately filled out the gap the government had created after the so-called economic liberalization.

It had been clear that the then economist that had propagated the liberalization had obviously did not understand liberalization because the government had only sold or closed the State-owned factories and means of transportation without creating and

an environment favorable to the private companies or cooperatives to step in from where the government had stepped back.

Consequently, many large industries such as leather industry, textile industry, paper industry, agricultural tools factory, sugar mills, cigarette factory and so on stopped working causing tremendous loss of revenues to the State, as hundreds of thousands of laborers lost their jobs making not only unable to earn for the livelihood of their families but being unable to create any revenues for the State.

Currently, large State-owned industries such as paper mills, tire factory, agricultural tools factory, and sugar mills have been closed causing the revenue loss, and causing the rusting of machines and tools as they have been idle for so many years. Laborers have lost their jobs. It has made tremendous economic loss to the country.

However, others have benefited from the closure of the national industries and factories, as they could import those goods and service making much more profits than producing in the country. Surely, the countries selling those goods and services also benefited from the closure of the industries and factories in Nepal.

It has been open secret that India does not want Nepal develops any industry that offsets the Indian export to Nepal. That was one-hundred percent understandable but the most deadly things had been the politicians that came to power after the elections became the tools of such elements and made Nepal poorer selling or closing the Nepalese industries only to gain a few millions of NPR as commissions. For all these things credit should go to the then Prime Minister Girija Prasad Koirala and his much loved Finance Minister Dr Ram Sharan Mahat that once boasted that he saved millions of NPR eliminating the State-owned cigarette factory, and he also had once said that taking commissions was not wrong.

Nepal had given birth to the prime ministers and ministers that had been detrimental to the country but also given birth to the smartest ministers such as Nabindra Raj Joshi and Gagan Kumar Thapa of Nepali Congress, and Janardan Sharma of the Maoist-Center.

Minister for Industry Nabindra Raj Joshi had been instrumental to revive some of the industries his predecessors had closed. Minister for Industry Joshi had already opened up the pharmaceutical company that had been closed for years in Kathmandu. He put forward the idea of Nepal Army, Armed Police Force of Nepal, and Nepal Army running the Hetauda Textile Mill with their joint investment from the provident funds of their employees; the products of the mill would be used for the uniform of the employees of these security agencies and for the uniforms of school students, the news in "gorkhapatra" of October 28, 2016 stated.

Minister for Health Gagan Kumar Thapa had done quite a lot for providing common folks particularly the disadvantaged folks with health services for the affordable prices. He even made free treatment of major diseases such as cancer, heart disease, and kidney problems and so on for those folks that could not afford to treat such diseases.

Minister for Energy Janardan Sharma had done a marvelous job of almost ending the power outage in the major cities and major part of Nepal firing the dishonest members of the board of the State-owned Nepal Electricity Authority and then appointed the most capable CEO Kulman Ghising to the company. The minister

working jointly with the CEO cut off the power the former corrupt ministers and CEOs had diverted to only a few large industries from the common consumers, and they brought back the power to common consumers causing tremendous social and economic gains to the country. They also made the hydropower plants operate more efficiently, and they added power purchasing from India to meet the national demand.

The economic gains of the uninterrupted power supply had been as the small, medium and even large industries could operate twenty-four hours a day. They did not have to either close factories or use the expensive diesel generators to produce power to run the factories. Industrial productions have increased considerably contributing to the GDP growth of more than seven percent in the fiscal year 2016. Social gains had been that common folks could use power to cook, to run businesses smoothly; students could study even at night with the electric lights.

The vivid failure of the economic liberalization has been the persistent power outage for more than a half day because the then government primarily presided over by Prime Minister Girija Prasad Koirala with the advice of his Finance minister Dr Ram Sharan Mahat: the staunch supporter of economic liberalization did not build any power stations hoping the private companies would build power plants sufficiently.

The two guys: Koirala and Mahat did not feel that they had not opened up the economy sufficiently for the private companies to build hydropower plants and for the financial companies and banks to provide the private companies with funding required for building the power plants.

Prime Minister Girija Koirala and his Finance Minister Dr Mahat simply issued a number of licenses for building hydropower plants. They stayed in power for more than 20 years altogether but they never came to sense that their economic liberalization had not brought any positive result in the power sector. Consequently, Nepalese had to suffer from the power outage for such a long time.

Another example of the failure of the economic liberalization has been the slow economic growth. Koirala and Mahat had closed the State-owned factories without creating an environment for the private companies to flourish rather they had scared away the companies seeking the rent for any decision-makings.

The only success Koirala and Mahat had made had been in sending Nepalese abroad to work for remittances. Thanks to these two guys today (2017) hundreds of billions of NPR have been coming to Nepal consequently making the remittances more than 30 percent of the GDP. This has been a great success forgetting the sufferings the Nepalese migrant laborers had to endure while serving in foreign countries.

Bureaucracy as a barrier

The State bureaucracy has been one of the main reasons for delay in project implementation and even for completing them. Bureaucrats are rent seeking bosses that would hardly move any dossiers from one desk to another without a proper payment rather a payoff.

Quoting the Comptroller General Office, the recent Radio Nepal news has it that the accountants have held the checks issued to the contractors. Most of the development

budgets are used at the last three months of any fiscal years. The FY 2016 ended on July 16, 2017. Accountants of various department issued checks for billions of rupees to contractors that had worked relentlessly in the last three months but the account officials held those checks for the obvious reasons.

The Ministry of Finance has been mulling to make mandatory to cash the checks issued to contractors within a month. Here, the question is why the Finance Ministry has been so shy to take actions against the accountants that held the checks illegally. Why the Finance Ministry did not make a rule to issue the checks immediately to the contractors. All these questions ultimately lead to the vested interest of bureaucrats and most probably of ministers, too.

Service delivery has been horribly time-consuming. The Banke District Revenue office has recently introduced the system of delivering the service through computers obviously for expediting the service delivery but the clients have suffered from the tremendous delay in the service delivery sending the clients to protest, stated the news in "gorkhapatra" on July 27, 2017.

Officials at any State offices could say that either the papers are not right or the rules don't permit but if anybody make a payoff then everything becomes correct, straight and right, and s/he gets what needed. Everybody would not know the State rules and regulations, and laws, and everybody does not need to know them, too but everybody needs the sincerity of the officials responsible for delivering public services but that is really lacking in this country.

Coordination and Cooperation Among Ministries

Sometimes, ministries did not cooperate with the project management in implementing the projects. Speaking to the anchor of the Radio-Nepal morning program called 'antar-sambad' on November 11, 2016, chairman of parliamentary committee on development Mr. Rabindra Adhikari said that each ministry tried to run as an independent entity and did not cooperate with another; consequently, even the projects designated as the nationally important ones suffered from delay and defunct; for example, the ministry of forestry did not permit to cut down the trees on the way of the power transmission line delaying the construction of power transmission line, and also in the areas the postal roads would pass causing the project defunct for several years. The Radio-Nepal morning news on November 15, 2016 has it that the construction of the postal roads has been delayed, as the Department of Forest did not allow to cut down the trees.

At the Twelfth Annual General Assembly of Computer Association of Nepal (CAN) Federation held in Banepa on Sunday, November 20, 2016, President of CAN Federation Binod Dhakal said that the defunct IT Park should be used for the purpose for which the government set it up, the RSS news on therisingnepal.org.np stated. He said it would be unacceptable to the Federation if the government would allow KU (Kathmandu University) or any other organization use the IT Park for different purposes. He also has said that CAN Federation is ready to take over the responsibility for running the IT Park if the government cannot. Speaking at the same event, lawmaker Kanchan Chandra Bude has said that towns such as Dhulikhel, Banepa and Panauti would have developed into a model town had the government allocated necessary budget for IT Park even after defining it a 'smart city'.

The ministries also did not coordinate with each other on implementing their projects. Consequently, the Department of Roads paves the roads only the Department of Drinking Water and Sewerage to dig the freshly paved road to lay the water or sewerage pipes in the past. For example, currently (February 2017), Kathmandu Upateka Khanepani Limited (Kathmandu Valley Drinking Water Limited) has been digging the freshly paved roads elsewhere in Kathmandu for laying the pipes for distributing the Melamchi River water anticipating the water will flow from Melamchi to Kathmandu in November 2017. It has created a huge environmental problem that will have negative impact on the health of the people.

Sometimes one agency builds something only another to demolish it. For example, the Kathmandu Metropolitan City Office built an overpass for people to pass over the road at Kalanki only the Department of Roads to demolish it even before its completion for expansion of the road.

The parliamentary committee on development issued an order to the Kathmandu Metropolitan City Office to submit a report within a week on why the Metropolitan City Office constructed the overpass at Kalanki going against the instructions of the Public Account Committee not to construct causing a huge loss to the State coffer, as it was demolished before completion, the news on therisingnepal.org.np stated on November 10, 2016.

After the ending of the no-party system of the Shah Rule in 1990, most of the democratic governments have been a coalition of more than two political parties. Most of the ministers of different political parties have been accountable to their political bosses than to the prime minister. So, they often worked independently of other ministers. Consequently, their non-cooperation and no coordination with other ministers have made a tremendous adverse impact on the economic development.

National Planning Commission (NPC) has been mandated with coordinating different ministries and monitoring the progress of development projects. NPC directly reports to the prime minister. NPC used to monitor the progress of every department under every ministry quarterly in other words once every three months. However, such monitoring has not been reported in the Nepalese media for a long time. NPC is the most appropriate State agency to coordinate different ministries for expediting the implementation and completion of development projects, surely for monitoring the progress of development projects, too.

It might be one of the reasons why the capital expenditure has been so low. Only 12 percent of the budget for the capital expenditure has been used in the six months of the current fiscal year 2016, the State media reported. Delay in the project completion has been intentional rather than the low project-implementation-and-completion capacity of the State employees. Nobody could make any money out of any project if the project is done. If a project is delayed and the State has to put more money and time to complete it then everybody involved in a project could make money even following the rules and regulations. So delaying the project completion has been the profitable business for the State employees.

Most of the ministers have engaged in moneymaking businesses rather than the national development. They shamelessly accumulated huge assets at the cost of the nation and at the cost of the common folks. Common folks have remained very poor whereas a few politicians became very rich, and made millions if not billions of NPR.

Coordination and cooperation among State agencies

Another serious barrier has been the lack of coordination among the State agencies that have preferred to work disregarding what another agency working in the same field is doing and has done. For example, the Department of Roads builds a road. Not even a month passes after the blacktopping of the road, the State agency responsible for water supply and sewers digs the newly built road, and the road becomes muddy and dusty again. The State money has been wasted on building a road.

On July 25, 2017, the Radio Nepal morning news has stated that the Minister for Urban Development made an inspection of the Kalanki-Nagdunga Road that has been waiting for widening for some time. According to the news, the minister found a number of electricity poles the Nepal Electricity Authority has to uproot and remove have remained in-situ; a number of illegally built sheds, and other structures some agencies have to remove remained unmoved, too. The total number of such barriers has been more than 1,300.

The 'artha bazaar portion of "gorkhapatra" of July 25, 2017 has a news that Nepal Electricity Authority could not complete the construction of the Butwal-Gorusinghe-Lumbini 132 KVA transmission, as the Roads Department refused to give an approval of setting mono-poles along the under-construction Belahiya-Butwal Trade Road. The trade road is of multi-purpose, and so cannot be immediately give an approval of laying electricity poles along the green belt, the concerned engineer of the road project stated, according to the news. So, Nepal Electricity Authority has to find an alternative route at a higher cost.

The Parliamentary Public Finance Committee has instructed the government Prime Minister Deuba has presided over to make the State agencies work in coordination and in cooperation with each other so that the taxpayers' money would not wasted on building a road that is to dig just only after the blacktopping.

After a schoolgirl drowned in the pothole water, another was saved in Kathmandu, Prime Minister Sher Bahadur Deuba call out the officials of the concerned ministries such as Transport, urban and local development to fill out the potholes working in cooperation and coordination within 15 days. Most of such cases elsewhere in Nepal went unnoticed.

The concerned State agencies have been smart enough to fill out the potholes even working under the heavy downpour of monsoon rains, and even blacktopped in some important areas where the Prime Minister often travels. However, potholes might reappear soon, as earth was used to fill out rather than stone aggregates the prime minister had instructed.

Speaking at the Reporters' Club on Friday, July 28, 2017, the newly appointed Minister for Physical Planning and Transport Bir Bahadur Balayar has regretted that the prime minister has to order the State agencies for filling out the potholes on the roads in Kathmandu even though repairing roads has been the regular business of these State agencies.

Prime Minister Deuba has demonstrated he could bring the concerned State agencies together and work them, too. In fact, any prime minister is accountable to make the State agencies work in coordination and cooperation. However, not always a prime minister could do so particularly when some ministers belong to the political party of another coalition partner, as those ministers often believed they were accountable to their party boss than the prime minister.

National Planning Commission is another agency responsible for coordinating the ministries. It directly reports to the prime minister. So, it might not have any problem of making the ministries work together but such things have not been happening. Again ministers work independently of other ministers and such an agency and even of the prime minister sometimes challenging the prime minister.

Adverse Law Suits

The law court has contributed to the delay in implementing the projects, Chairman of parliamentary committee on development Rabindra Adhikari said. Speaking to the anchor of the Radio-Nepal morning program called 'antar-sambad' on November 11, 2016, Chairman Adhikari said that without thinking about the implication of its interim order, the court has issued an interim order to stop the project implementation until the next order.

Speaking at the parliamentary committee on development on November 10, 2016, Commissioner of Kathmandu Valley Development Authority Mr. Bhaikaji Tiwari said that the road expansion work was delayed as 368 lawsuits were filed in the court against the expansion of roads in the capital, the news on the therisingnepal.org.np stated on November 10, 2016.

In the course of the widening the Tripureshwor-Kalanki Road, when the project management was about to demolish the houses on both sides of the road, the locals of Kalimati in Kathmandu, whose houses were to demolish went to the Supreme Court seeking the stay order. The court issued the stay order stalling the implementation of the project.

Frequent Changes In Government

Frequent changes of the government has been the cause of the delay in the project implementation, as every new government has to first familiarize the projects, then only to make decisions on the development projects. The life of a government has been as short as nine months.

Every government transfers the civil servants from one ministry to another, and then appoints the project managers of its choice. So, every new person at different level of decision-making process has to acquaint with the project and then implement the project. The World Bank study has found that every new government has taken five to seven months for continuing the project implementation.

Some politicians and even the development experts say that the country needs a stable government to effectively implement the development projects. This is only a half-truth. Nepal had a 30-year Panchayat stable government and a 104-year Rana rule but what they did was nothing for the common folks but mostly for the despots.

So, the country needs a system of effective project implementation than a stable government. The project implementation needs to be independent of the elected government. No matter who comes to power, the project implementation needs to continue. To this end, any government once it has decided to implement a project means needs to allocate the budget for the entire project period, and the budget needs to flow to the project every year at the rate previously set no matter which political party comes to power. The project management needs to be made solely responsible for the completion of the project.

The current disaster practice of the project management has been that once a new party comes to power means forget about the projects the previous government has implemented and then it makes new projects, and cuts down the budget to the previous projects and so on. In other words each new government first creates the mess of the development process and then it puts the development projects back on its own track. That might be the reason why every new government takes five to seven months before continuing even the implementation of the large development projects.

One of the significant obstacles to the implementation of the development projects has been the lack of the system of reward for the good work done and punishment for the failure of doing the job. Each government had appointed the project managers of the large projects following their loyalty to the political party or the leader. Forget about the performances of the project managers but they get promotion and transfer to the better or higher positions if they are very near and dear ones to the prime minister and concerned minister. Then why they did need to perform, they simply needed to keep their political bosses pleased, at all time. It has contributed not only to the sluggish performances of the project managers but also to the misuse of the project resources for the benefits of the bosses.

Trade And Transit

In the past up until the mid 20th century, the then rulers called Ranas had even closed the trade routes causing tremendous difficulties to the Nepalese traders working in Lhasa, the capital of Tibet, as they needed to pass through Sikkim to Lhasa, and causing the loss of the revenue the trade routes had generated for the country. The Ranas did so fearing the prosperous Nepalese would demand the fundamental human rights, and consequently, the Ranas would lose the monopoly on ruthlessly running their administration.

In the past, Nepal had been the trade and religious bridge between India and Tibet. All the goods and services Tibet required from India passed through Nepal. So, Nepal had so many flourishing trade centers from east to west before the Ranas took the power. Nepal had even minted coins for Tibet. For studying Buddhist scriptures, Tibetans used Kathmandu as the center and then they went further down south to learn more. During the stay in Kathmandu they acclimatized their bodies for the hot climate in the south. While returning back to Tibet, they again stayed in Kathmandu a few months again for acclimatizing.

One of the main impediments to the economic development has been the dependency on India for both the trade and transit. About 80 percent of the Nepal's trade is with India. Nepal has to pass through India to trade with other countries, as

India has the border with Nepal on all three sides except to the north. Indian custom officials at the border between India and Nepal sometimes arbitrarily stop the Nepalese products from going to India either following the command from the high officials or making a little money. Sometimes, India simply closed the border entry points keeping a single entry point open as required by the international law making the lives of Nepalese immensely difficult. High officials in New Delhi take such actions only to show the Nepalese politicians and the State officials what they could do if the Nepalese did not honor their advice.

The news on [business-standard.com](http://www.business-standard.com) on November 16, 2016 also reported that in recent years, trade between the countries (Nepal and India) has increased substantially. "Exports from Nepal to India increased from Rs 230 crore (2,300 million) in 1995-96 to Rs 3,713.5 crore (\$605 million) in 2013-14 and India's exports to Nepal increased from Rs 1,525 crore in 1995-96 to Rs 29,545.6 crore (\$4.81 billion) in 2013-14," says the MEA website."

http://www.business-standard.com/article/economy-policy/nepal-calls-for-cash-exchange-help-116111501880_1.html

At the meeting with Indian Minister of State for Commerce Nirmala Sitharaman in New Delhi on August 24, 2017, the Nepalese business team of Federation of Nepal Chambers of Commerce and Industry (FNCCI) accompanying Prime Minister Sher Bahadur Deuba during his visit to India from August 23-27, 2017 has said that the non-tariff barriers such as quarantine and sanitary phyto-sanitary (SPS), and technical barriers and stringent rules of origin have hampered the export from Nepal to India. "To address these non-tariff problems, we seek India's technical assistance in enhancing the quality of Nepali products, and making quarantine and SPS lab certification compatible with Indian standards: said FNCCI President Bhawani Rana, the news in "The Rising Nepal" stated on August 26, 2017.

According to the press statement FNCCIA issued, President Rana requested India to relax stringent rules-of-origin criteria for importing the goods manufactured in Nepal, simplifying to a single criterion of 20 percent value addition, as the ratio of the Nepal's export to India to the import from India has reached 1:15 making the tremendous trade imbalance between the two countries.

Concerning Nepali gas bullets, FNCCI urged the minister to make Petroleum and Explosive Safety Organization (PESO) of India issue an "Explosive Certificate" to Nepali LP gas industries so that Nepali gas bullets could carry LP gas from India to Nepal. FNCCI also stressed the need for reforming the Trade and Transit Treaty between the two countries.

Nepalese have invested five billion in the 775 gas bullets to transport LP gas from India to Nepal after the then Nepalese government waived two-thirds of taxes in September 2015. However, the investment has been frozen, as they could not transport the gas without the permission from India. Investors have been preparing to claim for the loss caused by not being able to capitalize on the investment in the gas bullets even after the India visit of Prime Minister Sher Bahadur Deuba from August 23-27, 2017, having the concerns of the gas bullet on the top of his agenda on the talks with the Indian counterpart while in India, the news in the "Artha Bazaar" section of "Gorkhapatra" of August 28, 2017 stated.

So far, ten Indian companies have been transporting LP gas from India making billions of NPR annually. So, they must have lobbied the Indian government either to

delay issuing the "Explosive Certificate" to the Nepalese gas bullets or not to issue at all making the Nepalese investors failure in the gas bullet investment. Obviously, Indian authorities including Prime Minister Narendra Modi did not take the issue of allowing Nepalese gas bullets to operate, as the lobby group of the Indian LP gas bullets must be strong enough to influence even the prime minister in not issuing the "Explosive Certificate".

Upon arrival at the international airport in Kathmandu from New Delhi, India on August 27, 2017, Prime Minister Sher Bahadur Deuba told the reporters that he had put forward the issue of running the Nepalese gas bullets for transporting the LP gas from India to Nepal at the meeting with his Indian counterpart; Indian Prime Minister Narendra Modi in turn has said that the prevailing Indian law permits only the gas bullets with the Indian license plates to run in India; however, dialogue could be kept on going, on this matter, the Indian prime minister said, the news in "gorkhapatra" of August 28, 2017 stated.

The statement of the Indian Prime Minister Modi could raise two questions: one why India could not make a special case for issuing the Indian license plates to the Nepalese gas bullets, another why the Indian administration could not issues "Explosive Certificate" to Nepalese gas bullets. No wonder, Indian Prime Minister Modi could have such a simple excuse to avoid issuing "Explosive Certificate" to Nepalese gas bullets making the Nepalese investors suffer.

Nepal has been stuck in developing the hydropower with the foreign investment as India refused to buy the electricity from Nepal, India refused to buy any products produced in Nepal with foreign raw materials, and India even refused to buy the agricultural products produced from the Chinese seeds, and so on.

The Indian establishment has been blatantly obstructing the hydropower development in Nepal refusing to buy hydropower the foreign companies would developed in Nepal since early 1990s stopping the foreign investment in the hydropower development. Now, India came up with the "Guidelines on Cross Border Trade of Electricity" that allows to buy the hydropower from Nepal only the Indian majority-share-holding companies and the Nepal Electricity Authority produce.

Smuggling of fish and banana from India to Nepal through the open border has been concern for not only to the farmers but also to the revenue officers, as the cheap Indian fish and banana brought in without paying custom duty has distorted the prices of those products in the Nepalese market, and caused the loss of custom revenue to the nation. Indian government has been heavily subsidizing the agricultural products making them cheap whereas Nepalese farmers did not have such benefit making their products costlier than the Indian encouraging unscrupulous traders to smuggle those products into Nepal even without paying the custom duty and even without quarantine, as they have been working in conjunction with the Armed Police Force of Nepal and Nepal Police, the news in the 'artha bazaar' of "gorkhapatra" of August 28, 2017 stated.

Anybody might say that Nepalese consumers of these cheap agricultural products benefited from the Indian State subsidy on those products. However, the disadvantages outweigh the benefit a number of times. First, these products have not undergone the quarantine checkup. So, nobody actually knew whether these products were good for the human consumption or not. Second, the Nepalese farmers could not compete with these artificially made cheap products. So, the

national farming of fish and banana might give in to the Indian farming means employment loss, economic growth loss and many other secondary and tertiary employment and economic losses. Third, the nation has lost the revenue importers have to pay for importing these products through the proper channel.

In absence of an alternative transit, Nepal has been exclusively depending on India for transit to the third countries. Nepal had to use the Kolkotta (Calcutta) seaport for export and import. The port has been so crowded and busy, Nepalese importers and exporters have to wait months for clearing their goods out of the port. Recently, India has agreed on letting Nepal to use one more seaport Vishakapatnam. However, how and when both the governments would implement this agreement is not known, yet.

Bangladesh has been willing to let Nepal use its seaports for exports and imports of Nepalese goods but Nepal has to use about 15 km of the Indian Territory to reach the Bangladesh border from Kakarbhita in Eastern Nepal. India has its many excuses not to let Nepal use her land for transit to Bangladesh and beyond.

The process and initiative for the trade diversification and even an alternative transit route via China have been going on. China has agreed on providing Nepal with a transit. How far, the process for opening up an alternative transit via China has reached not known publicly, yet. However, Nepal has not moved so fast to make it a reality. China has been intensifying to increase the trade with Nepal and even investment in Nepal. China might soon pass India in trade with Nepal in volume and in amount.

China has agreed on letting Nepal to use its territory for transit to the third countries but Nepal and China have to reach an agreement on which route and seaport Nepal could use for passing through to reach the third countries. At least Nepal has an alternative to the sole dependency on India for transit.

China has the ambitious program on 'One Belt One Road'. Under this program, China is building the railway to Kerung near the Nepal border. The railroad is anticipated to complete in 2020. Certainly, Nepal has to use this railroad for exports and imports to the third countries via the Chinese territory. China has the plan on reaching India via Kerung through Nepal. So, China is willing to build the railway network in Nepal linking with Kerung following the 'One Belt One Road' to connect China, Nepal and India. Success of this plan absolutely depends on India accepting this plan.

On December 6, 2016, Nepal Telecom (NT) on behalf of Nepal and China Telecom Global on behalf of China signed off an agreement on providing Internet protocol service between the two countries through cross-border Terrestrial Cable Route, the Xinhua news quoted NT as saying. This has reduced the dependency on India for the Internet.

China also despite its so much of good intention to develop Nepal, it has kept the Tatopani-Kodari (Khasa on the Chinese side) border closed since the devastating quakes destroyed most portions of the highway linking it in 2015. Some Nepalese experts in the China business believe that China has kept the border point closed for trade and for any other purposes because some Nepalese around the border area had been engaged in the illegal human trafficking. They had been taking Tibetans in and out of Tibet to India and back home in Tibet causing not only embarrassment to the Chinese authorities but also causing them to worry about the security.

Demonetization Of Indian Banknotes

Indian Prime Minister Narendra Modi suddenly declared the demonetization of the Indian banknotes in 500 and 1,000 denominations in November 2016 making the banknotes trashes. Consequently, businesspeople stopped taking those banknotes for any business in India and other neighboring countries bringing the regular business to a halt. The intention was to trash the illegally accumulated wealth stored in the banknotes in high denominations but it brought the regular business and economic activities to complete halt causing the tremendous sufferings to the common folks.

Demonetization of high value banknotes Indian Prime Minister Narendra Modi announced in November 2016 has shook not only the Indian economy but also the economy of the neighboring countries. Former Prime Minister of India Man Mohan Singh said in the parliament that the growth of the Indian GDP would fall by two percent as the result of the demonetization. The economy of the neighboring countries heavily depending on India would also fall short of GDP growth, as demonetization has directly hit the import and export businesses consequently adversely affecting the economic growth. Nepal has already recorded the less revenue collection at the custom offices on the border between India and Nepal indicating the import from India has reduced.

Nepalese small businesses in the areas bordering with India have come to a halt, as did the Indian after the demonetization, as the businesspersons could not use the high value banknotes. Consequently, the businesses have dried up along the border between Nepal and India for some time causing a tremendous loss to both Nepal and India, and their businesspersons.

Indian visitors have been drastically reduced after the demonetization of the high value Indian currency. On December 11, 2016, the local media reported that the Indian pilgrims visiting Muktinath in the Mustang district and other religious areas have been considerably less as they could use neither the banknotes in 500 and 1,000 denominations nor Nepalese could accept them as the result of the demonetization of the Indian currency. It has hit hard the hotel industry in the area. Similarly, the Indian visitors in the Nepalese casino have been insignificant, too, as they could not use the high value Indian banknotes.

The faith in Indian banknotes also has fallen. Businesspersons have even stopped accepting even one-hundred-rupee banknote thinking that the Indian government might declare it invalid at any time. So, the businesspersons along the Nepal-India border have been running the business in the Nepalese currencies, the news published in the economic section of 'gorkhapatra' stated on November 26, 2016.

All the stores in the border towns on the Indian side along the border between Nepal and India did not accept the Indian banknotes even in the 100 denomination thinking the Indian government might cast off even the banknotes in the lower denomination instead they accepted the Nepalese currency. Thus, Indian storeowners in the border towns have been running the business in the Nepalese currency having lost the faith in the Indian currency.

Anybody could guess what negative impact of the demonetization of the Indian currency has been on the Nepalese economy, as Nepal has almost 80 percent of its trade with India. First, Nepalese businesspersons have to have the new legal Indian banknotes in the denominations of 500 or 2,000 for buying Indian supplies and services. Second, they have to exchange the demonetized banknotes in the denominations of 500 and 1,000. Both are not so easy to do. So, Nepalese businesspersons also suffered very much, as they could not do their businesses of export and import for the time Indian banknotes are not easily available.

Prime Minister Modi had not only distracted the regular economy from running smoothly but also had to pay a high price for demonetization done in the name of curbing the parallel economy and so-called black money accumulated in cash and used for political campaign and so on. Black money and a parallel economy would continue as long as so cunning Indians would live on this planet. So, Prime Minister Modi has tried to do something at the very high cost to the nation that he would not be practically able to do.

Some people have converted 1,000 notes for 800, and 500 for 400. This is how Modi has stopped the black money. Panicked Indian and other citizens of the neighboring countries that have been working in India and sending money back home, and doing petty businesses with Indian companies have salvaged the defunct Indian banknotes in high denominations at whatever the rates they could get. Some people have been making money out of the demonetization. Is it how Modi curbed the black money and business?

Printing banknotes worth trillions of Indian rupees would probably cost India billions of rupees, and would cost millions of rupees for burning the demonetized banknotes. So, what a game Prime Minister Modi has been playing is really an economically lost one even though he might win the upcoming State elections, as he has disabled the black money political parties have accumulated for the elections.

Some reputed Indian economists including the prominent economist such as former Indian Prime Minister Man Mohan Singh prophesized that the demonetization would not stop the illegally earned money popularly known as 'black money' rather would cause the slow economic growth. Prime Minister Man Mohan Singh even said that the GDP growth would be down by two percent.

The BBC NEWS titled "India admits rupee withdrawal bad for economy" on January 31, 2017 says, "India's controversial withdrawal of high value banknotes late last year has had an "adverse impact" on the economy, the government has admitted. The country's Economic Survey, released on the eve of the national budget, said the measures had slowed growth. The report forecast that India's economy would grow by 7.1% in the year to March 2017, down from 7.6% the previous financial year."

The opinion article titled "Modi's demonetization plan has been a failure" posted on globaltimes.cn on January 24, 2016 said, "The demonetization of 1,000 and 500 Indian rupee notes by Indian Prime Minister Modi on November 8, 2016 has turned out to be a big failure. Approximately 93.5 percent of the demonetized currency notes have been deposited back into Indian banks. However, when this whole exercise was first launched, the Modi government made tall claims that around 20 percent of the total value of the demonetized currency would not make its way back into the banking system."

The news on the globaltimes.cn also said, "Further, Modi's demonetization move has led to an increase in corruption. A parallel economy has sprung up in India wherein any amount of old demonetized bank notes of 500 and 1,000 rupees were being converted into new bank notes or deposited into bank accounts at a commission of 30 to 40 percent. Bank employees exploited this opportunity to the fullest and converted large amounts of the old currency into new notes, and deposited huge quantities into dormant bank accounts. Political parties have also benefited tremendously."

Neighbors Play A Role In Development

Neighbors play a significant role in the development of a country. Nepal has only two neighbors but both are a number of times larger than Nepal, and economically fast growing countries and even poised to be the world super powers. Both of them have been contributing significantly to the infrastructure development of the country. India in particular has been involved in the various sectors of development in Nepal.

The two neighbors along with Nepal could develop a strategy that would make everyone a winner. However, everybody does not believe in it and does not want it for various reasons. China has offered India to make Nepal a bridge for the Silk Road following the strategy of 'One Belt One Road'. However, India is not so easily accepting it despite the fact that both the countries including Nepal could reap the harvest of benefits, as the distance between China and India will be reduced considerably for trade and other purposes.

Up until 1959 when the Dalai Lama left Tibet after the botched uprising against China, Nepal had been the bridge between China and India. Nepalese traders took the Indian consumer goods to Tibet and in return they took from Tibet whatever were salable in India. Lhasa had a Nepalese bazaar but the Nepalese traders were ejected from Lhasa in 1959.

While both the neighbors had good intention to help Nepal develop but they sometimes lose the patience and cause harm to Nepal. For example, India had imposed an undeclared blockade on Nepal stopping every truck carrying goods to Nepal for more than five months in 2015 causing tremendous misery to the entire population of 30 million Nepalese. Why India did so Indian Prime Minister Narendra Modi must know better than anybody else.

Nepal missed the economic development not only due to the quakes but also because of the unofficial blockade India imposed on Nepal in 2015. The GDP growth reduced to 0.77 percent from the projected growth of 5.5 percent. It was a kind of retribution Nepal suffered from the nature as well as the friendly neighbor. No matter how cruel the neighbor was nobody could change the neighbor but Nepalese could remain prepared for such unfortunate eventualities.

Both Nepal and China have lost the trade benefits from the closure of the Tatopani-Kodari entry point. Nepalese as well as Chinese importers and exporters have to reroute their cargo vehicles adding cost in transportation. Other routes are not so short and so easy, too. Naturally, the cost of transportation increases, and the time for the goods reaching the destinations also increases.

Despite all the drawbacks and the unfortunate possible events, nature has been so generous to so well positioned Nepal geographically to take the benefits of the two economic as well as physical giants. Market for all goods and services Nepal could produce is infinite in both China and India. So, Nepalese need to do is to ascertain what Chinese and Indians at the bordering areas and beyond that they could not produce or could produce but at a very high cost: and then Nepalese could produce such goods to sell there.

For example, Tibetans in the Autonomous Tibetan region of China have the high demand for the sandalwood. Nepal has the favorable climate for producing the fragrant sandalwood trees and then exporting the timber and oil from them to Tibet. They need it for the religious and social purposes. Both Nepalese and Tibetans could benefit from such a trade between the neighbors. This is only one example but there might be thousands of such things on both sides of the border.

Nepal is a holy land for both the Hindus and Buddhists. Nepal has numerous religious sites where Hindus have aspirations for visiting those religious shrines or temples at those sites at least once in their lifetime. Muktinath behind the Himalaya is one of them. Surely, the Pashupati is in Kathmandu for Hindus to visit. Lumbini is the birthplace of Lord Buddha. For millions of Chinese Buddhists, Lumbini might be one of the greatest attractions for the once in a lifetime visit. Certainly, Boudha in Kathmandu is the holiest place for the Tibetan Buddhists to visit. If Nepal could make right publicity of what Nepal has for the pilgrimage then Nepal could reap the harvest of the tremendous economic benefit.

Neighbors as barriers

Neighbors also have been instrumental to help Nepal develop and sometimes became the barriers to the economic development. China and India have contributed the most to building infrastructures such as roads, and highways, to developing industries, and education and so on. Sometimes, both China and India stood as strong barriers to the economic growth in Nepal.

For example, India imposed sanctions on Nepal even when Nepal was reeling from the massive quakes that devastated almost the entire central Nepal in 2015, adding pains to the common folks in Nepal. Even though India has the severe short supply of electricity it did not want to buy electricity generated in Nepal adversely affecting the hydropower development in Nepal. India has whimsically acted to stop the import of agricultural products from Nepal. These are the few examples India has done to hamper the economic development of Nepal in the past.

Indian Border Security Police have been making a trouble to the transporters of goods and even commuters checking the goods trucks and passengers at the Sunauli: the Indian side of the border checkpoint at the Belahiya-Sunauli border in the Rupandehi District since the last week of July 2017 causing tremendous delay in the export and the import between Nepal and India; the Indian Police have been checking the trucks and the commuters moving back and forth between Nepal and India, the news in the "artha bazaar" section of "gorkhapatra" stated on August 6, 2017.

Anytime India wants to restrict the movement of goods and people then it uses the soft tool of checking anything or anybody going in and going out of India at the

border between Nepal and India. It has been an open secret in the past and even today. India might have a genuine security reason for doing so but India could expedite the checking deploying additional police but Indian border officials even ignored the Nepalese local administration's request for adding some police to perform the checking the trucks at Sunauli, according to the news in "gorkhapatra". So, the reason for strict border checking might be beyond the security.

According to the news in the "artha bazaar" section of "gorkhapatra" on August 6, 2017, import of Indian cement has gradually decreased since the State circular on checking the quality of Indian cement received on May 31, 2017, and has totally stopped on July 16, 2017, said the information officer at the Nepalgunj Custom Office. Following the circular, the Custom Office needs to send the cement sample to Kathmandu for a lab test, and get the result before the Custom Office could release the cement. Getting result after a lab test in Kathmandu takes 16 days.

Nepal has strictly followed the Indian tactic of restricting import of cement. India used to ask the Indian Custom Office at the border with Eastern Nepal to conduct a lab test of Nepalese agricultural products requiring taking samples to Kolkata (Calcutta) whenever India wanted to stop or decrease the import of Nepalese products. Nepal has been self-sufficient in cement. So, Nepal wants to restrict the import of cement or it might be the success of the cement producers' lobby in Nepal. Such a trick might harm the consumers as the cement producers might have the monopoly on setting the prices of cement or even causing an artificial shortage of cement.

China has not opened the Tatopani border point in the east closed after the quakes hit central Nepal in 2015 stopping billions of NPR worth merchandise import from China, and denying the local people the most needed employment. Whatever the reasons for not opening the border point for smooth transport might be it has been the barrier to the development in Nepal.

Surely, China has opened up its territory and a port for Nepal to pass through for reaching the third countries when India blocked Nepal in 2015 but without the proper roads and railways linking to the Chinese border, the passage has been only on paper. The highly hyped "One Belt One Road" has been the hope for Nepal but when it will arrive Nepal, and becomes a reality remains to be seen.

Shortage Of Electricity

Power outage for 12 hours and even more a day had been the common phenomenon. The lack of power killed many small and micro businesses, and shut down small factories. Even the large business companies and factories had to keep fossil-fuel-run generators for generating power whenever power was not available from the central power grid. Hospitals and schools and whatnot had to keep generators and backup power supply at a high cost to keep on running their businesses.

In November 2016, speaking to the interviewer of "The Rising Nepal" Minister for Energy Janardan Sharma said, "There is lack of responsibility and accountability among the civil servants. We (they) have a culture of obstructing works and keeping them lingering for months/years in the name of following the process or rules. We need to bring revolutionary change in the bureaucratic system." This is the clear

indication of the Nepalese bureaucracy has been the stumbling block to the development.

Speaking at the joint meeting of the Chief Secretary, and secretaries of the Energy, Finance and Home Ministries on December 12, 2016, Prime Minister Prachanda said, "Complaints have been received that power theft is taking place with the help of bureaucracy." Seeking an immediate action against those found guilty, the prime minister issued special directives to Chief Secretary Somlal Subedi to take measures for having cooperation among the ministries concerned to crack down on power theft, the news on therisingnepal.org.np stated on December 13, 2016.

Recently, the police have arrested a few employees of the Nepal Electricity Authority (NEA) that have been helping the private companies for stealing the power, and the owners of the companies involved in stealing the power; NEA has lost NPR 13 billion worth of power during the last 12 years because of the power theft, the state-owned newspaper 'gorkhapatra' wrote on January 28, 2017.

Speaking at the meeting held at the office of the prime minister/council of ministers in Singh durbar on December 12, 2016 to discuss the "prevention and control of power leakage," Minister for Energy Janardan Sharma has said that some local political parties have been obstructing the upgrading work on the 132-KV Raxaul-Parwanipur power transmission line done to ease immediately importing 50 Megawatts power from India; and the local police administration did not cooperate on removing the obstruction even after the repeated requests, the RSS news on therisingnepal.org.np stated on December 13, 2016.

Minister Sharma did not name the political parties that have been working against the interest of the nation but he stressed the need for the cooperation of the Ministry of Home Affairs for clearing up the obstruction in the construction work. Immediately after the Energy Minister's statement, Home Secretary Lok Darsan Regmi assured that the problem of the obstruction in the upgrading work on the transmission line would be resolved immediately but he stopped short of taking actions against the non-cooperative police personnel, the news stated.

Minister for Energy Janardan Sharma has been pushing hard to complete the construction of the hydropower projects, and to plug the leakage of the power, and to use the available power impartially.

Minister Sharma appointed a new Chief Executive Officer (CEO) to the State-owned power company called Nepal Electricity Authority (NEA). The new CEO has retrieved the stolen power for equitable distribution ending the power outage at least in the Kathmandu Valley for almost two months. The previous CEO probably in conjunction with the previous energy minister and the Board members stole the power from the public distribution system and supplied it to a few large industries obviously making a large sum of money at the huge cost to the common folks.

Speaking at an event held in Kathmandu on November 20, 2016, Chief of Federation of Nepal Chambers of Commerce and Industry (FNCCI) said that the industries have saved NPR 16 billion worth of diesel after the power supply has not been interrupted, the local media reported. If the industries could save so much of money during the last few months, anyone could guess how a large sum of money has been wasted on burning diesel for producing power when the previous CEOs of NEA stole the power from the common folks and supplied the few industries of their choice causing so

much miseries to the common folks, and other industries to suffer from high cost of producing power burning diesel, and the nation to spend foreign currency on importing diesel. Another cost to the nation is surely the environmental pollution the burning of diesel has caused.

Almost every middle-class Nepalese family has set up an inverter and a battery to keep the light on during the power outage. Billions of NPR worth of inverters, and the matching batteries were imported causing the high cost to the nation. The demand for power went up for charging the batteries when the power supply resumed thus causing the overload in the circuit. Thanks to the power theft from the common folks, Nepalese needed to pay additional prices for inverters and batteries for keeping the light on at the time of power outage.

At the time of Prime Minister Sushil Koirala, the Nepalese media had reported that the then energy minister had deliberately increased the power outage to make the business of inverters and batteries flourish. Obviously, the energy minister must have made a large sum of money from the commission s/he must have received from the business community. That is another way of stealing the money from the pockets of the common folks.

Speaking to the reporter of the Radio Nepal, one of the businesspersons at the Biratnagar Industrial corridor has said that after the smooth supply of power, the industrial corridor has saved NPR 30 million worth of diesel per day used for generating power, the 7 PM morning news of the Radio Nepal stated on January 7, 2017. Previously, one of the officials of the Federation of Nepal Chambers of Commerce and Industry (FNCCI) had said that within two months of the smooth supply of power the industrial sector had saved NPR 16 billion worth of diesel. So, anybody could guess how the so-called politicians claiming to be the nationalists had sold Nepal to the foreign country for their personal benefits when the State administration was in their hands causing so much troubles from cutting power to the rest of the country for supplying to a few industries 24 hours a day.

Immediately after taking office, Minister for Energy Janardan Sharma (no matter which party he belongs to) has taken initiatives to end the power outage in the country. Initially, it was unbelievable in the country where common folks used to have power supply only for a half-day, would end the power-cut. However, the minister has proved that it is possible. Consequently, the Kathmandu Valley and the major cities and towns have been free from the power outage.

First thing, the energy minister did was to remove the uncooperative Chief Executive Officer (CEO) of Nepal Electricity Authority (NEA), and appointed a sincere and valuable person Kulman Ghising to CEO of NEA. Both Minister Janardan Sharma and CEO Kulman Ghising working in tandem found that the major portion of the national power has been diverted to a few large industries keeping the whole nation in darkness during the previous government headed by KP Oli also the chairman of CPN-UML.

Then both the current minister and the CEO have been pushing hard to complete the hydropower plants under construction, and the transmission line to complete as soon as possible. A few new hydropower plants have produced power and connected to the national power grid. Both of them went to India and talked to their Indian counterparts for importing more power from India to mitigate the power shortage in

Nepal. India has benevolently providing Nepal with powers even itself facing power shortage.

It has not been so easy for both the minister and the CEO to work for the country and for the people. Three Board Members of the NEA Board had been deadly against the country making free from power outage; so, they did not cooperate with both the minister and the CEO. The government removed the three-not-cooperating board members but they went to the Supreme Court demanding to reinstate them as the board members. Hearing on the case, the first Bench of the Supreme Court issued an interim order to the government not to enforce the dismissal of the three board members but after some days, the next Bench of the Supreme Court hearing on the same case dismissed the interim order the previous Bench had issued.

Now, the economics of power play, and how the previous government of Oli had possibly made a large sum of money out of keeping the majority of the people without light and forcing the industries and business to import diesel for generating power for running their business and factories or to run their businesses and factories only when power was available. Thus, the government of CPN-UML and its partner RPP-Nepal has practically sold Nepal to the country from where diesel, generators, inverters and batteries were imported. The same politicians have been claiming that they are the nationalists for saving the country from going to the hands of the foreign country. Is it not hypocrisy only to cover up their corrupt deeds?

The irony is that even some trade union members of the NEA have come out against making the country free from power outage clearly giving the hint at they have the share in the benefits coming out of the power outage. It also made it clear that possibly from the previous prime minister down to the level of the grassroots level workers of the NEA have the share in making hundred if not thousands of billions of NPR out of denying Nepalese the power supply, and stalling the industrial, business, social and economic development of the country.

NEA sells power at less than NPR 10 per unit of power, and even at a lesser rate to the industries. However, producing power from the diesel generators cost more than NPR 30 per unit of power in 2016. So, any factory or a business entity having diesel generators for producing power has to pay for power three times more than the power they get from the NEA.

Diesel has to come from India, and burning diesel means producing smoke polluting atmosphere. So, it involves not only financial cost to the industries and business but also the social cost and environmental cost to not only the country but also to the world as a whole.

Common folks have either to be without power or to install invertors and batteries to produce power for lighting houses during the power outage. This has been another cost to the households, and the burden on the nation, too for importing such equipment.

On the one hand the corrupt politicians and bureaucrats have been making billions of NPR causing the power shortage on the other hand the country has to import billions of NPR worth of invertors, batteries, rechargeable lamps and solar panels. The amount these fraudulent guys pocketed could probably build a few hydropower plants. So, anybody could guess how much more industrialists or businesspersons or common folks have paid for the power outage caused thanks to the politicians that

have been claiming the nationalists. Probably, the payment runs in hundreds of billions of NPR.

Obviously, former Prime Minister KP Oli and his Minister for Energy Radha Gyawali had clearly have been involved along with the NEA officials and even with the grassroots-level workers in causing the power outage. They have diverted the major power to a few industries for 24 hours a day keeping the country without power for more than a half-day throughout a year, the media reported.

The privileged industries that have received the favor from the prime minister and the minister for energy down to the NEA officials and workers have enjoyed the cost advantage of more than NPR 20 per unit of power they use otherwise they would need to produce power from the diesel engines at the cost of more than NPR 30 per unit or to wait the power supply to run the factories. They simply must have made the profit of hundreds if not thousands of billions of NPR only from the advantage of receiving the cheap power from the national grid. They also must have made a huge profit from the low production cost and the high outputs their factories could make with the uninterrupted power supply stolen from the common folks.

Now, the question is how much the profit the industries made, must have shared with the prime minister down to the workers of the NEA. It must be hundreds of billions of NPR these unscrupulous guys must have pocketed causing other industries, business and common folks that have been subjected to power outage to pay for the high cost of power production from the diesel engines, and the common folks to pay for inverters and batteries to light their house during the power outage.

Is it not the State criminal act of the government and of the NEA officials and workers? Certainly, it is a national crime but nobody would be able to indict such criminals because the evidences available are indirect ones only. Possibly, the Law Courts would not be able to judge them based on such evidences.

No wonder those flip-flop CPN-UML politicians at the time of entering the parliament in 1991, have been living like princes and monarchs in the modern bungalows today, as the source of means of highly luxurious livelihood have been the power outage. They did not even need to steal the money from the State treasury. They even feel that they are the princes and even monarchs as the spirit of the ghosts of the dead monarchs and princes must have entered in their minds. They have been for installing the Statue of Prithvi Narayan Shah in Kathmandu humiliating the entire Nepalese people that had been subjugated to slavery, poverty and destitute for 240 years.

Those who have been responsible for power outage diverting the power to a few industries could be called criminals, as they have pushed the country to the poverty. They should not go free without retribution.

The most important part of the power outage has been that the industries and businesses have either to close down or run them only during the power supply time or run diesel engines to produce power at three times the cost the power NEA could supply them. Consequently, their products have been costly. They could not compete in the market because of the high cost of their products whereas the few industries from the then prime minister down to the NEA workers have favored could run for 24 hours a day and harvest the profits from the high productions and from the low

power cost they have received from the NEA thanks to the then prime minister and the NEA officials and workers.

The business community also has to pay high prices for the power outage. They have to have power generators run on diesel or gasoline. Business offices have to run diesel motors to produce power to keep their business going. Hospitals have to keep the expensive diesel engines standby for 24 hours a day, and buy the high cost diesel for power. Even small stores have to run generators to light their stores polluting the atmosphere already so polluted by the vehicle exhausting fumes and the dust they kick off in the air.

Each house needed to keep an inverter and a battery standby for lighting the house during the power outage. Any family that can afford keeps such equipment but even the families that cannot afford such costly equipment have to have some rechargeable lamps to keep the light on in a room or a kitchen. Thus, every family needed to spend its limited resource on buying an additional equipment to keep light going on whenever the national power agency stops working for the common folks for providing power to the few privileged industries.

Former Prime Minister KP Oli and his energy minister must have known that how many billions of NPR has gone for importing those inverters and batteries, and rechargeable lamps. They are really selling the nation's assets to the foreign country for making money for themselves and their party. Are they real nationalists that are supposed to save the country if they are subjecting the country to the import of the foreign equipment, and fuel at the cost of the nation they are supposed to build?

Now, Minister for Energy Janardan Sharma and CEO of NEA Kulman Ghising have nothing but only praise and good will from the people that have uninterrupted power supply for the last four months reducing the cost of diesel and gasoline for producing power. They have imported power from India and made the contractors and owners of hydropower plants to complete the power plants as soon as possible.

Importing power is three times less costly than importing diesel and producing power. That is the financial benefits. It is the clean energy. It keeps the environment clean. The uninterrupted power supply has relieved the industries from the high cost of diesel power plants they needed to have. They could run their factories 24 hours a day. Laborers have the work for full shifts. Thus, employment opportunities have been enhanced. All benefits coming out of the smooth supply of power everybody has been enjoying must be in hundreds of billions of NPR.

Hospitals and other business community do not need to keep any generators standby for running to produce power at the time of power outage. They don't need to keep diesel or gasoline in stock for running the power producing engines. It makes their business less costly. They saved the money they needed to pay for purchasing the generators, and then fuel for them.

The State saves the foreign currency used for importing diesel, generators, inverters, batteries and other rechargeable devices for producing light, and the cost of hundreds of fuel tankers carrying diesel and gasoline from India and then taking the fuel to the different corners of the country. The savings from all those things must be in hundreds of billions of NPR. The State could use such a hard-earned valuable foreign currency for other important purposes such as building new hydropower plants.

Another most important benefit is the free from the pollution. Anybody could only guess how much pollution the diesel generators the factories, hospitals, and the businesspeople have to run during the power outage, have produced. However, anybody walking along the streets in Kathmandu during the power-cut could find the generators working at the entrances to most of the stores, producing smoke and noise polluting the local environment already heavily polluted from dust and fumes vehicles produced.

Common folks also have benefited a lot from the uninterrupted power supply. They don't need inverters and batteries, and even the rechargeable lamps, as the smooth power supply has been thanks to the sincere work of the minister for energy and the CEO of NEA.

The most important part of the sincerity of the minister for energy and the CEO has been the revelation of the misdeeds or shady practices of the previous government headed by KP Oli and his minister for energy and all the officials and workers of the NEA involved in the power outage for having the financial benefits from the power outage. Nepalese have lived in the perpetual darkness thanks to such politicians claiming to be the nationalists but selling the nation to another country for their personal benefits.

Minister for Energy Janardan Sharma has proudly said that no future prime minister or minister could any more divert the power to a few industries for the personal benefits of the ministers and the officials and workers, as the common folks would rise up against such corrupt practices. The minister must be one hundred percent correct, as the current Nepalese are of the 21st century. They are in the Federal Democratic Republic of Nepal. They have every right to fight for their benefits.

The undeclared Indian blockade imposed on Nepal in 2015 has caused no supply of petroleum products including the gas for cooking. Some smart businesspeople imported induction heaters for cooking even when people have the power outage for 12 hours or more to cook meals. People continue to cook on induction heaters causing the sluggish demand for gas.

Uninterrupted power supply and induction heaters have caused the people engaged in the business of invertors and batteries, solar panels, and gas selling to look for other businesses, as the demand for those items have drastically reduced.

A news in "gorkhapatra" of April 19, 2016 was about the serious impediment to even take off a large hydropower plants in the far western Nepal. The news titled "Too Much Delay In Western Seti" said that the lack of necessary coordination between Nepal Electricity Authority (NEA) and Nepal Investment Board had caused the unnecessary delay in the implementation process of the Western Seti Hydropower Project.

Nepal had reached a preliminary understanding with the subsidiary of the Chinese investment company called the Three Gorges in 2012 to initiate the project but it had not moved even a single step due to the non-understanding between NEA and the investment board.

The State has imposed a tax on the fossil fuels to invest in another so far largest hydropower plant but the revenue has been accumulating in the bank account of the

concerned State agency but the government has not been able to take up the power project.

Following the provision made in the budget for the fiscal year 2016 for collecting an additional tax on the fossil fuel for the construction of the 1,200 MW Budhigandaki Hydropower Project, the Nepal Oil Corporation (NOC) had levied an additional NPR 5 per liter on petrol, diesel and aviation fuel, and had collected NPR 2.2 billion so far and deposited it in the State treasury, the news on Therisingnepal.org.np on September 11, 2016 stated.

The construction of the project despite collecting the funds for the project has to start, yet. The government was to begin the work on the Budhigandaki Hydropower Project within six months of passing the budget. However, the NOC would continue to collect the infrastructure tax until further notice from the government. Around NPR 9 billion would be collected within a year, said the NOC, the news stated.

Melamchi Water

Water from the Melamchi River might flow to Kathmandu in November 2017 but the water would not be sufficient to wash the streets. Construction of more than 22.5 km of the 27.5 km has been completed to bring the water from Melamchi to Sundarijal in Kathmandu in January 2017. Laying the distribution pipes has been going on, and a water treatment pond has been almost completed at Sundarijal, the State media reported.

Once the water from the Melamchi River flows to the Kathmandu Valley, the flourishing private water supply companies or individuals will have fewer jobs than used to be. They would not be able to charge high prices as did in the past as the severity of water supply would be considerably less. However, they have been doing a great job of supplying water to the people in the Kathmandu Valley particularly during the dry season when the State-owned Water Company supplies water once two weeks. Most of them deployed the used petroleum tankers for water supply. The Nepalese news media have repeatedly reported that even the State-owned water supply company had sold the water to the private companies at high prices diverting the water to the private companies from supplying to the common folks.

The most visible impact of the uninterrupted power supply has been on the supply of drinking water in the Kathmandu Valley. The smooth power supply has made the possibility of pumping up the underground water, and then supplying the consumers. So, consumers have more water supplies even during the dry season since NEA has been supplying power almost without a break.

The Melamchi River water when it flows to Kathmandu will make a high positive impact on the economy of the people, industrialists, and businesspeople, too. Due to the short supply of water, almost every house has to keep a powerful pump to pull the water whenever the city water supply line comes alive because the water pressure is so low it does not flow at all to the house lines; some other areas have no city water supply at all forcing them either to buy the high cost private water supply or dig a borehole and then install a pump to draw the underground water. Hotels and other business organization including private hospitals depend on the individual underground water supply.

Once the Melamchi River water flows to Kathmandu, all these private pumps and hotel, business and hospital pumps will not need to work. Anybody could imagine the scale of resources will be saved from the Melamchi water. They did not need to buy the expensive pumps, maintain them and operate them using the electricity that also was in short supply. People and the business organizations in the Kathmandu Valley would save billions if not hundreds of billions of NPR from not operating pumps for drawing water when the Melamchi River water would reach Kathmandu. They would save the power means another savings in cash, too.

One industry would suffer rather die after the Melamchi River water flows to Kathmandu would be the private-drinking-water-supplying industry that had highly flourished when the water supply became a half of the requirements. Hundreds if not thousands of disused tankers went in service to carry water from different sources to the consumers in the cities in the dry season. Owners of the private water sources made a lot of money selling waters to the tankers-owner companies that sold water to the consumers at higher prices. After the Melamchi water would really flow to Kathmandu; then some jobs would be lost in the private supply sector. Revenues for the private water-source owners and water-supplying companies would dry up. Tankers would go out of service again.

The latest price of privately supplied water had been NPR 2,000 for 10,000 liters in 2016. It was a tremendous high price Nepalese had paid for water in Kathmandu in comparison to NPR 150 Nepalese paid for almost the same quantity of water the State supplied once a week or ten days or never. The quality of water the private companies supplied had been highly questionable. It was not chemically treated. Nobody could use the water for drinking. People needed to buy drinking water separately. This had boosted the private water companies that produced bottled water for drinking. This industry also might be squeezed causing the loss of jobs, and revenues once the Melamchi water would flow to Kathmandu.

However, anybody willing to pay a good price for the water the State agency has been providing the common folks with could get it at NPR 2,500 for 5,000 liters of water chemically well treated. The private tankers buy the water from the State agency and then provide the consumers with a high price. Some people have been protesting against the State agency selling the water to the private companies denying the smooth supply of water to the common folks, and making money at the cost of the people the agency has to serve with sincerity.

Kathmandu-Terai: Fast Tack Highway

The government became the laughingstock concerning the implementation of other mega projects it had conceived and propagated widely. For example, in 1990 the then prime minister had half jokingly said that he would bring water from the Melamchi River and washed off the dirt from the streets in Kathmandu. However, the government had started the Melamchi project even belatedly in 2012, and the water might flow into Kathmandu in 2017 but the fast-track highway and mega hydropower projects had remained as only the subject of much loved gossip among the common folks.

The fast track highway between Kathmandu and Terai has been only the subject of the media and political gossip; neither the State nor the private company has ever taken it up seriously. The State gave a license to the private company called Nepal

Infrastructures Development Company to construct the fast track highway. It has laid a foundation stone and so on but apparently, it could never mobilize the resources required for building such a highway. The cost of building the fast track highway was estimated at NPR 35 billions a few years ago but the company could not muster the amount, and had to give up the wonderful venture.

Clearly, the private company could not persuade the investors to invest in this project. Most probably, the company could not convince the potential investors of the fast return on the investment in this fast track project. A simple calculation indicated that the project could pay back the investment within 10 years from the tolls collected from the thousands of vehicles traveling on this highway every day.

The media report stated in January 2017, more than ten thousands vehicles have been badly delayed everyday because of the closing of the Mugling-Narayanghat Highway for the reconstruction five hours a day (from 10:00 am to 3:00pm). It was the only major highway on which vehicles could comfortable travel back and forth between the hills and the Terai. So, buses, trucks, tankers and other vehicles passed through this highway.

Even if the same number of vehicles would not travel on the fast track highway, and only the half of the number would make the way on the fast track highway even then, the toll amount could be considerably high if each vehicle would pay NPR 500 to 1,000. A number of vehicles has been growing every day. So, it won't take long to reach the number of vehicles traveling on the fast track to 10,000 and even more. Then, if every vehicle would pay NPR 1,000 then the total toll amount 10,000 vehicles would pay would make NPR 3.6 billions a year.

Every vehicle owner would gladly pay NPR 1,000 toll for traveling on the fast track highway, as it would cut the traveling time drastically, fuel consumption would be less, and surely the wear and tears of engines, and tires would be minimum. The distance between Kathmandu and Hetauda would reduce to 76 km and the traveling time to two hours from seven hours. Currently, the Mugling-Narayanghat Highway has been the main route for most of the vehicles traveling to Terai from Kathmandu and vice versa. So, the time taken to reach Terai from Kathmandu has been seven hours or even more depending on the traffic.

Not constructing the highways and building the hydropower projects have been the main obstacles to the economic development. In absence of the fast-track highways, people could not move their products from the production areas to the market areas arresting the potential development of industries and denying the people with the cheap national products. Not building new hydropower plants for at least 20 years since 1990 has tremendously adversely affected the industrial development.

Some economic analysts and common folks attributed the government unable to launch the mega projects or to complete the already launched projects to the short life span of each of the government of every political party or parties in other words the political instability. However, the real cause might be the greed of the politicians that came to power only to make money. They did not care about the launching of new projects or completing the already launched projects but care about having the amount of the commission on the decisions they would make. That has been the disease plaguing the politicians as a result the country has been sickened.

The fast track highway between Kathmandu and Hetauda has never taken off since it was conceived in 1990s. At the joint meeting with the Development and Finance committees of the Legislature-Parliament held on the morning, November 20, 2016, Minister for Physical Infrastructure and Transport Mr. Ramesh Lekhak said that the ministry forwarded the proposal for canceling the agreement reached with the Indian Consortium on preparing the Detailed Project Report (DPR) for the development of the Kathmandu-Terai Fast Track to the Cabinet; then the government would construct it, the news on myrepublica.com stated on November 20, 2016.

<http://www.myrepublica.com/news/9492>

At the joint meeting of the Development Committee and the Finance Committee of the Legislature-Parliament held on Sunday, November 20, 2016, members of those committees welcomed the government's decision on annulling the agreements the government had reached with the Indian consortium Infrastructure Leasing and Financial Services (IL&FS) and the Detailed Project Report (DPR) on the construction of the Kathmandu-Terai Fast Track highway it had prepared for, and the Nepalese government constructing it on its own, the news on therisingnepal.org.np stated on November 21, 2016.

Minister for Physical Infrastructure and Transport Ramesh Lekhak briefed the lawmakers on the government's decision to cancel all agreements and dealings with the IL&FS so far reached and take up the construction on its own hands. The government has allocated NPR 10 billions to the Fast Track in the budget of the current fiscal year with the objective of constructing the project on its own, the news stated.

If the government had built the fast track highway in 1990s after the idea of constructing this highway was conceived then the country would have enjoyed the huge economic benefits from it. The benefits would have been a number of times more than the cost of constructing it.

First, every vehicle would have saved almost 5 to 8 hours on one-way trip traveling from Kathmandu to Hetauda or vice versa. If time is money then a huge amount of money would be saved used for traveling.

Second, fuel consumption also would be saved at the same rate as of the time. Savings of fuel will be in billions of NPR in foreign currency.

Third, reduction of wear and tear of machines and tires also would save another few billion NPR a year.

Fourth, less smoke coming out of vehicles would be in air thus saving the environment, which means bettering the life of people.

Fifth, transport cost of goods and services would be drastically reduced.

Why one government after another since 1990s did not build this so highly beneficial highway or let any foreign or national private company build it. Foreign companies were interested in building this highway even in 1990s as it could generate huge revenue for any company from collecting the highway tolls. However, every minister wanted a huge commission on approving this project. Then a Nepalese private company came forward to build this highway but it could not convince the investors that the company would be able to do the job sincerely.

Development And Prosperity

Despite all these constraints on and obstacles to the development-project implementation if ministers are sincere to the nation, and want to work sincerely for the development of the nation, then they could do it, and they could contribute to the fast socio-economic development of the nation.

For example, current Minister for Industry Nabindra Raj Joshi has been doing his job fantastically sincerely in rerunning the State-owned industries at no cost to the nation in some cases. He has involved the Nepal Army, Armed Police Force, and the Nepal Police to use their savings funds to restart the Hetauda Textile Mill, the State media reported at different times. The Textile Mill would first produce the required fabric for the uniforms of the army and the police.

This idea of using the savings funds of the Nepal Army, Armed Police Force, and the Nepal Police for running the Hetauda Textile Mill and then producing the fabric required for the uniforms of the army and the police have been a terrific innovative idea in the sense it has hit many bird with a single bullet.

First, once, the army and police funds are used for the Mill means the government does not need to spend even a single taxpayers' rupee except for paying the remuneration to the minister working on restarting the Mill. What a wonderful idea to revive the dead Mill at no expense to the State treasury.

Second, when State money is not involved means the chance of anybody including the minister taking commission on the decision s/he makes on the project is almost nonexistent. Taking and giving commissions so endemic in the bureaucracy would surely disappeared, as the army and police would certainly do not offer any commission to any decision maker in the government. Thus, the Industry Minister Joshi has killed the business of taking and giving commission probably making himself poorer than his colleagues in the council of ministers. The country needs to appreciate a bold minister such as Mr. Joshi.

Third, the Mill might have a chance of running as a private company rather than a State enterprise. Once, the army and the police pay for running the Mill, they would take the project management in their hands, and would not allow any State bureaucrat to intervene in the management. Only the profit would motivate the management. So, the Mill might run as a private mill rather than a State-owned the bureaucrats run.

Fourth, the Mill would create a large number of jobs directly or indirectly. It employs a number of laborers, office and service staffs directly. Then, a number of people would be working on providing services to the laborers and officials and other staffs of the Mill. They would be the restaurant staffs, different storeowners, hospital staffs and doctors, transport staffs that would bring everything needed for the Mill staffs and laborers and even for the Mill. These are the job opportunities indirectly the mill creates.

Fifth, the Mill would create the revenue for the State. It would pay the direct income tax, and other taxes imposed on the goods and services it would use. Its staffs and

laborers also pay the income tax to the government. Everybody benefits from the Mill if any agency runs it properly and efficiently.

Contrary to Industry Minister Joshi, the country has produced another influential personality that has been instrumental to sell and liquidate the State-owned factories. He is Dr Ram Sharan Mahat. He was the finance minister in the cabinet of Prime Minister Girija Prasad Koirala in 1990s. His ministry was responsible for selling a large number of State-owned factories, and two brand new aircrafts of the State-owned airlines, and for making the Kathmandu-Bhaktapur Trolley Bus service, and the Sajha Bus service defunct. They also kept a large number of other State-Owned Enterprises (SOEs) idle causing incredible loss to the country and the people. Many workers and officials lost the jobs causing the deadly loss to their families. The State lost the revenue those enterprises would have generate.

Anybody including ministers, ministry officials and the industry officials of the then government must have made a large sum of money from commission on selling the State-owned factories and businesses in the name of privatization of the State enterprises in the belief that the private companies would run the factories and businesses efficiently and bring benefits to the nation.

It is true that the private companies work very efficiently provided the working environment is the free competition among the entrepreneurs. If the private companies don't have competitors then they would be worse for the nation, as they suck the blood of everybody they could. So, selling the State-owned factories would not necessarily bring the benefits to the nation if it was done with the bad intention of making money for the people involved in selling, and buying.

Killing the State-owned enterprises would not surely immediately give birth to the private industry. For example, a private airline took more than 25 years to launch international flights after the national airline was almost brought to death in 1990s. Though a number of private airlines have been operating in the country for the domestic flights. One domestic private airline had even gone bankrupt.

The Himalaya Airlines launched direct flights between Kathmandu and Kuala Lumpur on February 10, 2017. Minister for Culture, Tourism and Civil Aviation Jeeban Bahadur Shahi inaugurated the flight service to the Malaysian capital amidst a special ceremony at the Kathmandu International Airport on the morning, February 10, 2017. The Nepal-China joint venture airline flagged off its Airbus 320 to Kuala Lumpur making it the third international destination after Doha and Colombo, the RSS news on thehimalaayntimes.com stated on February 10, 2017.

During a brief statement to mark the airline's launch of direct flight service between the two capitals, Airline's Vice-President-Administration Vijay Shrestha said the flights would be operated five days a week except Tuesdays and Saturdays. He expressed a belief that the operation of the flights would help further boosting tourism between Nepal and Malaysia. Himalaya Airlines has set the airfare for a round-trip flight between Kathmandu and Kuala Lumpur at NPR 25,375 without tax. The Himalaya Airlines had started its scheduled flights to Doha of Qatar on May 13, 2016, and Colombo, Sri Lanka on October 1, 2016. It plans to connect Kathmandu with Yangon: the former capital of Myanmar with the operation of direct flights on February 24, the RSS news stated.

<https://thehimalayantimes.com/business/himalaya-airlines-begins-kathmandu-kuala-lumpur-flight/>

The most notorious thing had been the selling of the two brand new Boeing aircrafts of the national airlines, and then taking an old one on lease. These guys involved in selling aircrafts and then taking one on lease must have an amazing idea of how to make money without any shame, making tremendous loss to the national airlines, and then to the nation. They must have taken a large sum of money in commission on selling the aircrafts and then in taking one on lease. What superb businesses they did for their benefits at the huge cost to the national airlines and the nation, too.

The Nepal Airlines that had been the victims of the unscrupulous ministers, and officials have had difficulty in recovering from the shock it has received from selling its aircrafts in 1990s. It has been facing the survival question. It has lost a significant number of aircrafts, and currently it has been living on providing airport services. It has almost lost even the airport services, as one of the ministers wanted to outsource the airport service to a private company for making a handsome amount of money but the minister retracted after the public outcry.

The Thai Airlines and the Nepal Airlines were born almost at the same time in 1958. The Thai Airlines have grown as one of the major international airlines whereas the Nepal Airlines have been almost dead because ministers and the State officials have sucked its blood almost to its death. Concerned ministers and State officials wanted the private airlines to thrive on the blood of the national airlines.

Once Dr Ram Sharan Mahat had said that taking commission was not wrong. So, taking commission on every business the State officials have involved in has been business as usual. Other ministers had not been as bold as Dr Mahat to say so. However, none of ministers lagged behind taking a commission, which a minister like Dr Mahat did not think it, a bribe.

Dr Ram Sharan Mahat had claimed to be a highly intelligent minister saying that the government of which he was a finance minister saved the government from paying a large sum of money for compensation liquidating the Janakpur Cigarette Factory. What a great job the government had done liquidating the factory that had been providing a large number of people with jobs at the factory and at the farms that produced tobacco for the factory not to mention a number of laborers providing services to those people engaged in the factory.

Anybody could guess how much the nation lost closing the factory that had been the means of bread winning for hundreds if not thousands of laborers, and officials and other support service providers. If Dr Ram Sharan Mahat had been Nabindra Raj Joshi probably the factory would have been still running, and hundreds of laborers would have been working and other hundreds might have been working in the tobacco farms. How much loss the nation has made closing the factory anybody could guess or imagine easily.

Despite all these drawbacks of the administration and the smart ministers that had been champions of money-making at the cost of the nation, Nepal has moved very fast to the economic development particularly after the demise of the monarchy that had been the main obstacle to the people's socio-economic development.

Nepal has many visible and invisible developments that have been possible after Nepal became the Federal Democratic Republic in 2008.

Kathmandu has many visible economic development activities going on. The widened roads that have changed the face of Kathmandu drastically are the most visible ones. They have provided comforts to drivers and commuters. Many tall buildings called towers, other tall apartment buildings, housing complexes, shopping malls, highly luxurious movie theaters in them, to name a few among the visible physical infrastructures that also have been part of the drastic development in Kathmandu.

The first and foremost visible one has been the widening of the roads the daring Prime Minister Dr Baburam Bhattarai had started off after he became prime minister in August 2011. None of his predecessors had dared to do so for various reasons but he started off the job making other prime minister needed simply to follow. Not only Kathmandu but also all the urban centers across Nepal have been widening their respective roads, too.

A number of apartment buildings with the modern apartments furnished with the latest modern items and with the latest kitchen appliances and so on for the people who could afford the luxurious living have come up in Kathmandu and in other urban areas such as Pokhara. Similarly a number of housing complexes or colonies have come up, too. People with money could live comfortably.

A number of shopping malls have come up, too indicating the common folks have a better purchasing capacity, and also indicating that the living standard of the common folks has significantly changed for better. Highly luxurious movie theaters in them have made possible for the people with money to enjoy life.

Banquet halls catering the needs of the people for holding wedding or adulthood ceremony banquets are the eye-catching, as they are decorated with flickering tiny lights when they hold banquets. This is a new development and also the sign of improvement of the incomes of people.

About 20 medical colleges in the private and the public have been producing the highly qualified medical doctors at the cost of NPR 5 million per person in 2016. Similarly, a number of nursing schools have been set up for producing the nurses in country. These medical colleges and nursing schools have not only stopped the outflow of foreign currency to produce human power but also have created a large number of job opportunities in the country.

The unfortunate news in 'gorkhapatra' of November 24, 2016 has been that the government has suspended the license to run new medical colleges for an indefinite period means new medical colleges would not be opened up making the halt of producing the medical human power for an indefinite period, too. It will not only retard the development of the health services but also the economic development the medical sector contributes to. A number of service seekers at any private or State-owned hospital indicate that even Kathmandu needs a number of hospitals to cater the needs of the people.

Similarly, a number of private business colleges, computer training centers, technical colleges have been producing a large number of technical human power to meet the growing demands for the technical human power the country needs to develop fast.

It also has contributed to the economic development producing a large number of jobs in the country.

A number of middle and secondary schools have also been set up in the private sector for providing the kids of the people of high-income group with the high quality education. It has prevented the Nepalese capital flowing in the neighboring countries for educating the Nepalese kids. Time and again, a cadre of some political parties came out against the high cost schools. They might be very good for thinking to set up an egalitarian society so that every kid could have the same kind of opportunity of education but that would be possible only when the country is very rich to pay for the education of the same standard for all kids. Then every parent would need to pay high tax.

Now, the financial sector development, numerous financial institutions in the names of different Savings and Credit Unions the grassroots-level folks have set up have been functioning to collect the small savings of the common folks, and then provide their members with small credits for the micro businesses. These unions have met the needs of micro loans for the small businesses.

The production sector particularly the agricultural sector has achieved a significant development.

For example, the livestock industry has done a marvelous development. The poultry industry has made Nepal a self-sufficient in eggs and chicken. Small and large livestock development also has done better. The small livestock such as castrated goats, mountain sheep, and pig production has been appreciably increased but the country still needs to import some castrated goats for the large festivals and even for the daily consumption.

The irony is that some of the investors involved in the poultry industry has been lobbying to stop the foreign investment in this lucrative industry. Chinese and Indian companies together have invested NPR two billion in the poultry feed industries in Nepal, the news in "gorkhapatra" stated on February 6, 2017. These industries have been producing the most modern poultry feeds but the poultry industrialists have been against the foreign investment in the poultry industry, the news stated.

Production of high value cash crops such as black cardamom, tea, and ginger has been taking off. Export of these items has been doing well except for the time when the custom officials make a fuss about the products and try to delay the custom clearance, and in the exceptional cases such as when India demonetized the banknotes in the large denominations in November 2016, and when India imposed the unofficial blockade on Nepal in 2015.

Bananas, and other exotic fruits such as kiwi, and avocado have come to the commercial farming in Nepal. Excited by the high prices of these fruits, some courageous farmers have been making every effort on successful production of these fruits. These fruits particularly kiwi, and avocado are sold at exorbitant prices in the Kathmandu market in 2016. As the production of these fruits increases the prices may slide down gradually.

Nepalese farmers have made a noteworthy achievement in the banana production, too but they have been facing a challenging competition from the Indian farmers even in the Nepalese market. However, Nepalese farmers have to live with this

reality and have to be highly efficient to beat the Indian large-scale farmers in prices, quality, and production.

Farmers have been anticipating the higher production of rice in 2016, as the monsoon has been relatively favorable this year. Rice has been the major cash and food crop. Its production alone could make a sizeable difference in the GDP (Gross Domestic Product) growth or decline. The flatland in the south and the river valleys in the low and even high hills are the areas for rice cultivation.

Majority of Nepalese eat rice dishes making Nepal to import high quality rice worth of billions of NPR every year to cater the taste of the middle-class Nepalese. Policy makers and some politicians have been for making Nepal self sufficient in rice but it would be possible only after making available irrigation water to farmers. Currently, majority of farmers have to depend on the unpredictable monsoon rains. Sometimes, female farmers have to go to their farmland and demonstrate a nude dance at midnight to appease the rain god called Indra for sending rains.

Some bold and risk-taking folks have been farming flowers to meet the growing daily and occasional festival demands for flowers in Nepal. During the Tihar and Chhatha festivals in October/November in 2016, Nepal imported marigold worth NPR 20 million, according to the Nepalese media, as the Nepalese production alone could not meet the requirement for marigold to decorate main doors and windows of almost every private house and commercial buildings with the marigold garlands.

The traditional handicraft industries have continued even though their growth has been much to be desired due to various reasons. The export of the traditional hand-woven woolen carpets has taken a second or third position. The labor problem has retarded its growth. The garment export also has simply continued. Hand-woven woolen hats have been one of the export items, too. The traditional metal works for making idols, and other items for export have continued. Carving idols in stone and wood also have continued in a small scale.

Service sector particularly the transport has been one of the major contributors to the GDP growth. Its growth has been exponential. Billions of NPR worth of the private investment in the transport sector has created a large number of jobs and meaningfully contributed to the GDP growth. Bus services, truck services and taxi services are all in the private sector.

Tourism industry has been growing, too. Visitors have been in Nepal for climbing mountains, trekking, rafting, visiting safari, gliding, and going around to see the unique cultural heritage of Nepalese people, and unique mountain scenery. About half a million visitors make a way to Nepal for all the purposes just mentioned every year.

The tax revenue has increased more than a fourfold from the fiscal year 2007 to 2015. The tax revenue was NPR 108.7 billion in 2007, and it went up to NPR 482.74 billion in 2015 even though it was an earthquake year, the special news supplement published in 'gorkhapatra' of November 16, 2016 on the occasion of the Tax anniversary stated.

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tax Revenue Billion NPR	108.70	145.32	182.37	199.81	243.92	296.01	356.85	422.90	482.74

Tax Revenue- GDP Ratio %	10.60	12.00	13.30	12.60	13.20	15.26	16.11	17.64	18.74
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Source: special news supplement published in 'gorkhapatra' of November 16, 2016

The public and private media have been the great contributor to the socio-economic development not to mention the politics. Currently, Nepal has almost five hundred FM radio stations compared to one in 1990 before the end of the Panchayat system; the national State-owned Radio Nepal has both FM and short waves to reach the people across the country and outside at maximum. Nepal also has about 15 TVs including the State-owned one. A quite good percentage of Nepalese have an access to the Internet. A high percentage of people have the mobile phones: the significant development in the private and the public sector.

Radios and TVs promote the businesses and contribute to the economic development through the commercials and other ads from which they make a living and profits, too. The quantification of the economic advantage of the media has to be done yet but it is visible that it has made an appreciably large contribution to the economy. It has created a large number of jobs.

Recently, even the rural folks are well dressed. It might be due to the several reasons but some of them have the money their loved ones working abroad have sent home make them able to afford such nice clothing. The second reason might be the cheap Chinese garments have made them able to wear such clothing. The third reason might be because they have some cash crops such as vegetables, potatoes, and so on that bring them some cash, which they can spend on clothing.

The Foreign Direct Investment (FDI) has been in billions of NPR recently. The Department of Industry (DoI) responsible for registering new investment in various sectors has stated that 139 industries with the FDI commitment of NPR 3.65 billion have been registered at the department by the end of the first four months of the current fiscal year in comparison to only 121 with NPR 3.48 billion during the same period in the previous fiscal year, the news on therisingnepal.org.np stated on November 17, 2016.

Minister of Sports, Member Secretary of National Sports Council, Acting ANFA President and other top ANFA officials were at the Kathmandu International Airport to welcome the Nepal National Football Team that beat the Macau team to win the title of AFC Solidarity Cup the first official international title Nepal won in 23 years on Wednesday night, November 16, 2016, the RSS news on setopati.net stated.

Nepal has made tremendous progress in other sports such as cricket, karate, and so on indicating Nepal has been economically better off, as one of the indicators of the economic development is the sport. For example, previously, USA and the then USSR used to compete for the Olympic medals but currently, USA and China have been competing for winning the top Olympic medals. China has been the second largest economy after the USA whereas Russia: the successor of the USSR has been way down the economic scale and in earning the Olympic medals, too.

Remittance And Poverty

Export of human labor has been the major contributor to the national economy. Thanks to the then Finance Minister Dr Ram Sharan Mahat and Prime minister Girija

Prasad Koirala in the early 1990s, Nepalese youths have the opportunity of going abroad for jobs and earning for the families and for the country, too. The money they have sent back to Nepal called remittance has been more than 30% of the GDP in the fiscal year 2015, according to the central bank of Nepal. This amount is almost twice the custom tax revenue.

The impact of the labor export has been the shortage of laborers in the Nepalese market. Acute shortage of agricultural laborers has been felt in the hill areas. Some agricultural lands in hills have left fallow not having the laborers. The open border between Nepal and India has been a blessing for the Indian laborers to fill up the void the Nepalese laborers have left in the urban areas while going to work abroad.

Even the Bangladeshi laborers have filled up the gap Nepalese workers have left. The Xinhua news posted on globaltimes.cn on February 6, 2017 stated that the Nepal Police arrested 37 Bangladeshi nationals working in Nepal; the police said that as many as 4,000 Bangladeshi nationals might have been working in Kathmandu for the past one year; most of the arrested Bangladeshi nationals had entered Nepal via the India-Nepal Kakarbhitta-Panitanki border point a few months ago.

The advantage of exporting the Nepalese labor abroad and filling the gap the Nepalese laborers have left with the Indian and Bangladeshi laborers has been that most of the Nepalese laborers have earned a few times more in foreign countries than what they could in Nepal. The neighbors have filled up the low paid jobs. So, the country has higher revenue and the foreign currency Nepalese laborers working in the foreign countries have sent home.

Nepalese working abroad send the money they earn back home. This is called remittance that has fueled the Nepalese economy. Some of the remittance has gone for buying agricultural land in the rural areas pushing the land prices up other portions of remittance for sending kids to schools, for the upkeep of families, and for paying off debts and so on. Remittance has increased the family incomes causing demands for foods, clothing, and other daily necessities thus pushing the production of those items in country and outside. Leftover remittance goes to savings in the form of golden jewelry.

Remittance has filled up the treasury with foreign currencies at the Central Bank of Nepal making it able to spend foreign currencies liberally. The bank has been generous to provide Nepalese going abroad for education, business or even for the pleasure travel with foreign currencies, and also for imports, and even for buying Indian currencies whenever the shortage of Indian currency arose.

Nepalese youths working in foreign countries not only brought the foreign currencies but also the skills in various trades. Some of them set up different businesses with the money they earned in the foreign countries. The money they earned has contributed to more than 30 percent of the GDP in 2016. The remittances had filled up the foreign currency account for the Nepal Rastra Bank: the central bank of Nepal. The monthly balance sheet the bank published in 'gorkhapatra' on January 27, 2017 revealed the amount of the foreign currency worth more than 17 billion NPR and the foreign bank deposit worth more than 100 billion NPR that could sustain the import for 10 months.

However, "all that glitters is not gold" as a saying goes. Some of the youths working under the blazing sun in the Middle East lost their lives and others particularly

women became the victims of domestic violence. Some other died from exhaustion. Even some other unluckiest persons had to face the charges of murder and thefts, and have to serve the jail term, and some of them cleared off the charges and came back home after the prime minister, and the government of Nepal influenced the concerned government abroad in 2017.

Previously, Nepalese Gurkhas serving in the British Army and Indian Army have been the source of remittance but recently the remittance from the Gurkhas serving in the British Army has dried up as most of the Gurkhas opted to settle in Britain. However, the remittance received from the Gurkhas serving in the Indian Army has continued.

Pensions alone the Gurkha veterans received from India must be in half a billion NPR per month if the 125,000 retired Gurkhas were to receive NPR 5,000 per month. While in the Nepal visit on November 2 to 4, 2016, Indian President Pranab Mukherjee has told the audience of the retired Gurkhas in Pokhara that 32,000 Gurkhas are in the active service in the Indian Army, and more than 125,000 are in retirement (pension). The money the Gurkhas in active service sending back home is another addition to the remittance. It is no wonder that Gurkhas spill so much blood for defending the Indian frontiers.

Hundreds of thousands of Nepalese seasonal workers or permanently working in India also send money back home to the families in Nepal. The money they repatriated to Nepal has been mostly not through the official means but personal; so, the record of the money thus send to Nepal is hardly available. According to India's Ministry of External Affairs (MEA), around 600,000 Indians are working or domiciled in Nepal whereas six million Nepalese are working in India, the news on business-standar.com stated on November 16, 2016.

The poverty has been drastically reduced in Nepal partly due to the remittance. The State Statistics says that currently, a number of folks living under the poverty line has been reduced to 23% measuring the people having \$1.25 income per day are above the poverty line as they could buy two square meals a day that would give them 2200 calories for sustaining their bodies. One of the World Bank reports says that if the \$1.25 income per day is increased to \$2 per day required for being above the poverty line then the folks living under the poverty line increase to more than 55%. So, the poverty stays on in Nepal.

The State has been running the Poverty Alleviation Fund with the support from the multilateral international bank. However, the fund has created many high-paying positions for the State employees, and the NGOs running the different training programs without checking the needs of the poor for skills they could use for earning livelihood. Certainly, lack of the skills is one of the main reasons for the poor to remain poor.

However, many other reasons have been governing the poor. For example, the government has announced the minimum wage for the unskilled laborers but the State has not been able to enforce it in the unorganized business sector causing the poor to be the instrument for making money. People working in the rural areas in the agricultural sector, young ladies working at the malls in Kathmandu and elsewhere, and young men working as the assistants to the drivers in the privately owned public transport sector and so on have been paid well below the minimum wage the State has set. This has contributed to the businesspersons make more money while keeping the laborers poor ever increasing the gap between the poor and the rich.

Currently, senior citizens receive NPR 2,000 per month from the State means they are well below the poverty line. In other to be just above the poverty line they need at least NPR 4,000 per month. So, the State needs to double the amount the senior citizens have been receiving to make them live comfortably.

Misuse Of State Resources

When the senior citizens have been living in poverty, the political leaders have been using the State money for their medical expenses indiscriminately. The RSS news titled "Leaders On The Dole" on "therisingnepal.org.np" of November 17, 2016 says as follow,

"Instead of outpourings of sympathies for Nepali Congress leader Sujata Koirala for her breast cancer, she has been the target of the public uproar after the government provided her with a whopping five million rupees for the treatment of her cancer. There is a reason behind the public fury. Many people in the remote places die of minor diseases or in the absence of basic health facilities. Sometime ago, a patient committed suicide jumping from the window of a hospital after he could not pay the hospital bill. Sujata, a scion of Koirala dynasty, is a billionaire."

"There is a valid reason for the public outrage over the government's decision to provide money to Sujata. It violated the working procedure related to the health treatment assistance for the citizens and former and incumbent public office-bearers. The Parliamentary Finance Committee had instructed the government not to distribute money to the people for the health treatment until it comes up with clear legal provision. It has also issued directives to the government not to dole out for the treatment of those diseases, which can be cured in the country."

"For those seeking the state support to the treatment of their disease abroad, s/he must secure recommendation from the Medical Board. If the Board recommends that their diseases cannot be cured within the country, they will be eligible to get the economic support from the government. But in case of Sujata, the government did not bother to get the nod from the medical board and decided to give money to her arbitrarily. Neither did she undergo treatment in hospitals within the country to determine whether or not her disease can be treated here."

"Other day, lawmakers joined a chorus to castigate the government's decision to give out money to Sujata. However, it is up to them to do away with the vexing anomalies besetting the nation by formulating the pro-people and stringent laws. Can they make a resolve that the state should not hand out taxpayers' money to those, who are able to bear the medical expenses themselves? Can they prod their party bosses into agreeing that it is immoral to take money from the treasury to foot the medical bill?"

Nor only Sujata Koirala has received the medical expenses from the State but also former president, former prime ministers and former ministers have enjoyed the medical benefits. The news on "khabardabli.com" has the following statement of the medical expenses former high officials have received from the State.

S. No.	Names of High Officials That Received The Medical Expenses From The State	Amount in Million
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		NPR
1	Former President Dr Ram Baran Yadav	6.0
2	Former Prime Minister Sushil Koirala	16.2
3	Former Prime Minister KP Oli	12.6
4	Former Prime Minister Tulsi Giri	2.5
5	Former Minister Govinda Raj Joshi	2.0
6	Former Minister Khum Bahadur Khadka	2.0
7	Former Minister Chakra Prasad Bastola	5.0
8	Former Minister Shahana Pradhan	1.3
9	Former Chief Justice Ram Kumar Prasad Shah	8.0
10	Former Deputy Speaker Purna Kumari Subedi	2.5

The opinion article titled "Scapegoat In Other Word Sujata" Shivakumar Bhattarai has written and published in 'gorkhapatra' of November 24, 2016 says that President of NC Sher Bahadur Deuba and Deputy Prime minister Bimalendra Nidhi have tricked Sujata that has been for treating the ailment at her own cost to take NPR 5 million for treating her breast cancer to discredit her, and to ruin her political career. The article also states that Dr. Ram Sharan Mahat another NC leader also has received NPR 300,000 for his medical treatment.

The Commission on Investigation into Abuse of Authority (CIAA) had sued Govinda Raj Joshi and Khum Bahadur Khadka for corruption. Khadka had been in jail for 14 months but Joshi had escaped it so far. Both of them are the NC leaders.

The news on "khabardabli.com" said that Health Minister Gagan Thapa rejected to take the proposal to the cabinet for a decision on providing Sujata Koirala with NPR 5 million for her medical treatment but Deputy Prime Minister Bimalendra Nidhi took the proposal on the direct order of the NC President Sher Bahadur Deuba. The cabinet passed the proposal under the pressure of NC President Deuba, the news stated.

The Cabinet even did not follow the required rules to accept the proposal for providing Sujata Koirala with the medical expenses, the news on "therisingnepal.org.np" stated indicating that some of the current rulers have been the incarnations of the evil spirits of the Shah-Rana rulers that had stole the State treasury for their personal luxury. How the cabinet evaded the rules remains to be seen.

Misuse of the State money has been one of the major hindrances to the economic development. Hundreds of millions if not billions of NPR are wasted on not completing development projects thus not getting the benefits of the projects. Most of the projects have been completed have the cost overrun and time overrun benefiting mostly the people in power and the State employees and contractors. The not-completed development projects have given the two negative results. First, the State wasted the taxpayers' money in billions; second, the common folks could not receive the benefits from those incomplete projects. These projects contributed negatively to the GDP growth.

Some of the current politicians have been not much different from the Shah-Rana rulers to steal the State treasury for their luxury. For example, the then King Tribhuvan sold the crown the then retiring hereditary Rana Prime Minister Mohan Shumsher presented upon retirement as the transfer of power to Tribhuvan but

Tribhuvan sold it to treat his ailment in Switzerland. Then his son King Mahendra sold the Narayanhity Palace to the State, even then Mahendra and his successors continued to reside in it. Rana Prime ministers stole everything from the State treasury to build their palaces and decorate their queens and concubines with highly expensive jewelry.

Natural Phenomena

Natural phenomena such as quakes, floods, late monsoon and drought have been the major impediments to the economic development. People could convert such adverse natural phenomena into the opportunities of fast socio-economic development provided the high officials in the government are willing to do so.

For example, the quakes in 2015 tore down the old houses, buildings and even loosely built temples. This could be the constructive destruction, and could contribute to the construction boom causing the fast economic development. This is an opportunity to rebuild fallen temples, buildings and houses anew.

As the quakes have already tore down the old buildings, folks don't need to pay for tearing them down, they have to simply built new quake-resistant buildings, temples and houses. The State needed to pour down the massive cash on the hands of the folks that have lost their homes to the quakes. That would have built modern quake-resistant houses, and fueled the economy.

What the State did was asked the donors and philanthropic organizations to deposit all the money collected for the relief of the quake victims in the Prime Minister Disaster Relief Fund causing to doubt about the intention, and leading to stop the mobilization of resources for the quake victims rather than distributing the money from this fund that has accumulated a large sum of money from the donations. The State could even print banknotes for financing the reconstruction of the quake-damaged buildings and temples. This also would have fueled the economic growth.

The country lost the opportunity of fueling the economy reconstructing everything the quakes have destroyed, as the government failed in providing the quake victims with grants or loans for rebuilding their houses, and in providing the concerned agencies with the necessary funding to rebuild the quake-damaged cultural heritages in time. Even the National Reconstruction Authority (NRA) has been the hindrance to the fast reconstruction of the quake destroyed temples, and houses and buildings. NRA has been pushing paper work only. It has been a barrier to other philanthropic organizations to work on rebuilding.

Department of Archeology has said that NRA has been responsible for the delay in the reconstruction of the national heritages the quakes destroyed in April and May 2015. Reconstruction of none of the heritages has been initiated except for those that have been done with the local initiatives.

For example, the Boudhanath Area Development Committee (BADC) took only 17 months to complete the reconstruction of the Boudhanath Chaitya starting in June 2015 and ending in November 2016 using its own income sources, the news on therisingnepal.org.np stated on November 18, 2016.

On November 18, 2016, a large number of Lamas have started off the reinstatement of the divine spirit that has been taken away for renovation of the Boudha Chaitya in Kathmandu, and it would be open to the public on November 22, 2016. BADC has been charging NPR 250 per person to the foreign visitors, and NPR 50 to the citizens of the SAARC-(South Asian Association For Regional Cooperation)-member countries. It has been one of the tourist attractions, and also is one of the seven World Heritage Sites UNESCO has recognized in the Kathmandu Valley.

The new government has fired the CEO NRA Sushil Gyawali former Prime Minister KP Oli had appointed, for not performing well, as Gyawali had deliberately delayed the distribution of grants to the quake victims for building their houses to discredit the new government. Gyawali must obviously be a cadre of the CPN-UML of which Oli is the Chairman. Oli had forced his predecessor Prime Minister Sushil Koirala to delay the appointment of a CEO to the NRA for keeping a door open to Oli for appointing a person of his choice to the CEO of NRA.

Impact of Quakes

First devastating quake hit the central Nepal at almost noon on April 25, 2015 tearing down high-rise temples, and old houses and some even newly built weak ones immediately. The nine-story old palace in Kathmandu came down to three-story, the nine-story view tower called Dharahara broken into three pieces and turned to rubble in Kathmandu, some villages such as Barpak, and others in Gorkha, Nuwakot, and Sindhupalchowk flattened. Hundreds of thousands of people became homeless in a minute of the quake.

How a person could be poor had been amply demonstrated by the quake. Any person had built a house with the lifelong savings or had inherited from his/her ancestors but that house had come down within a minute of the quake. S/he had lost not only the house but also everything stored in the house.

S/he went to look for the remains of his/her assets in the rubble. S/he found the broken TV that the family had bought with the savings made for a number of years or bought selling the jewelry of the spouse or even selling a piece of land the family had inherited. The family found the harvest stored in the house went under the rubble. A great care was necessary to retrieve the food grains. The land ownership paper, citizenship certificates and other certificates were nowhere to find. The family had nothing but still the family was lucky enough to have no casualty but all were not so lucky as some of the families lost their loved ones under the debris of collapsed houses, Dharahara, Kasthamandup, and other buildings elsewhere in the quake-hit areas.

Some people were making blood donations at Kasthamandup at the core of the old Kathmandu. Blood donors and nurses did not suspect of anything of the kind of disaster of such scale of shaking the earth so violently and then everything on it. No record of how many people lost their lives was available after the Kasthamandup got flattened in a minute. Some guess was as much as two hundred. It might be in the higher range but it could make sense, as some witnesses said that some of the people on the street went into the Kasthamandup to take the cover from the quake.

Dharahara had been a reputed tower for the locals and foreign tourists to have the quick look of Kathmandu from its viewing balcony. The quake broke it down into

three pieces. Viewers from the balcony flew down on the balcony but they survived, as they landed safely but the unfortunate ones were those that were going up and down and some people nearby it on the ground. Many people had lost their lives but no credible figure was available. It might be hundred and more.

Some foreign tourists had written in a newspaper that they missed the tower at the time of the quake because they got up late and they could not make it to the Dharahara by the time the quake hit it. Others were not so lucky as some of the young people coming from Pokhara for flying to the Middle East for employments had gone to see Kathmandu before leaving it next day. They lost their lives under the rubble of the tower.

Nearby the Gopi-Krishna Movie Theater in Kathmandu, a seven-storey building had a top floor hall where Nepalese Christians prayed in a group every Saturday. On that Saturday also a number of Christians were praying when the quake hit the building and fell it down killing a number of people, according to the local media reports. It was a Saturday, most of the tenants were out of the building otherwise the number of casualties could have been higher.

The Saturday quake also saved a number of school kids and college students, and probably laborers, too. Every Saturday was the official holiday in Nepal. So, schools, colleges, State offices and agencies, and other public and private organizations did not work on Saturdays. Hundreds of kids and students, and laborers working at factories and officials in different organizations if not thousands had lost their lives if the quake had been on the weekday. A single college building where 500 students used to study had collapsed in Kathmandu but none had lost a life as the quake was on Saturday when nobody worked there.

One storey of a house went down the earth trapping a young lady in the room. Officials of the Nepal Army successfully rescued the girl from the room that went down the earth. Experts in the quakes said that the mud underneath the house liquefied when the quake shook the earth. The liquefied mud could not hold the house and gave the way causing the house go down. The same phenomenon had caused the damage of some other houses, too.

The almost perpetual aftershocks occurring one after another had terrified the people. They fled the homes and went to spend nights elsewhere. Some people slept on their cars other not having anything like those cars slept in garage or any shed available for that matter.

For the survivors of the quakes, a few days after the devastating quake had been the day of terror and the question of the life and death. They did not know where to take a shelter but they could not do so anywhere under the roof or even nearby a building, as the constant shaking of the earth might bring it down. Some other families went to the community building or schools to protect from the sun and the cold. Some others made makeshift tents from whatever materials they had until the actual tents had arrived from the State. The unfortunate thing had happened was that the parliamentarians looted the tents intended for the quake victims.

The quake victims realized the importance of the neighbors helping each other at the time of the natural disaster. They realized how important had been the cooperation of the neighbors on sharing whatever they had among them until the relief materials had arrived. Some held a group kitchen cooking for the whole group each family

contributing whatever it had. A large compound of a neighbor had been a common shelter for all the neighbors. They pitched the tents and slept in the tents while each family using the respective bathroom when the quakes took a break.

To save the quake victims from any misshapes, the local and neighboring charity organizations packed fast foods and sent to the quake victims. Many philanthropic organizations, and individuals became active to provide the quake victims with the immediate food and water. Some foreign organizations sent tuna fish but the then Finance Minister Dr Ram Sharan Mahat said that Nepalese did not need such food they needed food grain. Probably, he did not know what tuna fish was.

Did the minister endowed with power to talk what Nepalese eat and what not? Certainly not but he did talk about it for other Nepalese. Soon Nepalese would see his real face when he sent his personal secretary to bring back the tin sheets sent to Nuwakot for the quake victims to Katmandu. Unfortunately, for Dr Mahat and his secretary the local people made that mission a failure.

Soon, again the humanitarian organizations and individuals made available tents, tarpaulins, and anything that could be used as an overhead cover to the quake victims. All along the ring road, tents mushroomed, the open space such as Tundikhel, and compound of the Naryanhity palace, and Ranipokhari and other open areas had become the shelter for the quake victims. Each family made a tent out of anything it had for the overnight shelter. Kids, pregnant women, senior people and adults took the shelter in such a temporary shelter.

Immediately, the sanitary problems, shortage of water, and cooking places were cropped up in the camps of the quake victims. The Katmandu Valley Drinking Water Company mobilized its water tankers and sent them to fetch water to the quake victims' camps elsewhere in the Kathmandu Valley. How the quake victims in the rural areas managed those things I did not know but the helicopters sent by the friendly countries took food and bottled water for the immediate relief there, too.

Israelis, Chinese, Indian and other countries sent mobile hospitals. Soon, hospitals in tents were working in the Kathmandu Valley and other areas hard hit by the quakes. Other hospitals of which the building developed cracks due to the quakes and became not usable put up tents to run emergency cases and even performed surgery. UN provided tents to the Patan hospital for running a tent hospital. Hundred of quake victims received medical treatment in the tent hospitals. Many people hit by falling houses, walls or any thing received immediate medical attention, and got the chance of survival and minimum damage to their bodies.

More than eight million Nepalese stranded for months as they had been living the lives of the perpetual fear of aftershocks that had been appearing frequently. They had lost any opportunity of economic activity. They could not generate any wealth rather they became the recipients of foods, shelter, water and blankets. They became consumers without producing anything. That was the immediate negative impact of the quakes and aftershocks.

Some hotel buildings at Nagarkot in Kathmandu collapsed others became unlivable. Restaurants could not serve the customers for fear of aftershocks. Most of the visitors returned home immediately. Others that stayed on lived on the handouts at the temporary camps made for the quake victims. The hotel industry came to standstill as other industries did.

The damages done by the quakes was of \$5,174 millions, and the loss was of \$1,890 millions causing the total cost of the quakes \$7,065 millions out of which the private bore \$5,404 millions, and the public \$1,661 millions. The personal income loss was \$171 millions. The actual total loss was \$7,236 millions. (Source: Post Disaster Needs Assessment [PDNA] the government did)

The PDNA said that at least US\$ 6.7 billion (NPR 669 billion) would be required for the reconstruction and rehabilitation over a number of years; the costs to rehabilitate and reconstruct public goods such as schools, hospitals, heritage monuments, roads, energy projects, and water supply systems among others as well as announced subsidies to private home owners would exert high pressure on public finances; the government set up a National Reconstruction Authority (NRA) of \$ 2 billion (NPR 200 billion); and to this, the already committed \$ 200 million (NPR 20 billion.)

The international community had committed to provide Nepal with \$4.4 billion for rebuilding at the donors' meeting held on June 25, 2015. The government said that it had already committed \$ 2 billions. So, the total resource available would be \$ 6.4 billions against the requirement of \$ 6.7 the PDNA estimated.

The State-run newspaper "The Rising Nepal" reported on March 25, 2016 that after eleven months of the devastating quakes in April and May last year, the government had finally granted the permission to the concerned ministries to use the funding for the reconstruction of private homes, schools and other structures damaged by the quakes.

The State-run NRA had authorized the Central Program Implementation Units (CPIUs) at the ministries and agencies to use the \$ 650 millions (NPR 65 billions) reconstruction budgets out of the \$ 910 millions (NPR 91 billions) the Ministry of Finance had allocated.

The CPIU at 1) the Ministry of Federal Affairs and Local Development (MoFALD) received \$ 6 millions (NPR 600 millions), 2) Ministry of Education (MOE) \$ 21.95 millions (NPR 2.195 billions), 3) Ministry of Culture, tourism and Civil Aviation (MoICA) \$ 3.96 millions (NPR 396 millions), 4) Ministry of Urban Development (MUD) \$ 3.65 millions (NPR 365 millions), 5) Ministry of Agriculture (MoA) \$ 0.51 millions (NPR 51 millions), 6) Department of Roads (DoR) \$ 6.65 millions (NPR 665 millions), 7) MoFALD \$ 2.65 millions (NPR 265 millions) for the reconstruction of private houses (disbursed earlier), according to the newspaper "The Rising Nepal" of March 26, 2016 .

NRA had decided to implement the reconstruction of the quake-damage structures through the CPIUs at the various ministries, as it had no administrative setup required to perform such an enormous task of rebuilding. Each CPIU had to call bids for reconstruction of schools, health posts, police posts or roads following the rules and regulations. So, the actual work of reconstruction and rehabilitation would not start this fiscal year 2015. The next fiscal year 2016 will start on July 16, 2016.

June, July and August are the monsoon months. So, hardly any outside construction work could be done in these months. Then, the festival season starts in September and end only in October. Practically, the reconstruction would start only in November 2016 if the CPIUs were to work smartly.

The government could have started off the reconstruction work even in the last November if the government and political leaders running the government had the will power to do so. The NC and CPN-UML coalition government led by Prime Minister Sushil Koirala blamed the leaders of the CPN-UML for not allowing the prime minister appoint a person to the chief executive of NRA delaying the implementation of the construction of the quake-damaged structures: private, public and the State owned. Even the coalition government of political parties except for the NC and protesting Madheshi parties, led by the Chairman of CPN-UML KP Oli took some months to appoint a person to that office.

Economic loss of not doing the reconstruction work was enormous. Hundreds of thousands of the quake victims would have jobs immediately in the reconstruction work had the CPIUs were allowed to work immediately aftermath of the quakes but one government after another took time for meeting their interest than the interest of the nation as a whole. About eight million Nepalese had to live in the makeshift tube-like shelters made of tin sheets and steel rods, and they had to spend cold winter and hot summer under the tin sheets thanks to the government delaying the reconstruction of their houses.

More than 50% of them could have worked on the reconstruction and generate some wealth for the nation had the government started off the reconstruction or had the government allowed other charity organizations: national or international assist the quake victims in immediately building their lives and families. Not only about eight million people remained without proper jobs and suffered from living in the shanty camps but also getting denied building their lives and family and even the houses.

Currently, the government had sent teams of officials to assess the eligibility of the quake victims for receiving the State grants and the bank soft loans for constructing houses. According to the media reports, the teams had completed their work on assessing the eligibility of the quake victims for the government grant in some districts hard hit by the quakes as of April 2016.

The government was to distribute the grant of \$2,000 (NPR 200,000) in three installments. The quake victims would receive the first installment of NPR 50,000 after signing off an agreement with the NRA, the second installment of NPR 80,000 after the completion of building the plinth of their houses subject to the confirmation by the Ministry of Urban Development, and the final installment of NPR 70,000 after the construction of walls of their houses, according to the news in "The Rising Nepal" of March 31, 2016. The NRA had started off distributing the first installment of the grant to the families in the Laduk village of the Dolakha district two weeks ago.

The amount was so small even in the rural areas that amount would not be sufficient for laying foundation of a one family house. As the amount was coming in small installments, the danger was there that the quake victims would spend that money on the immediate consummation rather than using for the construction of their houses. However, the terms and conditions laid for disbursing the grant amount would ensure the quake victims building houses but the need for inspection by the officials of the Ministry of Urban Development would surely cause delay in disbursing the grant amount. It might cause the demand for the consumer items and the construction materials.

In fact, some of the villages had their families constructed the houses from the materials they could salvaged from the rubble and from getting locally available materials such as stones, and timbers. They did not wait for the State grant the government had promised to them. Only the urban dwellers had been waiting for the State grant and the bank soft loans, as they had no any other alternative to it.

If the government and the banks were to provide the quake victims as reported in media: \$2,000 (NPR 200,000) in grant and \$15,000 (NPR 1,500,000) in the soft bank loans to the rural families, and \$2,000 (NPR 200,000) in grant and \$25,000 (NPR 2,500,000) in the soft bank loans to the urban quake victims then even though these amounts were not so large but these amounts would make huge demands for the construction materials such as bricks, cement, stones, steel rods, and tin sheets, and also would make demands for skill laborers such as bricklayers, carpenters, electricians, plumbers and simple laborers for constructing houses and finishing them. It would significantly contribute to the Gross Domestic Product (GDP).

However, Nepalese had doubts that the political leaders in power and State officials would work honestly and they would be the persons of integrity, as Nepalese had the ample example of what the ministers including the prime minister and State officials had been in the past.

Immediately after the destructive quakes, officials probably including the minister for urban development made an enormous amount of money in purchasing tin sheets, tarpaulins, tents and other materials required for the quake victims. They charged several times more than the real prices of those materials and at the same time procuring the low quality materials even ignoring the minimum quality requirement.

Commission on Investigation into Abuse of Authority (CIAA) had sued some of the State officials for the corruption and the abuse of power at the Special Court. The Special Parliamentary Account Committee had questioned the officials of the Ministry of Urban Development including the then minister Dr Narayan Khadka for their integrity in procuring the correct materials at the right prices for the quake victims. Thus, some State officials and probably the minister had made a lot of money taking the advantage of the misfortunes of the millions of the quake victims.

Had the ministers and the State officials been honest to the quake victims, the quake victims did not need to stay on in the temporary sheds, as hundreds if not thousands of charity organizations and individuals had been active to mobilize resources and were ready to descend on Nepal to help the quake victims to rebuild their lives lost to the merciless quakes. Billions if not hundreds of billions of dollars were to mobilize. Some of them might be phony but people and donors could find them in no time.

A single official announcement of the government headed by Prime Minister Sushil Koirala had stopped them doing anything further. The government announced that any amount collected in the name of the quake victims had to automatically deposit in the Prime Minister's Disaster Relief Fund. Everybody in the country and outside knew that once the money went down to the fund it would not find the right way to the quake victims rather it might go to using for the political advantage. Everybody halted doing anything to mobilize any resources for the quake victims, and the unfortunate quake victims became even destitute by the stroke of the announcement of the heartless Prime Minister Sushil Koirala.

Anybody could guess the adverse economic impact of this announcement. Billions of dollars coming to rebuild the lives of the quake victims surely would have created immediately needed many jobs for the quake victims. They not only could build their houses but also their own lives with the earning from working on the construction of houses, schools, health posts, police outposts and other local development offices in rural areas. That in turn would contribute to the GDP. That opportunity was lost thanks to the greed of the ministers including Prime Minister Sushil Koirala. That had certainly retarded the economic growth in the quake year.

Some of the quake victims became so poor they did not have enough resources to feed their children and themselves forcing them to sell their kids to the child traffickers believing the kids would have better lives and even they would have schooling but unfortunately they did not know that their kids had landed in domestic slavery after the traffickers sold them to a rich foreign couple. Unfortunately, the kids did not have what the parents thought they would have. They ended up being household slaves somewhere in the distant country where their parents could not reach.

The British newspaper "The Sun" on April 4, 2016 reported that its undercover investigator team revealed the sad story of how the young survivors of the Nepal quakes were sold to the British families as household slaves. Slave trader Makkhan Singh lined up kids to pick from and said: "We have supplied lads who have gone on to the UK. Take a Nepalese to England. They are good people. They are good at doing housework and they're very good cooks. No one is going to come after you." When asked if he had a problem of obtaining children for sale, Singh shrugged: "India is flooded with boys. Nepal has been destroyed and all the Nepalese are here. We go to the poor parents, we talk to them, we do a deal." Singh priced the male kid at Indian currency 500,000, which was equivalent to British Pound 5,250 (About \$ 7,500).

For an old parent and sick wife to take care of, Singh said, "I'm giving you some advice, go for a Nepalese. It's up to you. Most of the ones taken to England are Nepalese. You must have seen them there." A day later he took one of the undercover team members to a field where he had arranged a heart-rending line-up of child slaves. He also had the contacts that could arrange the paperwork to take them into the UK, "The Sun" reported.

To the question if Singh sold children younger than ten, he explained: "There's no point having younger ones. They'll be crying, missing their parents. "They won't be able to work. And then you're going to come back to complain. What you need is kids who have the ability to work. Look, there they are." He refused to haggle on the price, insisting: "I've got to pay their parents and I've got to make a bit. Every penny is accounted for. You're not our only customer."

<http://www.thesun.co.uk/sol/homepage/news/7047329/SUN-INVESIGATION-Brit-families-buy-child-slaves.html>

"Loss of livelihoods and worsening living conditions may allow traffickers to easily convince parents to give their children up for what they are made to believe will be a better life," Tomoo Hozumi, UNICEF Nepal representative, said in a statement last June, "The Huffington Post" reported. "The traffickers promise education, meals and a better future. But the reality is that many of those children could end up being horrendously exploited and abused." Former U.K. Prime Minister Gordon Brown was one of the experts who spoke out then, and children from the area are now being

sold to British families to work as domestic slaves, a recent Sun report found. After the Nepal earthquake last year, which left 950,000 children in makeshift tents, on the streets or out of school, advocates feared that the vulnerable demographic would get bought and sold by traffickers, "The Huffington Post" reported on April 4, 2016. In a HuffPost blog post last year, Gordon noted that about 7,000 to 15,000 girls and young women are trafficked each year from Nepal into Indian brothels. Desperate parents who lost everything due to the earthquake were more likely to fall for traffickers' schemes, experts warned at the time.

http://www.huffingtonpost.com/entry/child-survivors-of-nepal-earthquake-are-being-sold-as-domestic-slaves-in-uk-report_us_57029441e4b0a06d58063536

According to the news posted on theguardian.com on April 4, 2016, British Home secretary Theresa May urged police investigation after "The Sun" reported that Nepalese and Indian children were sold to British families as domestic slaves. Home Secretary Theresa May called on the paper to 'share its disturbing findings... so that appropriate action can be taken'.

Home Secretary May called child trafficking a "truly abhorrent crime" and urged the National Crime Agency to investigate the newspaper's findings. She said the paper should "share its disturbing findings" with the agency, "so that appropriate action can be taken against the vile criminals who profit from this trade". She added: "No child, anywhere in the world, should be taken away from their home and forced to work in slavery. That is why we introduced the landmark Modern Slavery Act last year, which included enhanced protections for potential child victims of slavery and sentences up to life imprisonment for those found guilty." In October 2015, the Modern Slavery Act was brought in to crack down on modern day slavery and protect victims of trafficking.

<http://www.theguardian.com/world/2016/apr/04/child-nepal-earthquake-slaves-sold-uk>

Adverse Impact of Earthquakes On Economy

The state-owned Dairy Development Corporation reported that the milk demand has been reduced considerably in Kathmandu. The vegetable market has been down, too. The poultry producers' association has decreased the price of egg from around NPR 13 to NPR 8 per egg. House owners have lost the revenue from renting out their houses. Either their houses have fallen down or the tenants have left Kathmandu for the safer areas.

Dairy Development Corporation has said that the milk demand in Kathmandu has decreased from 140,000 liters per day to 95,000 liters per day. The company has said that it has been sending the surplus milk to the milk-powder-making plant in Biratnagar at the high cost of transportation to convert the liquid milk into powder, the news on the ratopati.com stated on May 18, 2015.

Milk demand reduced in Kathmandu says DDC:

<http://www.ratopati.com/2015/05/18/234276.html>

Most probably, the milk producers might not be affected so much from the lack of demand for milk but the state-run dairy company would suffer from the heavy loss until the demand for milk bounced back. One thing the company could do is to distribute the surplus milk to the quake victims that have been staying in the

temporary sheds elsewhere or sell the milk to the government to distribute it to the quake victims. Thus, the government could save the dairy industry and keep the quake victims healthy with increased inputs of the nutritional food. The Prime Minister's Disaster Relief Fund has already 2.5 billion rupees. Prime Minister Koirala needed not to wait for anything to use the fund for saving the lives of the millions of homeless people.

Nepal Egg Producers' Association has reduced the price of eggs to NPR 8 per egg in view of the protein requirement for the quake victims, the news on the ratopati.com stated on May 18, 2015. The price of eggs had been around NPR 13 per egg. Nepalese have been helping each other. Such cooperation and goodwill among the Nepalese has been the age-old tradition. Nepalese have been considerate of all humans.

Price of egg reduced: <http://www.ratopati.com/2015/05/18/234187.html>

The low price of eggs would increase the consumption of eggs. It would directly help the poultry industry to keep up with the business even in such a national disastrous time. The government relief agencies and philanthropic organizations needed to give preference to the local products for distributing the foods to the quake victims. It would help both the victims and the local industries making the double help.

Vegetable farmers in Chitwan have the problem of selling the fresh vegetables, the news on thehimalayantimes.com on stated May 18, 2015. The farmers have been selling about 40% of their vegetables in Kathmandu, Gorkha, Lamjung, Dhading, and Nuwakot. The devastating quakes have hit all those districts mercilessly causing untold sufferings to the inhabitants. After the disastrous quakes on April 25, 2015, the sale of the Chitwan vegetables have suffered drastically.

<http://thehimalayantimes.com/printNepaliNews.php?id=455199>

It is time for the government relief workers and other social and philanthropic organizations working on helping the quake victims to buy the vegetables from Chitwan and send the vegetables to the quake victims elsewhere. It would save both the vegetable farmers from going to bankrupt and the quake victims from the vitamin deficiency. Finance Minister Dr Ram Sharan Mahat needed to talk to the donors' community about helping both the quake victims and the vegetable farmers buying the vegetables grown in Chitwan. It would keep our national economy intact even during the national disaster.

Nepal Electricity Authority (NEA) has stated that the earthquakes had damaged its property worth billions of rupees. It has estimated the cost of repairing distribution network, substations equipment and office buildings fallen down during the quakes at NPR 10.68 billion; all the power plants in the quake-hit districts except for the Sunkoshi Hydropower plant in Sindhupalchowk have resumed power generation; the Sunkoshi Hydropower plant has been under the reconstruction after the Jure landslide damaged it last year, the news on Myrepublica.com stated on May 18, 2015. <http://myrepublica.com/economy/item/21140-nea-seeks-rs-10-86b-for-repair-of-power-plants-distribution-system.html#sthash.1J4VEcpU.dpuf>

Some hydropower experts think that the Sunkoshi dam built for the hydropower plant needed to be watched to see whether it has been damaged by the quakes or not. If the water level has been depleting fast in the dam area or muddy water is seen flowing after the dam, then the dam might have been broken up. Immediate actions needed to be taken to save the dam from the total destruction.

The news on the [ratopati.com](http://www.ratopati.com) stated on May 18, 2015 that most of the star-hotels in Kathmandu withstood the quakes. Only a few hotels needed major repair. Obviously, all the hotel buildings were well built that could stand even such devastating quakes. Hotels not affected by quakes: <http://www.ratopati.com/2015/05/18/234252.html>

However, the hotel buildings at Nagarkot: the scenic site for the visitors to watch the sunrise, and even to see the mighty Mt Everest through a binocular were totally damaged. Visitors could not stay there overnight. That was a great loss to the hotel entrepreneurs and the staffers working there, and to the State, too. Most of the hotel staffers have suffered from both the loss of their houses and their jobs, too. They became homeless and jobless, too. The State has lost the revenue from the tourism industry.

The tourism industry has been hit hard by the quakes. Ninety percent of visitors planned to visit Nepal has cancelled their bookings, one media report stated. Hundreds of thousands of workers depending on the tourism industry must have lost their means of livelihood. The Nepalese media needed to keep the visitors informed about the real status of the areas visitors usually visited. Most of the trekking routes have not been affected by the quakes. All star-hotels are intact. All national parks were not damaged by the quakes. Only some of the ancient cultural heritages have been fallen down in the Kathmandu Valley.

Most of the houses given for rents have been either came down due to the heavy ground tremors or the tenants have left the houses in the core area of Kathmandu for the fear of quakes. People living on the house rents must have been homeless and rent less. They might have no means to live on.

However, the demands for the construction materials and the construction workers would be tremendously high in the coming months and years. The reconstruction of the quake-affected areas would create the huge demands for almost everything contributing to the poultry industry, dairy industry, vegetable farming, and surely to the construction material industries. If the government were to use the Prime Minister's Disaster Relief Fund properly and sincerely, it would immediately help the revival of the industries dwindled by the quakes.

More than eight million Nepalese stranded for months as they had been living the lives of the perpetual fear of aftershocks that had been appearing frequently. They had lost any opportunity of economic activity. They could not generate any wealth rather they became the recipients of foods, shelter, water and blankets. They became consumers without producing anything. That was the immediate negative impact of the quakes and aftershocks.

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However, Nepalese had doubts that the political leaders in power and State officials would work honestly and they would be the persons of integrity, as Nepalese had the ample example of what the ministers including the prime minister and State officials had been in the past.

Immediately after the destructive quakes, officials probably including the minister for urban development made an enormous amount of money in purchasing tin sheets, tarpaulins, tents and other materials required for the quake victims. They charged several times more than the real prices of those materials and at the same time procuring the low quality materials even ignoring the minimum quality requirement. Commission on Investigation into Abuse of Authority (CIAA) had sued some of them for the corruption and the abuse of power at the Special Court. The Special Parliamentary Account Committee had questioned the officials of the Ministry of Urban Development including the then minister Dr Narayan Khadka for their integrity in procuring the correct materials at the right prices for the quake victims. Thus, some State officials and probably the minister had made a lot of money taking the advantage of the misfortunes of the millions of the quake victims.

Had the ministers and the State officials been honest to the quake victims, the quake victims did not need to stay on in the temporary sheds, as hundreds if not thousands of charity organizations and individuals had been active to mobilize resources and were ready to descend on Nepal to help the quake victims to rebuild their lives lost to the merciless quakes. Billions if not hundreds of billions of dollars were to mobilize. Some of them might be phony but people and donors could find them in no time.

A single official announcement of the government headed by Prime Minister Sushil Koirala had stopped them doing anything further. The government announced that any amount collected in the name of the quake victims had to automatically deposit in the Prime Minister's Disaster Relief Fund. Everybody in the country and outside knew that once the money went down to the fund it would not find the right way to the quake victims rather it might go to using for the political advantage. Everybody halted doing anything to mobilize any resources for the quake victims, and the unfortunate quake victims became even destitute by the stroke of the announcement of the heartless Prime Minister Sushil Koirala.

Anybody could guess the adverse economic impact of this announcement. Billions of dollars coming to rebuild the lives of the quake victims surely would have created immediately needed many jobs for the quake victims. They not only could build their houses but also their own lives with the earning from working on the construction of houses, schools, health posts, police outposts and other local development offices in rural areas. That in turn would contribute to the GDP. That opportunity was lost thanks to the greed of the ministers including Prime Minister Sushil Koirala. That had certainly retarded the economic growth in the quake year.

Some of the quake victims became so poor they did not have enough resources to feed their children and themselves forcing them to sell their kids to the child traffickers believing the kids would have better lives and even they would have

schooling but unfortunately they did not know that their kids had landed in domestic slavery after the traffickers sold them to the rich British people. Unfortunately, the kids did not have what the parents thought they would have. They ended up being household slaves somewhere in the distant country where their parents could not reach.

The British newspaper "The Sun" on April 4, 2016 reported that its undercover investigator team revealed the sad story of how the young survivors of the Nepal quakes were sold to the British families as household slaves. Slave trader Makkhan Singh lined up kids to pick from and said: "We have supplied lads who have gone on to the UK. Take a Nepalese to England. They are good people. They are good at doing housework and they're very good cooks. No one is going to come after you." When asked if he had a problem of obtaining children for sale, Singh shrugged: "India is flooded with boys. Nepal has been destroyed and all the Nepalese are here. We go to the poor parents, we talk to them, we do a deal." Singh priced the male kid at Indian currency 500,000, which was equivalent to British Pound 5,250 (About \$ 7,500).

For an old parent and sick wife to take care of, Singh said, "I'm giving you some advice, go for a Nepalese. It's up to you. Most of the ones taken to England are Nepalese. You must have seen them there." A day later he took one of the undercover team members to a field where he had arranged a heart-rending line-up of child slaves. He also had the contacts that could arrange the paperwork to take them into the UK, "The Sun" reported.

To the question if Singh sold children younger than ten, he explained: "There's no point having younger ones. They'll be crying, missing their parents. They won't be able to work. And then you're going to come back to complain. What you need is kids who have the ability to work. Look, there they are." He refused to haggle on the price, insisting: "I've got to pay their parents and I've got to make a bit. Every penny is accounted for. You're not our only customer."

<http://www.thesun.co.uk/sol/homepage/news/7047329/SUN-INVESTIGATION-Brit-families-buy-child-slaves.html>

"Loss of livelihoods and worsening living conditions may allow traffickers to easily convince parents to give their children up for what they are made to believe will be a better life," Tomoo Hozumi, UNICEF Nepal representative, said in a statement last June, "The Huffington Post" reported. "The traffickers promise education, meals and a better future. But the reality is that many of those children could end up being horrendously exploited and abused." Former U.K. Prime Minister Gordon Brown was one of the experts who spoke out then, and children from the area are now being sold to British families to work as domestic slaves, a recent Sun report found. After the Nepal earthquake last year, which left 950,000 children in makeshift tents, on the streets or out of school, advocates feared that the vulnerable demographic would get bought and sold by traffickers, "The Huffington Post" reported on April 4, 2016. In a HuffPost blog post last year, Gordon noted that about 7,000 to 15,000 girls and young women are trafficked each year from Nepal into Indian brothels. Desperate parents who lost everything due to the earthquake were more likely to fall for traffickers' schemes, experts warned at the time.

http://www.huffingtonpost.com/entry/child-survivors-of-nepal-earthquake-are-being-sold-as-domestic-slaves-in-uk-report_us_57029441e4b0a06d58063536

According to the news posted on theguardian.com on April 4, 2016, British Home secretary Theresa May urged police investigation after "The Sun" reported that Nepalese and Indian children were sold to British families as domestic slaves. Home Secretary Theresa May called on the paper to 'share its disturbing findings... so that appropriate action can be taken'.

Home Secretary May called child trafficking a "truly abhorrent crime" and urged the National Crime Agency to investigate the newspaper's findings. She said the paper should "share its disturbing findings" with the agency, "so that appropriate action can be taken against the vile criminals who profit from this trade". She added: "No child, anywhere in the world, should be taken away from their home and forced to work in slavery. "That is why we introduced the landmark Modern Slavery Act last year, which included enhanced protections for potential child victims of slavery and sentences up to life imprisonment for those found guilty." In October 2015, the Modern Slavery Act was brought in to crack down on modern day slavery and protect victims of trafficking.

<http://www.theguardian.com/world/2016/apr/04/child-nepal-earthquake-slaves-sold-uk>

Print Money For Quake Victims

It has been already one and a half months since the first major quake hit the central Nepal and shook the south Asia for a minute or so causing massive damages to the central Nepal and minor to other areas. Millions of Nepalese became homeless within a minute. They lost everything to the quake. People all over the world and the philanthropic organizations descended on Nepal to help the quake victims. The quick responses of the international organizations, governments and individuals to the disaster saved thousands of lives. It was a great opportunity for Prime Minister Sushil Koirala to demonstrate how dashing he was but he did not take it. Similarly, his Finance Minister Dr Ram Sharan Mahat had a good opportunity of showing how generous he was but he too became so stingy. They could have helped the quake victims even printing money.

Immediately after the devastating quake hit Nepal on April 25, 2015, all charity organizations and individuals started off collecting donations from the generous people. Millions probably hundreds of millions of dollars were collected but Finance Minister Dr Mahat forced Prime Minister Koirala to declare that all money collected should pass through the funnel called the Prime Minister's Disaster Relief Fund. Dr Mahat called it a one-door policy. He declared that it was for avoiding the corruption. He pretended that nobody knew how the corruption menace had been plaguing in the Koirala-Mahat administration. The Prime Minister's Disaster Relief Fund got punished for non-visionary statement of the Koirala government that came from the finance minister. None of the foreign donations collected for the quake victims was funneled through the Prime Minister's Disaster Relief Fund so far. Thereafter, most of the charity organizations and individuals immediately stopped talking about collecting donations for the quake victims in Nepal.

Previously, Prime Minister Koirala and his government had been for providing the quake victims with some compensation for the loss of lives and homes. Recently, Dr Mahat categorically rejected in public the government providing the quake victims with a penny as compensation. He knew that he did not need to pay from his pockets; he needed not provide the compensations even from the State treasury but

he was not even for providing the quake victims with the donated money from the Prime minister's Disaster Relief Fund that the Nepalese people and organizations had so generously deposited their hard earned money for the relief of the unfortunate fellow citizens: quake victims.

Money was not the problem Finance Minister Dr Mahat correctly told in public. He was right. Even with the national donations, the Prime Minister's Disaster Relief Fund had been filled up to more than five billion Nepalese rupees. It was a large sum of money for Nepalese but the government and its finance minister did not want to distribute it in the amount the quake victims needed but to make sure that no fake victims would receive whatever the small amount the government had been delivering.

Finance Minister wanted to make sure that no fake quake victims would receive whatever the government was distributing to the quake victims. It was good that Dr Mahat was so concerned with the unscrupulous people getting relief money from the government. But he was not stopping even his beloved personal secretary Ramesh Mahat from returning the tin sheets sent to Nuwakot for sale in Kathmandu. It was understandable that whatever money his personal secretary would make from selling the tin sheets intended for the quake victims would be useful for him to spend on the next elections. That was no doubt about that. Every minister followed this very effective strategy of making easy money.

Any prudent minister would not wait for sorting out the fake victims for delivering the relief materials to the quake victims because while sorting out the crooks the real victims would suffer more than anybody would do. So, such a practical-oriented minister would go on providing the relief materials ignoring the few fake victims to bring the off-the-track lives of the victims to the regular track. The government was not distributing the State revenue but the Nepalese donors' money from the Prime Minister's Disaster Relief Fund; surely, the donated money was not supposed to be misused, too. The fake-quake victims needed to be punished in due time.

Money was not the problem again. The government could print as much as it needed to make sure that every quake victims had enough to build his/her life after the destructive quakes had taken away whatever s/he had made in her/his life.

Finance Minister knew it even the printed-paper money could help the victims to build their lives and to boost the national economy. But the finance minister did not want to do so because he had the mentality of the past Rana rulers that believed if the people were not kept poor, illiterate and destitute they could not rule over them, as the better off people would immediately seek their basic human rights. Dr Mahat surely could not stop Nepalese from being educated, he could not make them destitute but he could prevent the quake victims getting something to live on.

If Prime Minister Koirala were to be a wise politician it was a great chance for him to show how generous he was and how smart he was to help the quake victims but his thick head did not permit him to think positively and assist the victims in recouping their lost assets. He wasted the opportunity. He lost the opportunity of being an exceptionally high caliber politician. But he let himself caught in the political controversy of not being able to handle the quake victims. Politicians went on advocating for a so-called national government to cope with the quake disaster the nation had been facing. Instead of becoming an outstanding prime minister, Sushil Koirala became a good-for-nothing prime minister in the eyes of the common folks.

All political parties had been very generous to send their political cadres to rebuild the lives of the quake victims. Most of them built the temporary shelters on camera so that the world could see the politicians had been concerned with the destitute people. It was really an appreciable job they did but they failed to reach the quake victims where cameras could not reach. Naturally, those quake victims had to suffer for more than a month before any charitable organizations or individuals could reach them.

During this time, Prime Minister Sushil Koirala continued to receive the generous donations from the Nepalese donors on camera. Some generous people had donated even the money saved for the wedding of their daughters. They gave the check to the prime minister to deposit it in the Prime Minister's Disaster Relief Fund and deliver it to the victims smartly.

Each time he collected the donations, Prime Minister Koirala assured the donors of not wasting the donations, and he even told them repeatedly that he would punish anybody misusing the donations. But Mr. Koirala did not realize that he himself was misusing the donations not distributing the donated money, as the donors had wanted not to mention taking actions against the personal secretary to the finance minister that had almost sold the tin sheets sent to the quake victims in Nuwakot. The prime minister had been keeping only one door opened as his finance minister wanted rather than opening the floodgates of many doors to reach the quake victims. Everybody knew that a single opening would not let flow the required amount of money to the needy people. But Mr. Koirala and his penny-pinching finance minister did not want to let pass the donors' money from their control. Surely, one door was easier to close than many.

The Nepalese newspapers online and in print had published the government released billions of rupees for the delivery to the quake victims. The government also reported that the local administration had been facing the problems of delivering the money. Some victims received the NPR 15,000 for the temporary shelters others had hardly received anything. The local political cadres and the vocal people had a better chance of receiving and re-receiving such money distributed. Such small irregularities in distribution even could be tolerated if the relief money were to reach all the quake victims.

Money had been everything for the corruption-menaced ministers. Once the money had been in their control it was very hard to get out of them. That must be one of the reasons why the foreign donors did not drop a single penny in the Prime Minister's Disaster Relief Fund. Ministers including the prime minister did not feel a shame of not having the confidence of the foreign donors in the ministers properly using the donations. Not only the Nepalese people but also the entire international community had lost faith in the Koirala government and his ministers. Who cares, they are corrupt and shameless. If those ministers including the prime minister had an iota of shame they would have quit en masse and let other sincere people run the administration.

Rather the finance minister was holding the donors' meeting on June 25, 2015 to beg the donations to the tune of NPR 660 billions (\$6.6 billions) in the names of the quake victims for reconstruction. It was not a big money for the donor community provided the Nepalese government would spend it judiciously on rehabilitation of the quake victims. Foreign donors knew that the government had not effectively and rationally used the Nepalese money. The donor community knew that the quake

victims had been suffering not only from the loss of everything they had made in their lives but also from not having anything even from the Prime Minister's Disaster Relief Fund. The donor community had adopted one strategy or another to reach the quake victims.

A recent online newspaper attempted to portray that the foreign governments, international organizations and so on also had over spent on delivering the relief supplies to the quake victims stating a huge amount of money spent on hiring helicopters. But the reporter did not bother to understand or did not like to understand that how to reach the quake victims in the areas where the roads had not reached or the landslides triggered by the quakes had blocked the roads. Certainly, a helicopter ride was an expensive business but when one had no option but to use helicopters. Over spending might be when everybody was in a hurry to pull the quake victims out of the misery. Everybody willing to help the quake victims had to use whatever available means to reach the victims.

People could see the pictures posted on the facebook and elsewhere on the Internet how the quake victims had started off building shelters and houses from whatever debris the quakes had left and whatever the materials locally available. They did not wait for the Koirala government. People also could have the information from the facebook on how local politicians also had been active to keep the relief supplies in their depots. If they were to deliver those relief supplies they did only to their cadres and the voters they knew that they voted for those politicians and their parties.

Political parties had been the corruption trees that had many branches of corrupt politicians and others, too. The prime minister, ministers, and all the political appointees had been the glittering different branches of the corruption tree. Even the diplomats, and judges have been the parts of such a tree if we were to believe the Nepalese media. If anybody were to benefit from the government then s/he had to be the part of the branch of the corruption tree. S/he could enjoy any sort of benefits and luxury of life in this world becoming the part of the corruption tree. Any sincere person or anybody out of the sphere of such a tree had to go for a foreign job to earn livelihood. Politicians had made the country the haven of the corruption-infected people, and the hell for the sincere and regular people. Thanks to the ministers and the prime minister and other political leaders, Nepal has been in the 126th in the corruption index out of 176 of the Transparency International's corruption perception index in 2014. It was a 10-point climb in comparison with 116 in the previous year.

June 14, 2015

Selling The Relief Supplies And Distributing Substandard Materials

Speaking at the reporters' Club in Kathmandu on May 30, 2015, Finance Minister Dr Ram Sharan Mahat said that the government would follow a new strategy of rebuilding the structures tore down by the quakes. He also said that the government would make available NPR 200,000 loan to each family for rebuilding quake-resistant houses following the drawings the government would provide. He also said that the government was holding a donors' meeting on June 25, 2015 to mobilize resources for rebuilding the quake-devastated country, the news on ratopati.com stated on May 30, 2015. FM reconstruction in a new model:
<http://www.ratopati.com/2015/05/30/237074.html>

While Finance Minister Dr Mahat was speaking at the Reporters' Club in Kathmandu and saying that the government would do everything so generously for the quake victims, his personal secretary Ramesh Mahat faced the challenges from the local quake victims in Nuwakot to returning the tin sheets with the label of the Nepal Investment Bank intended for the quake victims back to Kathmandu. The local people stopped the trucks carrying the tin sheets and turning back to Kathmandu on the way. The locals also charged the personal secretary to Finance Minister Dr Mahat with taking the tin sheets back to Kathmandu for selling. The tin sheets were worth NPR 4.5 millions.

Irregularities in distribution of tin sheets:

<http://www.ratopati.com/2015/05/30/236951.html>

FM sending his PA to sell the relief materials:

<http://dainiknepal.com/2015/63843.html>

Of course Personal Secretary Ramesh Mahat denied his intention to selling the tin sheets. He even questioned how he could sell the tin sheets with the label of the Nepal Investment Bank. However, he could not answer why he was taking the tin sheets back to Kathmandu from Nuwakot. Those tin sheets were sent for the roofs of temporary shelters to be made for the quake victims. He even boasted that he had so much of the ancestral property he could not manage them. Here again he missed to explain why he was taking the job of the personal secretary to the finance minister if he were really so rich.

Now, the question was whether the money also sent by Finance Minister Dr Ram Sharan Mahat to the different districts including his constituency Nuwakot had reached those districts or not whether those checks had been bounced back to the pocket of the ministers or not. Surely, Dr Mahat alone would not dare to pocket such a huge amount of money alone. All the cabinet ministers would have share in it. He had released more than a billion rupees to his constituency Nuwakot alone.

The irony is that any one of the State agencies had not reached Tajigaon: one of the remote villages in the Nuwakot, yet even after 25 days of the first quake, the news on the ratopati.com stated on May 21, 2015. The State officials had reached the area to collect the information on the quake-damaged village but the Finance Minister Dr Mahat had failed in sending anything to that village. An organization called Sampna Village Social Impact located in Sauraha: a tourist town in Chitwan went to the Tajigaon village and distributed some relief supplies to the villagers, the news on the ratopati.com stated on May 21, 2015

<http://www.ratopati.com/2015/05/21/234893.html>

So, Dr Mahat had neglected even the village of his constituency. Probably, he had done so because the village had not sufficient voters or the voters were not in his favor or the number of voters was considerably small to warrant his attention. If Dr Mahat were to neglect the certain areas of his constituency whether he would indiscriminately distribute the relief supplies or money from the Prime Minister's Disaster Relief Fund to the victims in other quake-affected areas was the most valid question to ask. He had put his integrity at risk not properly managing the relief fund.

The government gave four billion rupees to the Ministry of Home to buy tin sheets for immediately providing the quake victims, the news on myrepublica.com stated on May 21, 2015. What the Deputy Prime Minister Bamdev Gautam holding the portfolio of the home Ministry was doing with that money was unknown. Two billion rupees

was released from the Prime Minister's Disaster Relief Fund following the cabinet meeting held on Wednesday, May 20, 2015 to provide each family with NPR 15,000 for buying tin sheets for roofs.

<http://myrepublica.com/economy/item/21246-govt-releases-rs-4b-to-moha-to-build-temporary-settlements.html#sthash.yo0aFj9S.dpuf>

Finance Minister Dr Mahat said at the special committee of the parliament that the lack of correct data on the quake victims had led some family members falsely collecting NPR 15,000 each; the money was supposed to be only for each family. He also said that 400 to 500 officials were sent to collect correct data on the quake victims. The government had held up distributing NPR 15,000 waiting for the correct data on the quake victims, the news on the ratopati.com stated on May 27, 2015.

No accurate date on the sufferers for distributing relief materials:

<http://www.ratopati.com/2015/05/27/236296.html>

Obviously, Finance Minister Dr Mahat had not read the news on the raopati.com that former governor Dipendra Bahadur Chhetri found 87 houses-damaged in the Mustang district but his team had carried relief supplies only for 70 following the official data. So, Dr Mahat needed to take into account of the validity of the official data rather than charging the locals with falsely collecting the grant money of NPR 15,000 the government had provided.

<http://www.ratopati.com/2015/05/30/237054.html>

The government was concerned very much with the misappropriation of as small as NPR 15,000. That concern was correct very much, too. But the public concern was the misappropriation of billions of rupees at the State level. Widespread reports on the irregularities in the purchase of relief supplies had been in the Nepalese media but the administration had the business as usual.

The Ministry of Urban Development purchased tarpaulins worth NPR 700 million but the 90% of them were low quality some of the tarpaulins were so small they were just large enough to cover up motorcycles, the news on the setopati.com stated on May 31, 2015. Everybody could clearly see how the ministry people make money out of the purchases.

Irregularities in purchasing tarpaulin: <http://setopati.com/raajneeti/28659/>

On Tuesday, February 2, 2016, Commission on Investigation into Abuse of Authority (CIAA) has filed a case of corruption against six persons including the Local Development Officer of Kathmandu: Tirtha Raj Bhattarai and three traders at the Special Court for their involvement in irregularities in procuring tarpaulins for the earthquake victims. They had submitted the bill for tarpaulins purchased in India for the quake victims 14 times higher than the actual purchase price causing the loss of NPR 3.5 millions to the State, according to the news in 'gorkhapatra' of February 3, 2016.

<http://gorkhapatraonline.com/epaper/showimage?img=uploads/epaper/2016-02-03/494cd076406aa24a0a967be655fcac9c.jpg>

CIAA had written a letter to the government even on January 5, 2016 urging to take immediate actions against the then secretary Arjun Kumar Karki and Joint Secretary Basudev Guragain working at the Ministry of Urban Development, then Director of Department of Urban Development and Building Construction Shambu KC, CDE Neelam Kumar Dangol and chief financial comptroller Narayan Niraula for

irregularities in procuring tarpaulins worth over NPR 110 million, according to the news on thehimalayantimes.com.

<http://thehimalayantimes.com/kathmandu/ciaa-recommends-action-against-officials-in-tarpaulin-scam/>

The international organization such as World Food Program of the UN, and the national NGO Nepal Red Cross have been involved in distributing not usable relief supplies. The quake victims had complained about the inedible rice distributed by the Nepal Red Cross received from the World Food Program. Some children even got sick after eating the rice meals, National Human Rights Commission (NHRC) stated on Tuesday, May 26, 2015. The leader of the NHRC monitoring team Mohana Ansari found the rice stored at Mahadevsthan Samaj Sewa building in Kavrepalanchowk for the distribution to the quake victims was uneatable. So, the NHRC recommended the government to take legal actions against World Food Program (WFP) and Nepal Red Cross for distributing substandard rice to the quake victims, the news on setopati.net stated on May 27, 2015.

<http://setopati.net/society/6787/NHRC-asks-govt-to-take-action-against-WFP,-Nepal-Red-Cross/#sthash.xKQH893o.dpuf>

The Social Welfare Council had purchased rice, tarpaulins and other relief supplies for NPR 29 millions for the quake victims. The monitoring unit of the Department of Commerce found both the rice and tarpaulins were of low qualities and not usable, the news on the ratopati.com stated on May 27, 2015.

Social Welfare Council: low quality relief materials:

<http://www.ratopati.com/2015/05/27/236507.html>

Both the sellers and buyers of the relief supplies had been the beneficiaries whereas the quake victims continued to suffer from losing everything to the devastating quakes. Those sellers and buyers of the low quality not usable relief supplies were the culprits in the real meaning of the word, and would have been put to behind bars in the countries that have the rule of law. In Nepal where the ministers including prime minister were involved in worst irregularities in purchases than the reported ones, who could put them behind bars?

The local leader of CPN-UML had held up the distribution of the relief supplies to the quake victims in the remote Salmechaur village in the Kavre district. The Red Cross Society Kavre Branch had sent the relief supplies to the village but those supplies had been held up in the storehouse for four days. The local CPN-UML Shekhar Lama wanted to distribute the relief supplies as he wanted, the news on ratopati.com stated on May 27, 2015.

CPN-UML obstructed the relief distribution:

<http://www.ratopati.com/2015/05/27/236465.html>

Not only in the remote areas, political leaders have held up the relief supplies but also in the Kathmandu area, too. The locals of Chunikhel in the Buddhanilkantha area seized the supplies stored in the houses of the local NC leaders. The local people charged the NC local leaders with giving away the relief supplies only to a cadre of the NC, the news on the nepalsandesh.com stated on May 16, 2015.

Relief materials with NC leaders:

<http://www.nepalsandesh.com/2015/05/16/133845.html>

Prime Minister Sushil Koirala and his cabinet ministers were having fun at the cultural heritage site Hanumandhoka in Kathmandu on May 29, 2015 for two hours

clearing the debris left by the quakes. Prime Minister Koirala and his ministers wearing the construction-safety helmets and dust masks lined up to shift a few broken bricks from one place to another. The locals said that the ministers had done nothing except for shifting the debris they had already cleared off, it was the waste of time and money. Rather the ministers needed to think about how to protect the remaining cultural heritage from the soon-coming monsoon, the news on myrepublica.com stated on May 30, 2015.

<http://myrepublica.com/politics/item/21774-pm-ministers-clear-quake-debris-at-heritage-sites.html#sthash.Aw1KYCSS.dpuf>

The United Nations World Food Program (WFP) in conjunction with Trekking Agencies' Association of Nepal (TAAN) and Nepal Mountaineering Association (NMA) have provided the quake victims with relief supplies in the inaccessible villages in the six most-quake-affected districts such as Gorkha, Dhading, Rasuwa, Nuwakot, Sindhupalchowk and Dolakha. WFP provided relief supplies whereas TAAN and NMA provided porters. The government agencies and other organizations have not reached the remote quake-affected areas, the news posted on the ekantipur.com stated on May 27, 2015.

<http://www.ekantipur.com/2015/05/27/top-story/wfp-joins-hands-with-taan-nma-to-supply-relief-to-remote-villages/405774.html>

The international organization such as WFP and the national organizations such as TAAN and NMA distributing the relief supplies has been the challenge to the Finance Minister Dr Ram Sharan Mahat's doctrine of funneling all the relief supplies through the government agencies. Evidently, relief supplies would never reach the inaccessible areas if the only government agencies were to distribute the relief supplies. The government agencies would certainly follow the political parties' directives in distributing the relief supplies.

The special committee of the parliament had instructed the government to provide the quake victims with NPR 50,000 including the grant of NPR 15,000 immediately keeping the balance of NPR 165,000 to be paid later on making NPR 200,000 the government previously committed to provide the victims as a loan. The parliamentary committee had to direct the government to do so following the Finance Minister Dr Mahat firmly sticking to his earlier decision on paying only the grant of NPR 15,000, the news on the stopati.net stated on May 27, 2015.

<http://setopati.net/politics/6800/House-committee-directs-govt-to-provide-50000-to-build-temporary-houses/#sthash.BKO6h5P8.dpuf>

Disastrous Delay in Delivery of Relief Supplies

Prime Minister Sushil Koirala was so unaware of the field conditions of the quake victims that he got surprised to the question of a foreign reporter that his government has been a totally failure in delivering the relief materials to the victims of the devastating quakes started off on April 25, 2015, and continuing even today: May 17, 2015. He claimed that his government absolutely unprepared for such a dreadful event, has done a remarkable job of rescuing and providing the quake victims with everything needed, the news posted on ratopati.com on May 17, 2015 stated.

<http://www.ratopati.com/2015/05/17/234060.html>

Obviously, Koirala has no idea of what has been happening in the field. He also did not bother to go and see how the victims have been doing without water, foods, hygiene, disposal of human feces, and even the tents. Certainly, the Nepal army, the armed police force and the regular police had done a marvelous job of rescuing the trapped quake victims. However, relief-supplies distribution has been much to be desired.

Many people have not received tents, yet. Those living in the tents have the problem of having water, foods, and disposal of waste not to mention the space to cook and eat foods. Probably, Mr. Koirala had not even thought of the most urgent need for managing the quake-victim camps. What Koirala must have thought that his government had distributed a few thousand tents against the need for hundreds of thousands, and some thousands of food packets against the need for millions; and that was what he must have thought that his marvelous achievement in rescuing the victims, and providing the relief materials to the quake victims had been?

The CNN news agency reported that the UN Office for the Coordination of Humanitarian Affairs said on Friday, May 15, 2015 that the international community has met only 14% of the humanitarian aid sought by the UN for the relief effort in Nepal; and it was only the fraction of the aid the country needed, and the international community has committed. "We are not out of the emergency situation yet," said Leszek Barczak, public information officer for the OCHA. "Some 500,000 to 600,000 families have lost their homes in the two earthquakes. Shelter is the minimum for the people to get on with their lives."
<http://www.cnn.com/2015/05/15/asia/nepal-earthquake/>

The government had announced that it would take stock of the damages done to every house and then provide the householders with the compensation. That was the immense job for the government of Mr. Koirala if not almost impossible to do. Some victims have not even touched their fallen houses in anticipation of the government coming to inspect the damages done to their houses else the government would not pay them the compensation.
<http://www.ratopati.com/2015/05/17/233990.html>

Swiss Development Cooperation (SDC) in Nepal has taken up the job of delivering the relief supplies to the quake victims in the four districts such as Okhaldhunga, Ramechhap, Dolkha, and Khotang through the District Disaster Relief Committee except for Dolkha. They purchased tents, mattresses, linen, and water purifying tablets, and sent those stuffs via Biratnagar to the districts. Helicopters were used for transporting the relief materials to the remote areas. The relief materials have reached the 21,000 quake victims in those four districts, the news posted on np.karobardaily.com on May 17, 2015 stated.
<http://np.karobardaily.com/2015/05/53954/>

More than two and a half billions of rupees have been accumulated in the Prime Minister Disaster Relief Fund as of May 17, 2015. It has been more than 20 days since the first ruinous quake hit in Nepal destroying hundreds of thousands of houses and making millions of people homeless and forcing them to sleep in the open at the time when the sun has been sizzling hot and the pre-monsoon rain and thunderstorms have been the every-day events. Mr. Koirala has not said, yet how much money for what purposes have been spent from the fund. His deputy Bamdev Gautam said that buying a large quantity of tin sheets was the urgent need but such

things had been limited to the speeches while millions of quake victims continued to live hazardingly.

Saying that his government had made a success in dealing with the disaster even though his government was unprepared for it, Prime Minister Koirala simply ignored the fact that the experts have been officially warning the public that any quake might cause a great loss to the lives and property of the people at any time. Such quakes were anticipated but Koirala was fully unprepared for. Is it not a shame on Koirala to saying his government was absolutely unprepared for, and then claiming whatever a little thing was done a great achievement?

For the information of Koirala, anybody watching the TVs and reading the news online and on the print media knows that some quake victims have managed to procure tents or build makeshift shelters on their own. Hundreds of philanthropic organizations and individuals have delivered the tents, tarpaulins, and foods to the quake victims immediately after the quake hit the country. If Koirala had kept up-to-date news of the conditions of the quake victims he would have known that some individuals have spent millions of rupees on providing immediate relief supplies to the quake victims.

Bipinbahadur Karmacharya: a social worker residing at Kalimati in Kathmandu distributed relief supplies to the quake victims in Panauti at his personal expenses, the news on ratopati.com stated on May 14, 2015. The government has been for following the disgusting one-window policy to pass through even such individuals' efforts on assisting the quake victims at the time of so desperately needed help. The government even if it works it has been too slow to reach the people. So, one-window policy is nothing but to have everything in the pockets of the people in the Koirala administration.

<http://www.ratopati.com/2015/05/14/233590.html>

But the government has been thinking to funnel all the resources through a single window to the victims when millions of windows are necessary to the needy victims of the quakes. Finance Minister Dr Ram Sharan Mahat has been telling the donor agencies to give all the resources to his government to pass on to the victims. Does Dr Mahat believe in the donors trusting him, surely not but he is still talking about it. Donors know how the corrupt government uses the resources intended for the victims.

If Dr Mahat has been sincerely willing to help the victims then he would have told the donors to go and deliver what the quake victims needed without delaying even a single minute. He would have allocated different areas to the different donors for going to the areas for the immediate relief of the quake victims. What he wanted were all donors to put their money in his pocket. Will Dr Mahat distribute the money to the victims once it is in his pocket? Only the most stupid persons or his sycophants would say, yes.

At the meeting with the donors in Kathmandu on May 15, 2015, Secretary to the Ministry of Finance Suman Sharma proudly said, "The government needs a reliable amount of international assistance to manage resources for Reconstruction and Recovery (R&R) for next year's budget and beyond, in absence of early announcement of a comprehensive R&R plan, unplanned sporadic interventions are being announced by individuals and agencies and this should be controlled

immediately and one door policy should be adopted," according to the news posted on myrepublica.com.

<http://myrepublica.com/t20/item/20992-one-door-policy-must-for-reconstruction-work-mahat-tells-donors.html#sthash.hxGoDud9.dpuf>

"One door policy should be adopted" is the disaster one could think of; such thing happened during the previous regime. This is the unwise thing to do but this is what one of the top bureaucrats of the Koirala administration has shamelessly said to the donors to do. This man wanted to stop even the individuals and agencies from helping the helpless at the time of the great need. This is the government of Nepal headed by the most inefficient man called Sushil Koirala.

It is no surprise that some politicians have been talking about a national government to manage the national disaster properly. One thing is clear that such a government will be another national debacle. Chairman of the Madheshi People's Rights Forum-democratic Bijaya Kumar Gacchedar said that the nation would have a national government within ten days. Leader of UCPN-Maoist Dr Baburam Bhattarai said that the country needed a new government to tackle the overwhelming damages caused by the quakes. Chairman of CPN-UML has been busy with talking to the leaders of other political parties to form a new government. Mr. Oli has been meeting with Chairman of UCPN-Maoist Prachanda twice a day for forming a new government, according to the information posted on the social media by Kapil Shrestha: a Human rights activist. Mr. Oli even met with the Indian envoy in Kathmandu seeking the support for his future government. Some NC leaders have been busy with apparently forming a government of all political parties. So. Mr. Koirala needed to take the account of all these things happening under his noses before claiming that his government has done a perfect job of providing the quake victims with what they needed.

<http://www.ratopati.com/2015/05/17/233947.html>

The Legislature has set up National Disaster Management, Monitoring And Guiding Special Committee. It has published a notice in the state-run newspaper 'gorkhapatra' calling for informing it about whether the quake victims have received the relief materials or not. It has been nothing but ridiculing the victims. This legislative committee has the ample information on the status of the quake victims from the media. Every day the TVs, and newspapers online and on print, and FM radios have been telling the disastrous state of the quake victims, and their untold sufferings from the lack of everything needed for a life. What else the legislative committee needed for what purposes? The committee pretended not to know anything about the status of the quake victims from the media.

<http://gorkhapatraonline.com/epaper/showimage?img=uploads/epaper/2015-05-15/62e818762f67732c593d0ec68cf81ce8.jpg>

If we take a look at the relief material distribution published on the ratopati.com on May 6, 2015 then the relief supplies have been nothing more than a drop in the bucket of the requirement. The government has published a long list of a number of items the State has delivered to the quake victims but the relief supplies are nothing compared to the requirements to mitigate the sufferings of the victims.

<http://www.ratopati.com/2015/05/06/231811.html>

The British Chinook helicopters have been staying in India for about three weeks waiting for the permission from the Koirala administration to fly in for helping to airlift the relief supplies for delivering to the sufferers and transporting any injured to

the better equipped hospitals for treatment of the quake victims in Nepal but Prime Minister Koirala did not approve it obviously giving in to the pressure of the neighbors or the Nepal Army. "The British government announced on Friday that the aircraft would now head back to the UK, unused," the news on news.sky.com on May 18, 2015 stated. The British government had paid for keeping the Chinooks so long in India from the taxpayers' money. The most incompetent government of Prime Minister Koirala had no guts to let the Chinooks work in Nepal for helping the quake victims, and relieving them from the acute need for survival.

<http://news.sky.com/story/1485914/nepals-pm-ban-on-raf-chinooks-is-not-politics>

Chairman of CPN-UML KP Oli had shown his concern for the quake victims at least in words. He said to the party people at his party office Balkhu on May 14, 2015 that at least two millions tin sheets were needed to build temporary shelters for hundreds of thousands of the quake victims rendered to homeless. Mr. Oli bashed the Koirala government for not delivering the relief supplies to the quake victims expeditiously. He also told his party people that discrimination had been in distributing the relief supplies, the news on myrepublica.com stated on May 14, 2015.

See more at: <http://myrepublica.com/politics/item/20942-2-million-corrugated-sheets-needed-promptly-oli.html#sthash.S3du6QFQ.dpuf>

The worst possible decision the government made was to suspend the construction of new houses until mid July 2015. On whose advice the government had made the most stupid decision was not known, yet. What the government thinks could do suspending the construction of houses for the next couple of months. Instead of encouraging the people and assisting them in reconstructing their houses and homes, the government had bound the hands of the people for building their houses.

<http://setopati.net/politics/6669/Limit-buildings-to-two-stories:-Govt/#sthash.yYFU7ysp.dpuf>

Prime Minister Koirala's Messy Commitments

June 5, 2015: Every time Prime Minister Sushil Koirala received the checks for any amounts for the quake victims on camera to be deposited in the Prime Minister's Disaster Relief Fund, he repeated his commitment to punish anybody misusing the money intended for the relief of the quake victims. His government also announced that anybody using the short supply of goods and services in the aftermath of the quakes for the advantage of increasing the prices would be punished. The government would funnel all the donations collected by anybody or organizations thorough the Prime Minister's Disaster Relief Fund to the quake victims. In other words it is the Prime Minister Sushil Koirala's business not of anybody to help the quake victims.

It was fine if the government were to do everything, or able to do so. Like it or not Mr. Prime Minister, quake victims would have been worst off if all compassionate individuals and philanthropic organizations were not in the field to help the quake victims immediately after the quakes, and if they were to wait for the government's green signal for going to act then thousands of victims would have remained without roofs over their heads even temporarily, and thousands might have been dead without medical services and supplies. That was the fact Mr. Prime Minister.

The government also had started off the handout of NPR 15,000 to each family of the quake victims to buy tin sheets for roofing the makeshift shelters. With the

money provided by the District Disaster Relief Committee, the Dhading quake victims rushed to buy tin sheets in the nearby store only to find the store had no tin sheets. Then they moved on to the next store farther away no tin sheets were available there, too. Thus, they went from one store to another only to find that tin sheets were not available.

<http://myrepublica.com/politics/item/21931-govt-steps-up-cash-handouts-for-temporary-shelter.html#sthash.C5gW7Zax.dpuf>

At the same time, the Hulas Steels Company had shipped drastically less tin sheets to the Dhading district than used to be, according to the media reports. The company also increased the price of tin sheets. Probably, Prime Minister Koirala did not have much time to read newspapers not to mention the online news and watch the TV news. He must be very busy with receiving one check after another from the generous donors to be deposited in the Prime Minister Disaster Relief Fund and posing with the donors for photo shots.

<http://www.ekantipur.com/2015/06/03/business/quake-victims-scramble-for-scarce-zinc-sheets/406055.html>

Minister for Industry Mahesh Basnet of the Koirala government said that the government would set the prices of construction materials such as brick, sand, aggregates and tin sheets. Minister Basnet was certainly not an economist otherwise he would never say so rather he would be busy with increasing the supplies of those materials to control the prices. Any sensible economist would never say that the government would be successful to control the price of any goods or service. It would rather corrupt the price and supply chain at the cost of the consumers. So, Prime Minister Koirala needed to alert the industry minister to this fact if Mr. Koirala were really for helping the quake victims.

<http://therisingnepal.org.np/news/3899>

The quake victims in the Sindhupalchowk district had been still waiting for the government handout even after more than a month the devastating quakes had led them to homeless. The District Disaster Relief Committee had no idea how to distribute the handout of NPR 15,000 to each quake victim family. The district leader of the NC had even complained about the conflict and the contradiction he had been facing with the quake victims. The district had received NPR 200 million for handing out to the quake victims, the news on Myrepublica.com stated on June 3, 2015.

<http://myrepublica.com/society/item/22063-sindhupalchowk-locals-decry-delay-in-distribution-of-cash-relief.html#sthash.LMxUhlxa.dpuf>

The Special Parliamentary Committee had instructed the Koirala administration to include the tenants on the lists of the quake victims making them eligible for the government handouts after the lawmakers found only the homeowners received the relief supplies in the field. The parliament had set up a Special National Committee for Disaster Management, Monitoring and Direction. This committee in turn set up various sub-committees to monitor how the administration had been providing the relief supplies to the quake victims. The lawmakers on these sub-committees made field visits, their report on the field visit had been the ground for the parliament to instruct the government, the news on myrepublica.com stated on June 4, 2015.

<http://myrepublica.com/politics/item/22067-parliamentary-panel-directs-govt-to-provide-relief-to-tenants.html#sthash.zSDFR2VJ.dpuf>

The National Human Rights Commission (NHRC) went one step farther for urging the government to manage relief supplies to the quake victims coordinating all the State

agencies before the onset of the monsoon. It was the clear indication that the government had been unable to manage the relief supplies. How could the government coordinate all NGOs and INGOs if the State agencies were not able to coordinate among themselves?

<http://www.ekantipur.com/2015/06/03/top-story/nhrc-urges-govt-to-manage-shelter-for-quake-survivors-before-monsoon/406079.html>

The recent news on the Nepalese media has it that Prime Minister Koirala could not keep his head up under the tremendous pressure of the foreign donors. He had given in to the pressure, and he had to forget about the one-door policy of channeling all the resources collected for the quake victims through the Prime Minister's Disaster Relief Fund. Mr. Koirala bowed down to the pressure and let the Jesuits use the money they had collected for the quake victims. The only condition the prime minister could set was the Jesuits would first inform the concerned Disaster Management Committee and then submit a report after the completion of its work, the news on ekantipur.com stated on June 4, 2015.

<http://www.ekantipur.com/2015/06/04/top-story/pmo-allows-jesuits-to-spend-relief-money-on-its-own/406127.html>

On June 1, 2015, the Koirala government had issued seventeen-point directives to the NGOs and INGOs that they have to follow the norms and standards set by the line ministries for the specific geographical areas on a par with the international humanitarian aid. The NGOs and INGOs have to sign agreements with the government for implementing the programs or projects. They have to show detailed program or project costs, and then they have to start off the programs or projects within a week of signing off such deals. Breach of any conditions would mean automatic termination of the deals and the government would seize the project assets. Any activity of the NGOs and INGOs causing the threat to the national integrity, sovereignty, national security or religious, ethnic and social harmony would be the violation of the deals.

<http://myrepublica.com/economy/item/21934-govt-okays-directives-to-streamline-ngo-ingo-aid.html#sthash.f8PYQJIu.dpuf>

Everybody knew how difficult it was to work with the State employees. Moving a file of correspondence from one step to another took time. Bureaucrats at each step sought payoffs. To get programs or projects approved from the State bureaucracy meant to enrich the State employees and to delay the program or project implementation. Clearly, the Koirala administration was to enrich the State employees not to expedite the implementation of programs and projects for the rehabilitation of the quake-damaged country.

Only 10% building were destroyed in Kathmandu, about 50% in Lalitpur, and almost one hundred percent in Bhaktapur, Sakhu and other villages. Except a few hotels, all hotels were serviceable in Kathmandu and Pokhara; the trekking paths were all serviceable, too except one. Visitors could come and enjoy the unique beauty of Nepal and its cultural heritages.

Certainly hundreds of billions of rupees worth of property were destroyed. Several times more than that amount would be required for the reconstruction but the Nepalese in general could contribute most of those resources required in the form of labor, and other resources available in the country. Prime Minister Koirala needed to explain it to the donors at the donors' meeting called on June 25, 2015.

Impact Of Blockade

The Asian Development Outlook Report of 2016 published by the Asian Development Bank stated that the GDP growth in the fiscal year (FY) 2015 (July 15, 2015-July 16, 2016) would be 1.5% against the government of Nepal estimated growth of 2%, according to the newspaper "The Rising Nepal" of March 31, 2016. The reasons given for such low growth were 1) very slow growth in the service sector particularly in the wholesale and retail trade, transportation and communication, and tourism heavily affected by the supply disruption caused by the trade transit disruption due to the undeclared blockade imposed by India for about five months starting in September 2015 ending in January 2016, 2) slow post-quake reconstruction and recovery, 3) slow agriculture growth due to the unfavorable monsoon.

The Indian blockade had brought the trade not only with India but also with other countries to a halt because Nepal's gateway to the world had been only through India as India had bordered with Nepal on all three sides leaving the northern side to China. Nothing moved in or out of Nepal due to the blockade for five months.

The blockade had stopped the flow of fossil fuels among other goods causing tremendous miseries to the common folks in general and transporters in particular. Truck and bus services came to standstill leaving thousands of truckers and bus drivers without jobs causing them to lose their daily earnings. Taxi drivers could not manage to run taxis. They felt it hard to keep up their families. Taxi owners had difficulty in paying the bank loans, as the fuels were not available to make their taxis earn. Taxis and buses that had remained in business somehow charged fantastically high fares for their services.

The fuel shortage also had hit the hotel business hard, too. Some of the hoteliers declared that they could provide only the lodge not the food. Restaurants went out of the business. Fast-foods eateries serving *mo-mo*, serving sweets such as *jery* and *mal-puva*, and serving other foods were closed, as they did not have cooking gas. Many people lost their jobs. The prices of *jery* and *mal-puva* doubled if anybody could manage to cook and sell.

Householders also did not have gas but addressing one of the public events in Kathmandu, Prime Minister KP Oli sarcastically said that soon each house would have a gas connection so the family would just need to push the button to ignite the stove. How nice it would have been. But reality had been different than what the prime minister mockingly said. What Oli said would come true had the politicians become sincere and honest and accountable to the people, and remained truthful to what they had said.

Some families fall back on the fuel wood to cook foods. Finding wood was not so simple, too. Some people managed to find old broken window or door or deadwood to feed their makeshift woodstoves. Others cooked only when electricity was available as the supply of electricity went down to 12 hours a day or even less sometimes when the Nepal Electricity Authority switched off the power without announcement.

Prices of different electric stoves went sky high. Even the locally made baked clay heaters claimed NPR 1,200 or even more. At the normal time, they had hardly fetched NPR 500. Induction heaters or other kinds of heaters showed up in the

market. China provided the government of Nepal with induction heaters for providing the poor Nepalese gratis went on sale at the government store called 'National Trading Limited'. I did not know who made the money out of the generosity of the Chinese leaders.

In fact, China also had provided Nepal with 1.2 million liters of petrol free of charge delivered at the border between China and Nepal but the government of Nepal did not disclose where the petrol had been sold, and where the money from selling the petrol had gone, too. Nepalese did not question much about it. Nepalese had not much time to think about it, as they had been busy with meeting their fuel demand themselves. The government of Nepal had been a helpless mute witness of the Indian blockade imposed by proxy.

For the first few weeks of the blockade, Nepalese had the hellish lives but they stood up to the hardship, as the feeling of the nationality in the minds of the Nepalese worked at the time of Indian Prime Minister Narendra Modi bullying the Nepalese establishment. Nepalese had to keep the sovereignty of Nepal no matter what hardship Nepalese had to undergo. That had been the widespread feeling among the Nepalese. That feeling alone made the Indian prime minister in his mission to bend the Nepalese establishment to his liking a failure.

Then, the parallel market functioned. The government of Nepal encouraged it rather than curbing it for the obvious reasons. The Indian establishment could not check it, as it was not so easy to halt any parallel market when Nepal and India shared open border with the free movement of the nationals of both the countries. Parallel marketers from the petty carriers of fossil fuel in plastic jerry cans on motorbikes to the large-scale petrol tankers became active carrying fossil fuels from India to Nepal.

The fossil fuel supply had been eased to some extent. Transporters and taxis could get fuels at five times the regular prices. They in turn charged the customers proportionally high prices for their services. Prices of goods and services went sky high. One petrol tanker of 10,000 liters fetched the parallel marketers from one million to five million rupees profits. For simple math let us assume the price of petrol was 100 rupees per liter even though it was slightly higher at the time of blockade. If the vendor sold petrol twice the regular price s/he made one million profit selling 10,000 liters of petrol. S/he sold at even five times higher than the regular price at the height of shortage making four million profits out of 10,000 liters of petrol thanks to Modi. So, anybody could guess how many of the parallel petroleum dealers became millionaires or even billionaires. So, even after the blockade was lifted the government of Nepal did not want to halt the parallel market because it was so profitable for the people in power.

The blockade had halted the working on the Melamchi Drinking Water Project that was supposed to bring water to Kathmandu on April 15, 2016. Its progress went off the target. It delayed the supply of water to Kathmandu for a year causing cost overrun.

Other construction projects such as infrastructures or hydropower plants also heavily suffered from the short supply or not supply of fossil fuels. They could not run their heavy equipment. The government could spend only a small percentage (10%) of the capital budget indicating all the development projects had stopped working for almost a year.

Speaking at the inaugural session of the Eighteenth General Meeting And Silver Jubilee of the Federation of Contractors' Association of Nepal in Ratnagar of the Chitwan district on March 30, 2016, Prime Minister KP Oli said that the government would favorably think of the time overrun of the construction projects for a year due to the blockade and quakes, as demanded by the contractors, according to "The Rising Nepal" of March 31, 2016.

Factories were closed; service industries were down. Workers went on Sabbath. Millions of Nepalese lost the jobs during the blockade. Service industries such as transportation, construction and tourism went down knee deep incurring heavy loss to the investors and workers that lost the jobs sending their family to below the poverty line. Many people fell back to poverty.

Hospitals and clinics could not work at the full scale. They felt the short supply of medicines and other medical supplies. The government had to ration the medicines and medical supplies. Ambulances could not run, as they did not have the fuels forcing some people to carry the sick person on stretchers causing some of them to die on the way to hospitals and clinics.

The World Bank in its press release on April 10, 2016 said that after the 2015 earthquakes, Nepal had a second major shock with cross-border trade disruptions that reduced the economic activity and lowered growth prospects to 1.7 percent in 2016 (2015) compared to 3.4 percent in 2015 (2014). Disruptions increased inflation to double digits, affecting the welfare of the poor and vulnerable, while reducing revenue collection and slowing reconstruction efforts. The end of 2016 expects normalization and GDP growth may pick up to above 5 percent in 2017 (2016) due to a reconstruction boom.

Director of Asian Development Bank Kenichi Yekoyama said that the reconstruction should be expedited to achieve a higher economic growth in the coming fiscal year, as the reconstruction would increase the capital expenditure; the low capital expenditure had adversely affected the overall growth. He also said that the government needed to ease the procurement process to enhance the project implementation capacity that in turn would increase the capital expenditure. Kenichi said that Nepal had a huge investment gap; so, the government needed to invest in infrastructures, tourism, hydropower and so on, according to "The Rising Nepal" of March 31, 2016.

The ADB said that the GDP growth could be 4.8 percent in the FY 2016 provided Nepal would have a regular monsoon, National Reconstruction Authority become fully operational and accelerate reconstruction, the cross-border trade become regular, and, the domestic political tensions would be resolved amicably, the news in "The Rising Nepal" of March 31, 2016 stated.

Economics Of Local-Unit Elections

The government of Nepal set the May 14, 2017 the date for holding the elections for electing more than 36,000 officials for running the 744 local governments: municipals, and village councils. A huge sum of money would be spent on these elections. The money might stimulate the rural economy to some extent. The Election Commission alone was going to spend more than NPR 10 billion and the candidates and the political parties almost 15 times this amount. The three security

agencies such as Nepal Police, Armed Police Force of Nepal, and the Nepal Army would spend NPR 20 billion for providing security during the elections. So much of money injected primarily in the rural areas within almost two months would certainly stimulate the rural economy.

The Election Commission was going to spend more than NPR 10 billion on the local elections within two months. Most of the expenditure would be for paying the daily and travel allowances to the officials going to hold the elections, for printing ballot papers and voter cards, for buying a few new ballot boxes, and for transporting the ballot boxes.

The Ministry of Home Affairs held a meeting with the chiefs of Nepal Police, Armed Police Force of Nepal, and Nepal Army for providing security during the local unit elections. They have conceived three circles of security. The Nepal Police would be the first and innermost circle of the security guarding the ballot boxes, voters and the election officers. The Armed Police Force of Nepal would provide the security at the immediate outside the area the Nepal Police have covered. The third and final circle would be of the Nepal Army guarding the whole area of every polling booth.

The Ministry came up with the estimate of the need for temporarily hiring 65,000 security personnel, and 1,000 vehicles to transport them, ballot boxes and other election items. The Ministry said it required NPR 20 to 25 billion for hiring the additional security personnel and purchasing the vehicle, the news in "The Rising Nepal" on March 21, 2017 stated. The news also stated that the total number of security personnel required would be 150,000 to provide the security at every polling station. The Nepal Army has 100,000, the Nepal Police 66,000 and the Armed Police Force 62,000, the news stated.

Other media have stated that the Home Ministry has requested NPR 4 billion for the purchase of vehicles but the Finance Ministry has rejected stating the Home Ministry to get the vehicles from other State agencies for the election purposes as did in the past. However, the Home Ministry was taking the proposal directly to the Cabinet Meeting, to get it passed forcing the Finance Ministry to release the amount for the purchase of vehicles, the local media stated.

Anybody could guess the amount of money a person or persons involved in the purchase of NPR 4 billion worth of vehicles would receive the commission from the vehicle sale agent. If the practice of the Urban Development Ministry was a guide then the Home Ministry might follow the precedent of buying low quality items with highly inflated prices to make the amount of commission as large as possible.

Officials going to hold elections in the rural areas would create demands for foods, drink and lodging. Transporting ballot boxes and ballot papers would create jobs for porters in the remote areas where vehicles could not reach, and even for the aircrafts where porters would take weeks to reach. Printing ballot papers would create a lot of jobs for the state-owned printing company, too.

The 744 local governments would need another 80,000 officials to run the administration, and deliver the public services to the local people; currently, the local level administration has about 18,000 official; the Local Service Commission would be responsible for recruiting additional staffs; the Local Service Commission would be set up after the parliament passing the Local Level Bill and then becoming the Act,

the news in "gorkhapatra" stated on March 28, 2017. The job opening would be considerably large at the local units.

More than 36,000 elected official jobs are opened up in the elections. Probably, more than ten contenders for each job would be. In other words the number of candidates would be 360,000 at least. The Election Commission has set the rate of expenditure from NPR 700,000 to 100,000 for each candidate depending on the locations and the level of the to-be-elected position. So, if we take the average of these two figures would be NPR 400,000 each candidate is going to spend in the elections, then the total amount of the money spent would be NPR 144,000,000,000 about seven percent of the Gross Domestic Product in 2015. The actual expenditure might be much more.

Candidates would be spending the money mostly on foods, drink, travel and lodging. So, the elections would create huge demands for rice, eggs, chicken, goat meat, pork and buff. Soft drinks, tea, and locally brewed hard drinks would be in a considerable demand, as every evening would be the time for celebration for the political cadres, and candidates.

Except for the *terai* districts most of the hill and mountain districts are the food deficit areas. Porters or vehicle transporters would have a lot of jobs for transporting rice, eggs, chicken, goat meat, pork and buff, too. Surely, traders would have a lot of good businesses, too.

Local tea stalls would have a lot of work to serve tea and boiled eggs almost for the whole day, as political cadres would consume tea with hard-boiled eggs or biscuits while stopping at the tea stalls on the way to campaigning for their political bosses.

In the evening, the political cadres would settle in lodges with restaurants. Lodge and restaurant owners would have good businesses as they would need to serve the political cadres the meal called 'masu bhat' means rice with meat: the most loved dish for lunch or dinner in Nepal, certainly with the locally brewed hard drinks, and even the imported ones, too. Next morning, restaurants would need to serve tea with hard-boiled eggs and biscuits, then again 'masu bhat' for the lunch. The local teashops and 'masu bhat' eateries would probably make a lot of money during the few weeks of the election period.

Local caterers, porters, and traders would make handsome amount of profit in these elections. Cadres of political parties might make money but only the shrewd ones, however, most of them would have 'masu bhat' and drinks for at least a month.

Everybody would be the winner in these elections except for the candidates losing the elections. They not only lose the election but also the money they have spent and might be even the status in their respective political party, too. So, the most intelligent politicians won't accept the party tickets unless they are sure to win the elections because the elections are so expensive in term of the funding required for the campaign and the cost of losing it.

Politics And Development In the Past and Present

1847-1951: The Ranas enjoyed the hereditary prime ministerial rule from 1847 to 1951. The king remained a ceremonial head of State for that period. One of the Rana

prime ministers built a Pharping powerhouse with a capacity of 400 KW to light up their western styled palaces. That was a single infrastructure the Ranas had built.

They had built a number of western styled palaces after the first hereditary Prime Minister Jung Bahadur Rana visited Britain and saw the beautiful palaces there but they failed in building the toilet facilities. They also installed a number of statues of Rana prime ministers at different crossroads in Kathmandu only then Mahendra to remove them to the corners of Tundikhel.

Jung Bahadur also built a temple called "kal-mochan," which literally means getting relief from a sin to get rid of the wrongdoing he committed killing many courtiers in the massacres called "kot-parva" and "bhandar-khal-parva". The thought of transgression he had committed killing so many people haunted Jung Bahadur for years. Following the advice of an ascetic, Jung Bahadur built this temple to Lord Narayan. (Source: "kot-parva ko smriti Mandir" by Gehendraman Amatya, published in the Saturday supplement of "gorkhapatra" on November 26, 2016). Otherwise the Shah-Rana rulers never built anything of nationally important monument. They simply consumed all the national revenues keeping the common folks in extreme poverty.

Constructing palaces created some jobs for carpenters, bricklayers and other laborers but the statues did not bring a significant number of jobs except for the porters carrying them from the Indian port to Kathmandu, as they were cast in Britain at a large sum of money. Ranas stole the money from the State treasury for building their palaces, and for the statues to install.

Sons of the Rana prime ministers became the generals at birth but common folks had to work for their salaries. Even then Prime Minister Juddha Shumsher took pride in paying some sorts of allowances to the hungry Ranas whereas millions of common folks went to bed hungry every night.

Every folk had to simply continue the traditional occupation. None of them could do any innovative work. Farmers had to follow the traditional farming, artisans and skilled workers had to do what their ancestors had done. In other words, the Ranas arrested every sort of development work.

For example, the Ranas arrested Parkhan Bahadur Rai of the Khotang district for cultivating black cardamom (alainchi) in 1938, tea cultivation in 1940, and fish farming in 1942, the news on the obituary of Rai on nagariknews.com stated on October 24, 2016 when Rai died at the age of 91. The Ranas had charged Rai with the State offense for his innovative cultivation, and released Rai on condition that he would not cultivate cardamom, and tea, and would not do fish farming. That was the Rana rule under which Nepalese lived for 104 years.

1951-1960: The period from 1951 to 1960 had been the unbridled socio-economic development. Nepalese had just finished off the autocratic Rana hereditary prime ministerial rule. Common folks enjoyed setting up schools at every neighborhood using any vacant building. Most of the deity houses were used for schools. Common folks could do business of their choice without any restriction. Farmers had got the relief from the heavy burden of the landowners. Everybody could see the fast socio-economic development.

The Rana prime ministers had left the country in the dire poverty. Except for the huge palaces of the Ranas and their statues at every crossroads in Kathmandu, the then Nepal had nothing. Even for the coronation of Mahendra in the mid 1950s, the then government needed to build a coronation hotel to accommodate the dignitaries in Kathmandu. Thereafter, another hotel called Royal came up for the foreign visitors.

After the people's victory over the Rana autocratic regime in 1951, the development process was unleashed. I myself was the witness of how the schools were opened up at every neighborhood in the Kathmandu Valley. All the hangout places called '*pati*' and god houses became the makeshift schools. Students set up libraries at the public places and at the vacant private houses. Girl students set up women development library in my hometown Bhaktapur. Teachers and students frequently held literary conferences at one place or another. Professional and amateur journalists set up a number of newspapers in different languages such as Nepal Bhasa (Nepali language), English and Nepali. The Radio Nepal became bilingual broadcasting agency broadcasting news and views in Nepal Bhasa and Nepali. Thus, the end of the Rana rule that repressed everybody opened the floodgates for the uncontrolled socio-economic development.

When I went to the college in Kathmandu in the late 1959, I saw how the American government had helped to produce human power for the education, health sector and so on. The American government helped the government of Nepal to run the two-year health assistant course, two-year course on mineral exploration, and set up the college of education for training the teachers. Some of my school colleagues went to take the health assistant course and others went to the college of education.

The American government also helped Nepal to set up the first telecommunication network in the early 1960s. I saw an American working on the underground telecommunications wire network at the Naya Sadak in Kathmandu. Then, every State office had a black telephone set with a label of the clasped hands with American flag.

The government of India built the highway linking Kathmandu with Birgunj in the south, and opened it up in 1958. It went downhill and uphill before reaching Hetauda: a town in the plain area and then crossed the Terai flatland and reached the border town Birgunj from where anybody could drive to India. Initially, the highway had been very accident-prone, as the highway was still under construction and widening and the drivers were not so well trained to run vehicles in such a narrow hilly highway. So, many people including some of the students and teachers of the college I went to lost the lives in the accident occurred in this highway while going on the India-tour.

Before this highway was opened up, Kathmandu had no cars except for a car then the Rana prime minister forced the porters to bring carrying on the human porters' shoulder poles in 1950. Nobody knew how many lives of porters had been lost for carrying a car for the Rana prime minister but they brought it one to Kathmandu. So, anybody could imagine how this car must have run on the fuel carried on the back of porters in Kathmandu

1960-1990: Then, the government elected in 1959 was abruptly overthrown in a coup on December 15, 1960. King Mahendra took over from the overwhelmingly popularly elected government of the Nepali Congress. He had not only closed all

political parties but also closed all the schools, libraries, the college of education, the two-year courses of different disciplines, stopped the publication of newspapers, and suspended the radio broadcast in Nepal Bhasa.

Nepalese lost not only the civil liberty but also the strength of the fast socio-economic development they had shown. Again Nepalese came under the yoke of the totalitarian regime of Mahendra. Mahendra controlled not only the political system but also the socio-economic development. He copied the Soviet-styled controlled-economic development with the dictatorship.

The economic development came to almost standstill. Mahendra discouraged the private sector development, and he took up the economic development as slowly as possible. He watched how the private sector was developing. He kept even the private sector under his strong control so that the people with the economic power would not challenge him. He totally ignored the service delivery to the common folks at the same time his family and he enjoyed every service anybody could wish for.

After the death of Mahendra, his son Birendra not only continued the policy of his father but also even tightened the control over the private sector development. Any private company could not do any business successfully without giving free shares in the company to the royals. He sent the tax people to harass the companies he did not like or he wanted to destroy. His sycophants and he enjoyed a very lavish life style keeping the common folks poor, illiterate, and diseased.

Millions of dollars the donor agencies had spent on the development activities in Nepal could not take the roots of economic development, as the royals and their sycophants had no good intention to make the country prosperous. So, numerous development projects had been failures rather made failures.

Except for the few highways and hydropower plants the donors had built in Nepal, most of the development projects had ended in fiasco. For example, the twenty-two Integrated Rural Development Projects (IRDPs) the donors had implemented with so much of anticipation for the fast rural development and so fanciful in the late 1970s and the early 1980s had left nothing but fallen office buildings in the district headquarters of those projects.

For the donors, IRDPs became the guinea pigs. One of my foreign directors told me that Nepal should not take loans from the World Bank for running IRDPs in the early 1980s. He hinted at those IRDPs were experimental; so why the government needed to take the loans when so many donors were interested in investing in the IRDPs. The then government had taken a loan from the World Bank for implementing the Rasuwa-Nuwakot IRDP.

School children had to learn from the textbooks called "*Mahendra-mala*" that contained nothing but the praises for Mahendra. They had to sing the praise of the king in the name of the so-called national anthem every morning before classes started. One of the subjects on the Panchayat had been the compulsory subject for the college students.

Politicians had to be absolutely loyal to the king and his system called Panchayat. If any politician dared to raise any doubt about the system or to raise any question then such a politician had no place in the system. While talking to any royal, anybody prohibited to look directly at the royal and forced to bow down if anyone

forgot or did not do so then the security behind the person pushed the head down. The king wanted nothing but the absolute loyalty.

The king's dictatorship combined with the State control over the socio-economic development had been the perfect environment for flourishing corruption. The palace and the Panchayat became the synonymous with the corruption. However, nobody could speak or none of the newspapers could write about any corruption the ministers or the State employees not to mention the royals involved in but everybody gossiped about the royals involved in smuggling, stealing the old religious idols and so on. Thus, the king and his system Panchayat successfully kept away the Nepalese from economic prosperity for 30 years starting from 1960 to 1990.

Some development during the direct rule of the then kings from 1960 to 1990: the period also called the Panchayat period, some development of road infrastructures, hydropower and large industries had been but the then King Mahendra had designed everything to strictly control the economic development giving a least opportunity of development to the private sector believing the better off Nepalese would demand the political rights.

During the reign of King Mahendra, India built four hundred kilometers of more than 1,000 km of the East West highway running along the flatland in the south. Then, USSR built the portion of the East-West Highway from Janakpur to Patalia. China built the Kodari Highway from Tatopani bordering on Khasa of the Chinese Tibet to Kathmandu opening up the road access for the Chinese goods to the Nepalese market.

China also built the Sunkoshi Hydropower plant to supply the power to the Kathmandu Valley for the enjoyment of the political elites residing in the valley. India built another Trishuli Hydropower plant. China also built the Bansbari Leather And Shoe Factory in Kathmandu, and constructed the Kathmandu-Bhaktapur Trolley bus. USSR built Birgunj Sugar factory, Birgunj Agricultural Tools Factory, and Janakpur Cigarette factory.

Mahendra set up a State-owned National Trading Limited to trade with China and USSR rather than allowing a private company or companies to set up trading companies. Later on, the king's government set up a number of trading companies called corporations such as Nepal Oil Corporation, Nepal Food Corporation, Salt Trading Limited, and Nepal Airlines Corporation. All these State-owned companies had been the tools for the kings to control and manipulate the economy.

The then kings marginalized the private companies. Most of the large private companies belonged to the king's families or they owned the major shares in them. Hotel Soaltee and Annapurna Hotel, Yeti Travels, Gorkha Travels and so on were the few glaring example of the royalties owning the private companies. Those industries or companies independent of the royal families faced the challenges to survival.

Mahendra and later on his son Birendra deliberately did not clear up the confusion over their high sounding slogans such as "Back To Village" of Mahendra, and "Nepal A Peace Zone" and "Taking Nepalese Living Standard To The Asian Standard" of Birendra. Mahendra wasted a huge portion of Nepalese resources forcing the State employees to go to villages and work as unskilled manual laborers. In 1975 Birendra declared at the time of his coronation "Nepal A Peace Zone" and later on he declared

to raise the living standard of Nepalese to the Asian standard without defining both the meanings of a peace zone and the Asian living standard.

Mahendra built a lakeside palace in the name of his queen Ratna in Pokhara for his winter visits. In the name of overseeing the development projects, Mahendra visited Pokhara, and often resided there. His son Birendra and his queen set up a royal camp in Surkhet, which became Birendranagar today, usually for a month to fly to the northern hill and mountain areas on the Nepal Army helicopter to inaugurate even a drinking water tap that was built at a cost of few hundred thousands NPR probably less than the cost of his visit to the area and then return back to the Surkhet camp.

The Department of Electricity the State-run agency built a special temporary transmission line linking Surkhet with Nepalgunj to light up the camp of the King Birendra. His set of administrative officers called secretaries was there to run the administration from the royal camp. Anybody involved in the management of the royal camp including the sweepers and toilet cleaners received the annual national award.

After a day long visit to different picturesque northern mountains and hills flying on the helicopter of the Nepal Army, Birendra and his spouse enjoyed the royal dinner in which imported hard drinks poured in, and music played on while millions of Nepalese went to bed with half-filled stomachs, some even without having anything in their stomachs. Who could raise any voice against such injustice? Nobody, as anybody raising any voice against the royalties meant landing in a jail forever.

Next morning, the Nepal Army helicopter ferried the green and other vegetables from Kathmandu to the Surkhet royal camp. The royal couple needed to have a desire; everything would be met. There had been no question of cost and lack of money for doing everything possible the royal couple desired for.

The elected government was overthrown in the royal coup on December 15, 1960 ending the fast socio-economic and political development. Mahendra took back the country to almost the Rana rule Nepal had displaced. He clamped down on the fast development, closed down all schools, took over all sorts of business, and introduced a State monopoly on everything putting the tremendous brake on the overall development of the country.

1990-2001: Again the Nepalese following the command of the divine-spirited iron man Ganeshman Singh uprooted the Panchayat system, and buried it forever setting aside its leader King Birendra, and reinstated the people's rule that opened up the floodgate for development and prosperity of the common folks the second time in 1990. Nepalese as well as donor agencies became very enthusiastic for the socio-economic development. Some of the donor agencies increased their assistant amount to Nepal, and others even doubled it down.

The reinstatement of the multi-party political system killing the no-party system called Panchayat in 1990 opened up the floodgates for the private sector development. The team of Prime Minister Girija Prasad Koirala and the then Vice-chairman of National Planning Commission later on the finance minister Dr Ram Sharan Mahat did everything possible for the private sector development closing or selling the State-owned industries such as Janakpur Cigarette Factory, and Bansbari Leather And Shoe Factory, and companies such as Kathmandu-Bhaktapur Trolley Bus

Services and Sajha Bus Service believing that it would give the private companies a chance of flourishing in 1990s.

Again, Nepalese opened up private libraries and high standard schools meeting the needs of the fast growing Nepalese middle class, private hospitals meeting the pent-up demand for the health services, medical colleges including dental and nursing for producing the national medical human power, and private FM radios, TVs, Internet services and so on to name a few visible development activities.

The government opened up the door to the Nepalese youths willing to go abroad and work. Hundreds of thousands of Nepalese youths remained unemployed or partially employed in the agriculture rushed to the Middle East, Korea, Malaysia, and Japan even causing the labor shortage in the agriculture sector. Their earnings became the major inputs to the GDP and the main source of foreign currencies.

Then, the elected government conceived a number of mega projects for the fast development of the country. The then government conceived the idea of fast-track Highway between Kathmandu and Hetauda, Melamchi Drinking Water project and many mega hydropower projects, and opened up the wide door to the private investment and the privatization of the State-owned enterprises (SOEs).

The donor agencies particularly the American agency called USAID/Nepal was interested very much in selling or liquidating the SOEs. The agency had the target of privatizing so many SOEs a year in the belief that once the State sells or liquidate its SOEs then the private companies would automatically filled up the void. Unfortunately, that did not happen, as the private investment in industry or in any business requires an environment conducive to the investment. Favorable environment for the investment includes many things such as the rule of law, tax laws, labor law, attitude of the government, the State bureaucracy, certainly the market, and the neighboring market. Nepal has a vast potential neighboring market but if the neighbors don't open it up then it does not make any sense.

The government and the expatriate experts working at the USAID/Nepal had successfully liquidated the Kathmandu-Bhaktapur Trolley Bus Company, Sajha Bus Company, sold Bansbari Leather and Shoe Factory, Bhaktapur Bricks and Tile Factory and liquidated the Janakpur Cigarette Factory and so on, and shut down many other SOEs believing the private sector would automatically take up the businesses of those SOEs liquidated and sold. Unfortunately, it did not happen except for the transport sector causing the sluggish economic development and the growth of GDP. For example, the Indian company that bought the Bansbari Leather and Shoe Factory shut it down and took away the machinery and equipment to India the Chinese government had so generously donated.

The liquidation of the State-owned Trolley Bus Company, and the Sajha Bus Company has created an environment conducive to the private investment in this sector, and has contributed to the fast socio-economic development. The private investment in the transport vehicles has been in hundreds of billions of NPR since then. It has created hundreds of thousands of jobs: directly as drivers and assistants, indirectly the mechanics and assistants at the vehicle workshops, and then the transporter managers and other support staff, and also helped to the fast socio-economic development. Certainly, it also created additional demand for fossil fuel causing the increased import of diesel and gasoline. All these things have contributed significantly to the GDP growth and adversely to the environment.

However, one main negative aspect has been the private transporters have set up a transporters' cartel, and the transporters have delimited the competition among the transporters causing the monopoly on transportation means a high cost to the customers. Consequently, commuters have to pay high fares and businesspeople have to pay high prices for the transportation of their supplies, as currently, they have no other alternative to bus services and truck services for travel and transportation.

For example, commuters have been paying NPR 15 per ride in a bus or a three-wheeler for a four-kilometer distance in Kathmandu in 2017. Some analysts believe that the bus or three-wheeler fare at NPR 15 per ride is too high. It could be one-third of it if the monopoly of the transporters was broken. Actually, the State has set the bus and three-wheeler fare at NPR 12 per ride in view of the fuel price and the vehicle cost but the transporters have been forcibly taking NPR 15 from the passengers, as the government could not strictly enforce the price it has set. As a result, analysts say that the commuters have been paying extra NPR 3.5 million every day because of the government not enforcing the fare it has set.

Why the government could not break up the transporters' cartel even though it was illegal and went against the consumers' protection, and certainly against the economic and business development. In fact, the government has talked about it several times but it could not or did not break up the cartel, as the powerful politicians have involved in the cartel. So, the government either did not want to shut down the cartel or could not do so because of the powerful politicians probably controlling the government, parliament and other political institutions.

The government and expatriates had terribly failed in shutting down or selling the trading companies such as National Trading Limited, Nepal Food Corporation, Nepal Oil Corporation, and Salt Trading Limited. None of them had the history of running in profit. They became the centers for corruption and for the politicians in power to employ their cadres. So, these trading companies had been overstaffed, and cost overrun and in loss even though they had the monopoly on setting prices and in selling the goods.

The political bickering among the politicians and sluggish economic development emboldened the evil-spirited last king to grab the power again in 2005. He wanted to turn back the clock. In fact, he did so curbing the freedom of speech and other civil liberty but he did not last long. Again, Nepalese rose up against the monarchy, and made the so-called last king impotent, and opened up the floodgate for development and prosperity of the common folks in 2006 once again not widely or fully.

2001-2008: This period has been the most confusing one for the politics and development. After the violent death of Birendra and his family on June 1, 2001, his second brother Gyanendra became the freak politician. He put himself on the shoes of his father Mahendra that took over from the elected government in 1960. He even went further saying that his ancestors had earned the State. Certainly, he did not care about the economic development but attempted every possible means to consolidate his authority.

Gyanendra just ignored the democratic institutions, and followed the traditional means for crowning himself. He dodged the elected parliament believing he was

above the law. He set one politician against another causing the main political party to split. Practically, he tried to destroy the democratic setup.

The most unconstitutional thing he did was he fired the democratically elected prime minister, and put a public notice inviting applications from the eligible persons for the position of prime minister. One of the influential political leaders became the laughingstock applying for the position of the prime minister. Ultimately, he appointed the old and outdated politicians to his deputies for running the administration.

All the irrational political activities of Gyanendra called for another people's movement. By that time, the Maoist rebels had been closing in the Kathmandu Valley. That did not bother him but the parliamentary political parties did. The then seven parliamentary political parties gave a mandate to Girija Prasad Koirala: President of Nepali Congress to reach an agreement with the Maoist rebels to launch a joint peaceful people's movement to topple Gyanendra from the throne. They reach a Twelve-point Understanding in New Delhi, India on November 22, 2005.

The joint movement of the seven political parties and the Maoists toppled the administration of Gyanendra and forced him to reinstate the parliament he dissolved. The parliament passed an interim constitution of 2007 opening the door to the Maoists to participate in a new parliament without the general elections. Gyanendra became the helpless onlooker of the political drama the seven political parties and the Maoists played. The new government held the elections to the Constituent Assembly for crafting a new constitution.

Gyanendra set aside the development activities during this period. He shamelessly doubled the budget for the palace from NPR 350 million to NPR 750 million denying the budget to the development projects. So, the economic growth had been sluggish during this period, as Gyanendra had no intention to the economic development. He thought that he could subjugate the people and make them toil for him and his family.

2008-Current Period: Then, the elected Constituent Assembly-cum-parliament ended the monarchy forever opening up the floodgate for the development and prosperity of the common folks for the third time in 2008. Then, the country could move fast.

The Narayanhity palace Mahendra had sold to the State but he continued to stay on, and then subsequent kings, too became the national museum; the last king became a common folk. He went to take shelter at the bungalow the government had so generously provide him with. He could speak, write or do business and live comfortably as any sovereign Nepalese folk. The government has not touched his private property. The government has transferred the property of the deceased King Birendra and his family into the State Trust set up for using the assets for the benefits of the poor and under privileged people.

Once, the Narayanhity palace became the museum, all the low buildings around the palace suddenly got new lives and came up to be tall in addition tall apartment buildings and business building towers came up elsewhere in Kathmandu. Previously, people had been denied to construct buildings and houses taller than the view tower on the palace compound. It might be to make common folks unable to take a look at

the palace compound but people living beyond the areas from where they could not even see the palace area had also been denied to build tall houses.

One of the smart prime ministers first bulldozed the fence wall of the Everest Hotel at Naya Baneshwor in Kathmandu built illegally along the road on Saturday so that the hotel lawyer could not go to the court and bring a stay-order. That was the initiation of the widening of the roads in Kathmandu and elsewhere in the towns across the country. Thereafter, the widening of roads took up a speed and most of the narrow lanes became wide roads. Kathmandu changed into a real metropolitan city.

The government of Nepal had been unable to use the capital budgets allocated to the construction of highways, hydropower plants, irrigation projects and other infrastructures not because of the lack of money but because of the very old mindset of the Nepalese bureaucrats that did not work as required by the changed situation even in 2017. Again if anybody takes a look at the balance sheet of the Nepal Rastra Bank, the government has more than NPR 200 billions in reserve. The government has not been able to spend the money on the infrastructures and other capital structures.

The unused State money lying at the Nepal Rastra Bank has many stories to tell. In fact, it has caused a chain of negative reactions to the economic development of the country. The huge sum of money left idle has been the proof that the government has not been able to implement the development projects not only the large ones but also any other development project. It means the money has not flowed to the different areas across the country. The common folks have no earnings from the development projects the money has to bring. The huge sum of money in the State account at the Nepal Rastra Bank probably has caused the shortage of liquid the commercial banks have been facing. The commercial banks could not lend money to the investors again denying the development activities that would have created jobs for the common folks.

Some financial analysts have said that the shortage of liquid assets the commercial banks have been facing must be due to the low interest on the deposits the banks offered. They have said that the difference between the interest rate the bank pay to the depositors and the interest rate the banks charge to the borrowers should not be more than two percent.

Nepal Rastra Bank has warned of taking actions against the commercial banks, development banks and financial companies if they increase the interest rates on the fixed deposits and the credits in an unusual way on the pretext of not having sufficient liquid assets; the governor of the Nepal Rastra bank said that the attention of the bank has been drawn to the increment of the interest rate on the fixed deposits 5 to 6 percent but not increasing on the savings deposits; so, the governor has instructed them to increase the interest rate on the savings deposits; the governor also hinted at decreasing the interest rate between the deposits and credits it has provided, the news on the kantipur.ekantipur.com stated on February 9, 2017.

The 28 commercial banks decided to stop giving loans for automobiles, real estate and loans against collateral of stocks (margin lending) temporarily following the Nepal Rastra Bank's concerns about the loans the banks and financial institutions have given to the unproductive sectors. The central bank summoned heads of the associations of class 'A', class 'B' and class 'C' financial institutions on February 8, 2017, and asked them to take corrective actions to control unfair practices prevailing

in the banking sector to ensure 'financial stability', the news published in "The Himalayan Times" on February 10, 2017 stated.

Loans of automobiles, real estate and loans against collateral of stocks are surely not unproductive. These loans are as productive as any loan given to any sector. For example, loans of vehicles are very productive as motor vehicles ease the people move from one place to another for businesses making the businesses more productive. The money invested in the real estate makes other sectors to develop fast, the landowners get the high prices for their land and then they could invest the money they receive from selling the land in other businesses, and loans given against the collateral of stocks also surely contributes to the fast GDP growth, as the borrowers must have taken the loans for investing in other businesses. Restricting the loans to automobiles, real estate and loans against collateral of stocks means certainly arresting the development activities.

"The demand for credit surged this fiscal (year) due to the expansion of businesses that had more or less been stalled in the last two fiscal years due to the earthquake and border blockade," explained Anil Keshary Shah: President of Nepal Bankers' Association, adding, "The decision taken by banks to halt credit in certain sectors may hit economic activities and ultimately the government's revenue." "The whole economy will suffer from high interest rate on credit, which is why we should be careful not to allow the deposit interest rate from skyrocketing. So, all the commercial banks have agreed to maintain reasonable interest rates on deposit and credit," said Shah, the news published in "The Himalayan Times" on February 10, 2017 stated.

Bankers anticipate the 'credit crunch' situation to improve once the government's capital spending gathers momentum. To properly implement fiscal budget 2016-17, the government needs to spend NPR 1.80 billion every day for the remainder of this fiscal ending in mid-July, which seems 'unrealistic', the news published in "The Himalayan Times" on February 10, 2017 stated.

The banks have adopted aggressive lending policy on anticipation that the government also would properly implement the budget to stimulate the economic growth. The government has been unable to use the budget for the capital expenditure causing the banks to face the credit crunch, the news published in "The Himalayan Times" on February 10, 2017 stated..

<https://thehimalayantimes.com/business/banks-halt-loans-automobiles-real-estate/>

The natural disasters such as floods, droughts and even quakes have been extremely damaging to the smooth economic development of the country. Floods and droughts have been reoccurring almost every year but the State had not been able to cope with such disasters. Irrigation dams could remedy both the ailments of floods and drought as the dams could take stop floods and supply water during the dry period.

Devastating quakes as of 2015 have been the events of once every 50 to 80 years. The quakes that hit Nepal in 2015 had caused the constructive destruction, as the new houses and buildings to be constructed or retrofitted have to be quake-resilient. So, the next time, large-scale quakes would not be able to destroy so much as did in 2015. Also, Nepalese have new houses to live in. The destruction of houses and buildings has been the opportunity of booming the building industry but the government of Nepal has not been so smart to take the opportunity rather lose it not

using the resources immediately the country has and the international donors have provided.

Nepal has been selling the scenic beauties of the Himalaya, Mountains, the beautiful trekking routes, the cultural heritage in the Kathmandu Valley, and the rafting on the rapid rivers. Travel agencies, hoteliers, rafting companies, mountaineering companies, local and international airlines, and other support-services-providing companies have been benefiting from the tourism industry.

High value tourists have been beneficial to the five-star hotels, travel agencies, and camping service providers, and local and international airlines. The high value visitors ride on luxurious vehicles travel agencies provide them with to visit different cultural sites. If they go on trekking then they hire the camping companies to have the camps at different places. They eat the tin foods and so on. So, they don't leave anything except for the trashes on the trekking routes.

Other low budget visitors including the backpackers even though they spend less than the high value visitors they leave some money at the local level. They drink tea, eat the local food, and stay in the local lodges means every halt they make at any teashop or an eatery or at lodge they leave some money behind making the local people richer. So, homestead business has been flourishing in the rural areas.

All these economic and recreational businesses require peace and stability, and the rule of law. The most disastrous things have been happening have been the political parties and their students and sister organizations sometimes hold the country hostage whenever they need to make troubles to the government shutting down vehicular traffic, businesses of the common folks and so on when they are out of power. A single day shutdown of the country causes the loss of NPR two billion worth of the business and the economic activities, according to the Federation of Nepal Chambers of Commerce and Industry (FNCCI). Common folks suffer from such unlawful activities.

The politicians in power did not enforce the rule of law allowing the illegal shutdowns of the country or the shutdown of vehicular traffic. Out of power politicians believe that engaging in such illegal activities they could extract the benefits. Some political parties have been so ruthless in enforcing the shutdowns that they need to simply declare the vehicular shutdown; nobody dares to run any vehicles on the road.

To add to the misery of the vehicular traffics and the country shutdowns, the Civil Servants' trade unions have been harsh. Higher civil service officials have difficulty in enforcing the discipline among the junior civil service officials. The State service delivery has been in limbo, as nobody can fire any non-performing civil service official. Common folks need to pay for the services of the State civil officials.

The then elected government had conceived and implemented the idea of Civil Servants' trade union to keep the power of the then monarch in check. Major political parties set up the Civil Servants' trade unions affiliated to them. Thus, even the Civil Servants' trade unions could be the power that would balance the power of the monarch even though in the worst-case scenario the monarch could even dissolved such trade unions in the past.

Other trade unions have been the hurdle to the fast economic development. Anybody could hire but nobody could fire has been the reality following the labor law. Smart

companies stopped hiring any laborer or staff permanently rather went for paying daily wages. It might not work for a good business but the companies found that was the only way to escape from the labor unrest.

An electoral constituency having more than one-elected representatives has the lawmakers divided the budget of NPR 30 million allocated to the development of each constituency under the Electoral Constituency Development Program among them even not following the Electoral Constituency Special Program Management Directive.

For example, lawmakers representing the constituency-1 of the Panchthar area Shree Prasad Jabegu and Ganesh Kambang have divided the NPR 30 million between them: NPR 10 million for Jabegu, and NPR 20 million for Kambang. Lawmaker Shree Prasad Jabegu is the appointee of the CPN-Maoist-center following the proportional representation quota and Ganesh Kambang is the directly elected lawmaker belonging to CPN-UML, the news published in "The Himalayan Times" on February 11, 2017 stated.

Similarly, Lawmakers representing the constituency-2 also did divide the budget for the constituency development among them. Directly elected NC parliamentary Bhismaraj Angdembe took NPR 24.3 million leaving NPR 5.7 million to the CPN-Maoist-center parliamentary Aindra Sundar Nembang appointed following the proportional representation quota, the news stated.

Lawmakers at the constituencies are supposed to manage the development projects at their constituencies following the Electoral Constituency Special Program Management Directive. However, they set aside the directive and chose the projects as they like, and spend the budget also as they want, the Local Development Officer has complained. "The constituency budget was meant to be spent on development projects on the basis of priority, but parliamentarians divided the budget among themselves to serve their interests," said Local Development Officer Komal Dhamala, the news in "The Himalayan Times" stated.

At the press conference held in Rajbiraj on February 7, 2017, lawmaker also the deputy chairman of Madhesh Janadhikar Forum (democratic) Jitendranarayan Dev said that none of the lawmakers could take out the money from the lawmakers' fund; each lawmaker received the budget of NPR 30 million for her/his constituency development; and the users' committees could not get the reimbursement without paying commissions to the officials of the District Development Committee in the Saptari district, the news in "gorkhapatra" stated on February 8, 2017. Lawmaker Dev also said that he had raised this issue in the parliament, too but nobody had listened to.

Was it not applicable to the nationwide development projects? Certainly, it had been applicable to the large development projects in the past. So, most of the large projects remained unfinished.

In contrast to the Shah-Rana rule, today Nepalese have the federal democratic republican setup, and people could develop their areas with their own resources.

For example, the local folks of Khamani and Masyam villages have built about a kilometer long ropeway at the cost of NPR 1.76 million connecting the villages with the Siddharatha Highway, the news on "gorkhapatra" of October 17, 2016 stated.

Local folks could then take their agricultural products such as vegetables to the highway market, and bring back their daily needs with ease from there.

Another example of the local people building a ropeway is the gravity ropeway the Consumer Committee has built in coordination with the District Agriculture Development Office, Bajura and financial assistance from the Practical Action Human Resources Center at Badimalika Municipality for facilitating the transport and the supply of potatoes and buckwheat to inaccessible villages. The Consumer Committee made the contribution of NPR 791,000 along with labor donation while the Center under its development program provided NPR 1.8 million for installing the ropeway, Consumer Committee Chairman Nir Bahadur Shahi said. The ropeway is 908 meters high above the ground, and has directly benefited 204 households in Badimalika-6, the RSS news posted on therisingnepal.org.np on February 11, 2017 stated.

However, the State has been taking time to implement the large projects. For example, the then Prime minister Girija Prasad Koirala had conceived the idea of the fast track highway between Kathmandu and Hetauda in 1990s. His colleague another interim Prime Minister Krishna Prasad Bhattarai had said that he would bring water from Melamchi River to Kathmandu and wash the streets in 1990 when he was the interim prime minister.

Nepal does not lack the resources. For example, the following resources are available for investment.

S No	Resources Available For Investment	NPR Billions
1	Civil Servant Provident Fund	225
2	Civil Investment Fund	83
3	Army Welfare Fund	32
4	Nepal Police and Armed Police Welfare Fund	3
5	Remittance last year alone	665
	Total	1,008

Source: Gorkhapatra of October 2, 2016

So, resources are available but the commitment of the government and the private company to sincerely constructing this fast track highway has been lacking.

Investment In Development

Ministry of Industry and Investment Board of Nepal held the two-day Nepal Investment Summit of 2017 in Kathmandu on March 2 and 3, 2017. The Nepalese side attempted to present the investment climate in Nepal has been conducive to the foreign investment, as the new Constitution has been promulgated and the political stability would be ensured, and the rule of law and good governance would be in the offing, as the leaders of the three major political parties such as NC, CPN-UML, and CPN-Maoist-Center have committed that they did not have any difference in the fast economic development and certainly the foreign and national private investment in the economic development, the supply of electricity would be without interruption, and road infrastructures have been developed considerably, and the fast track highway between Kathmandu and Terai would be implemented soon. This rosy picture has probably attracted the foreign investors.

At the investment summit, China has committed NPR 879 billion (\$ 8.3 billion), Bangladesh NPR 254 billion (\$ 2.4 billion), Japan NPR 107 billion (\$ 1 billion), Britain NPR 107 billion (\$ 1 billion), Sri Lanka NPR 53 billion (\$ 500 million), India NPR 33.6 billion (\$ 317 million), and Nepalese NPR 12.19 billion (\$ 115 million) at the current prevailing exchange rate of dollar, the news on the 'gorkhapatra' stated on March 4, 2017.

Amount of intent and areas of interest

Country	Amount of intent (US\$)	Areas of interest
China	8.3 billion	Hydro, Metro rail, Airport, Highway, Mining
Bangladesh	2.4 billion	Food, Construction
Japan	1 billion	Hydro
UK	1 billion	Energy, Agriculture, Infrastructure
Sri Lanka	500 million	Hydro, Solar, Wind
India	317 million	Investment bank, Solar, Steel Plant, Tourism
Nepal	11.5 million	Agriculture, Manufacturing, Pulp and paper
Total	13.52 billion	

Source: Investment Summit 2017 Secretariat

(Source: The Rising Nepal: March 4, 2017)

The total amount committed to investment in Nepal is almost NPR 1,400 billion, which is almost 20 percent more than the annual budget of NPR 1,150 for the fiscal year 2017 the National Planning Commission has set, according to the news in 'The Rising Nepal' of March 3, 2017.

Speaking at the inauguration of the Nepal Investment Summit 2017, Prime minister Prachanda said, "Our tax system is very transparent, predictable and investor friendly. Our commitment to further consolidate reforms ensures one thing – the business climate in Nepal will be more investment friendly. Foreign investors are allowed 100 percent ownership of a company in almost all sectors and repatriation of capital and profits also are allowed." The prime minister listed the benefits of investing in Nepal, such as abundance of natural resources, a large number of low cost workers, growing domestic demands, location between two of the world's

largest markets, liberal policies, laws, institutions and commitment to the rule of law, the news in "The Rising Nepal" stated on march 3, 2017.

Chairman of CPN-UML: the main opposition party KP Oli on behalf of the opposition assured the investors of any possible cooperation to them, the news in "The Rising Nepal" stated on march 3, 2017. He said, "I would like to assure you in terms of investment, be that domestic or foreign, the government and the opposition are always together. With a view to improving and facilitating trade and investment, Nepal has reduced tariffs, simplified the tax regime and focused on the development and operation of trade related infrastructures."

Minister for Industry Nabindra Raj Joshi said, "Nepal wants funds, know-how and collaboration, and in return, Nepal is prepared to give you opportunities in tourism, infrastructure and mining as well as in public services such as transport, health care and education. The Industry Minister informed the international community that there was a broad agreement among the political parties that the phase of the transitional political changes was over, and the current focus was on economic transformation. Industry Minister Joshi said, "I can safely say that whatever we do for promoting investment backed by the commitment of the political leaders, Government of Nepal and will of the people of the nation at large." He urged the foreign investors to invest in high yield and competitive advantage areas such as water and energy, infrastructure, high value low volume agriculture-related activities, tourism including destination development and promotion, health and education and mines and minerals, the news in "The Rising Nepal" stated on march 3, 2017.

Political leaders of both the large ruling parties and the main opposition party have committed to go along for facilitating the investment in the fast economic development while speaking to nearly 300 international participants in the summit. The Nepalese politicians said that they were giving the priority to the economic transformation after the political transition and the promulgation of the constitution, the news on myrepublica.com stated on March 3, 2017.

Addressing the inaugural event of the Nepal Investment Summit 2017, Prime Minister Prachanda said, "We are aware of the fact that economic distress remains at the core of political instability. Economic transformation should underpin political transformation. Political gains cannot be sustained if we fail to steer economic development." "How long could Nepal afford to be a poor nation --despite the availability of huge natural and human resources? How could Nepal lag behind when our neighbors make incredible economic progress? These are the questions that deserve our immediate answers," said Prime Minister Prachanda, vowing to ensure an environment conducive to investment through the industrial peace and ensuring law and order, the news on myrepublica.com stated.

Stating the abundance of resources: both natural and human, and the large growing markets in the neighboring countries, any investment in Nepal could ensure profitability, Prime Minister Prachanda urged foreign investors to invest in hydropower, agriculture, tourism, service sector, financial institutions, construction and infrastructure connectivity, the news on myrepublica.com stated.

President of Nepali Congress: Sher Bahadur Deuba said that his party had initiated economic reforms to attract foreign investment in the country even in 1990s when his party came to power after the general elections. "Nepali Congress led the

liberalization movement, both political and economic, in the country in the 1990s. We are committed to continue the reform so that we can have more investment in the country for the development of the country,” said President Deuba, the news on myrepublica.com stated.

Chairman of main opposition CPN-UML: KP Oli said that his party would not act as an opposition bench concerning the economic development and courting foreign investment. “I would like to assure you that the ruling parties and opposition are together in terms of economic development of the country. We promulgated the constitution and are now focusing on development, so we need your investment. We are ready to create a favorable environment for you to make investments here,” said Chairman Oli, the news on myrepublica.com stated.

Addressing the two-day Nepal Investment Summit held in Kathmandu on March 2, 2017, Indian Finance Minister Arun Jaitley has said that Nepal is a lucrative destination for investment given its immense economic possibilities. He also has said that Nepal could be developed through proper utilization of natural resources. Jaitley has added there are investment opportunities in Nepal’s energy, agriculture, tourism and irrigation sectors. “The investors of Nepal and India can move ahead through coordination for the investments in educational, medicine and engineering sectors,” he added. Indian Finance Minister Jaitley also stressed the need for policy reforms for the investment as well as infrastructure development adding that the State should adopt a durable tax policy for expanding investments, the news on thehimalayantimes.com stated.

Speaking at the Nepal Investment Summit held in Kathmandu on Thursday, March 2, 2017, as the keynote speaker, Indian Minister for Finance and Corporate Affairs Arun Jaitley has said that Nepal holds tremendous potential as a destination for investment, and Nepal can utilize its vast natural resources for the development of the country, the news on myrepublica.com stated.

The Indian Minister said that the investment in the sectors such as energy, agriculture, tourism, irrigation and transportation could steer Nepal toward the path of economic development. “India is committed to partner Nepal in its aspirations for growth, to invest in hydropower, to connect Nepal to India's rail network, irrigation, health, education sectors, transmission lines, roads and bridges, among other sectors,” said Jaitley, the news on myrepublica.com stated.

The Ministry of Industry signed off the ‘Letters of Intent’ (LoIs) with the foreign investors for the investment \$ 13.51 billion, which is more than half of the country’s GDP of \$22.49 billion; the officials of Investment Board of Nepal have said that foreign investors have signed LoIs for the investment in several sectors including infrastructure, agriculture and tourism, the news on thehimalayantimes.com stated on March 3, 2017.

Addressing the concluding session of the Nepal Investment Summit, Industry Minister Nabindra Raj Joshi has said that the summit has paved a glorious path for the Nepal’s development. “Such an encouraging commitment from foreign investors will surely give Nepal a major boost as the country moves on the path to prosperity. Ministry of Industry (MoI) is committed to materializing this commitment from foreign investors and facilitate additional foreign investment into the country,” Minister Joshi said, the news on thehimalayantimes.com stated.

Minister of State for Industry Kanchan Chandra Bade said that the government would reform all the existing policies and laws and make them business and environment friendly.

Chief executive officer of Investment Board of Nepal: Maha Prasad Adhikari said that a number of committees had been set up to review the commitments and outcomes of the summit. "These committees will constantly follow up to materialize the outcomes of the summit and turn all investment pledges into reality," Adhikari said.

Speaking at the event, secretary to Ministry of Foreign Affairs: Shanker Das Bairagi said that the recently developed political will and consensus on the agenda of economic growth had created an investment-friendly environment in Nepal, the news on thehimalayantimes.com stated.

At an interview given to the reporter of the Himalayan Times published on February 26, 2017, Minister for Industry Nabindra Raj Joshi said, "We have received huge positive response from around the world for the summit. More than 250 investors and experts from almost 24 nations like India, China, United States, Australia, Japan, Turkey, Sri Lanka, Singapore, Russia, United Kingdom, Finland, South Korea and Vietnam, among others have confirmed their participation in the summit. Moreover, renowned figures like Arun Jaitley, finance minister of India, and Jin Liqueun, president of Asian Infrastructure Investment Bank, and heads of different development partners working in Nepal will be gracing the event. Similarly, more than 300 domestic investors have confirmed their participation. Things have changed for the better in Nepal after the promulgation of the constitution and all development stakeholders have been prioritizing economic agenda over others. Thus, the time has arrived to harness investment opportunities in the country by exploring potential sectors and projects of investment. MoI is committed to make Nepal Investment Summit a mega event as well as a game-changing program to harness and encourage investment in Nepal."

Investment environment in Nepal is often questioned by investors citing political instability, unfriendly policies and procedural delays. What do you have to say on this?

Yes, investors often have expressed their concerns about these issues and their concerns are logical to some extent. Nepal was entangled in a web of political instability in the past, which affected the entire development sector. Similarly, different government policies at present are decades old and do not match with the current investment and development context. However, things are changing today in the country. As I mentioned earlier, Nepal today has developed strong political and government commitment to development, which is a key factor to expedite development activities. Moreover, the new constitution has given high priority to economic prosperity of the country. Similarly, the government has been reforming the old policies and is attempting to make policies and laws that are friendly to investors and industries. For instance, we now have Special Economic Zone Act that promotes export-oriented industries and Industrial Enterprise Act that has provided different subsidies to industries. Similarly, the new Company Act, which is in the offing ensures easy entry, operation and exit of any industry operating in Nepal. The Company Act will be endorsed from the Parliament before the summit. Putting all these things in a package, it certainly shows that Nepal is slowly developing an investment friendly environment. We want to convey this message to participants during the summit. While reforming our policies, we have also tried to address the

procedural hurdles in investment and establishment of industry as much as possible. We have already introduced 'one window' policy for industries established in SEZ and the new Company Act also has similar policy for other industries.

However, the government has not been able to endorse the new Foreign Investment and Technology Transfer Act, which is crucial to address foreign investment issues. Is this not a major setback when attempting to draw foreign investment in the country?

Undoubtedly, FITTA is crucial to attract foreign investment in the country as it regulates the entire foreign investment in Nepal. MoI worked hard to get this policy endorsed from the Parliament before the summit as we had already developed a draft of the act. However, it could not happen as the draft had to be sent to different line ministries and stakeholders for feedback. Though we could not endorse FITTA from the Parliament before the summit, MoI is working to pass FITTA at least from the Cabinet before the summit begins. Though we are yet to introduce FITTA and other laws like Intellectual Property Rights Act, we will inform participants during the summit on different provisions that the drafts of these laws envision.

What are the projects that MoI will showcase to potential investors in the summit?

Energy, agriculture, manufacturing, transportation, mines and minerals, tourism and information and communication technology, among others are the potential sectors for investment in Nepal. MoI and Investment Board Nepal (IBN) have jointly developed eight different investment viable projects in these sectors, which will be promoted among investors in the summit. These projects include foreign investment in railways, hydropower projects, international airports, tunnel highways, among others. IBN has also developed sectoral profile of different investment potential sectors in the country, which includes investment opportunities in these sectors and legal investment framework of the government. The sectoral profile, which will be distributed to participants, will make it easier for investors to decide on their investment.

MoI has an ambitious target to draw foreign investment commitment of at least \$1 billion at the summit. Do you feel it is achievable?

The target is quite achievable and I expect the summit to draw investment commitment as per the target. Foreign investors today are in a 'wait and see' mode to invest in Nepal. If we are able to convince them that we have favorable investment policies and support from the government for projects with foreign investment, they will certainly come to Nepal. Holding the summit is an attempt to convince foreign investors by informing them of major changes that Nepal has made in the last few years. I personally believe that the government also should make our embassies located in various countries active to bring foreign investment in Nepal. The government should give our embassies an annual investment target that these embassies should bring in Nepal from those nations.

Though the government and private sector host such summits, the country has not been able to materialize commitments made at such events by foreign investors. Why is it so and what has MoI planned to do to turn those commitments into actual investments?

It is a fact that we receive investment pledges but the actual investment is negligible. This is because we do not have the trend of following up on those commitments. However, MoI this time will continuously follow up on all outcomes of the Nepal Investment Summit including the investment commitment. We will form four separate committees under MoI, Ministry of Finance, IBN and National Planning Commission to constantly follow up on all decisions, commitments and results of the summit. These committees will have to submit the progress report of the outcomes of the summit to MoI time and again. With this, MoI believes that the Nepal Investment Summit will leave a huge positive impact on Nepal's investment climate. Ends the interview.

At the meeting on the sideline of the Nepal Investment Summit 2017 held in Kathmandu on Thursday, March 2, 2017, Deputy Prime Minister holding the portfolio of Ministry of Finance Krishna Bahadur Mahara urged the Asian Infrastructure Investment Bank President Jin Liqun to extend investment to various large-scale development projects in Nepal. In response, the AIIB Head Jin said that the bank was always ready to invest in Nepali projects, and also said that Nepal needed to focus on completing the projects on time. Deputy Prime Minister Mahara in turn said that he was coordinating with line ministers to ensure smooth operation and completion of the projects, the news on thehimalayantimes.com stated on March 2, 2017.

Speaking to the anchor of the Radio Nepal morning program called 'antar-sambad' on March 3, 2017, former vice-chairman of National Planning Commission: Shanker Sharma said that Indian Finance Minister Arun Jaitley informed the audience of the Nepal Investment Summit that India dissolved Indian Industrial Promotion Board.

It is the clear indication that some state agencies have been detrimental to the development otherwise India would not dissolve the Industrial Promotion Board. So, it must have been a hurdle to the Industrial development. Even the State had been the stumbling block to the development. For example, nobody could run any large business or industry without keeping the palace people happy during the Panchayat regime from 1960 to 1990. Keeping happy these guys meant a high cost to the business and industry.

Currently, the Labor Act, and the power outage have been the nuisance to the industrial and business development in Nepal. Apparently, the problem of power outage has been done with but the power supply is still in the margin, and any time power outage might come back if the new power plants don't come to operation or India does not supply the power. Strangely, nobody has taken up the issues of the labor problem in Nepal at the Nepal Investment Summit 2017.

Labor and power outage had been deadly even to a small business and industry. For example, an owner of a small printing company said that the laborers sat for the whole day idle because of the power outage when the power was available the laborers had to go home, as their duty period had been finished. The company owner could neither forced the laborers to work whenever power was available nor set up a generator to make available the power.

Another small company owner complained to me that he had a big problem of managing the labor. He went to the Ministry of Labor and presented his problem and to make him able to dissolve all the labor agreements and then run his company anew without a labor contract but hiring the laborers on the daily wage-basis. So, he

could hire and fire anybody whenever he needed. How could he keep the trained laborers was a big question.

Some companies had shifted their business from Nepal to other countries because of the labor problem. A small company had trained about 20 folks in transcribing the medical reports outsourced from other countries. The company paid a subsistent allowance even for the period of the training. After the training, the trained folks demanded so high salaries; the company could not pay so much of money, and closed the company in Nepal, and moved to another country.

So far, the Nepalese private investment has been in the real estate, and the public transportation, as the commercial bank loans are easily available, and the investors don't need to worry about the power outage, land acquisition or labor problems. So, hundreds of billions of NPR have been invested in the public transportation, and the real estate. Recently, the central bank of Nepal has regulated the bank loans to the property and the transport vehicles stating such investment is not productive.

One private infrastructure company had attempted to invest in the fast track highway between Kathmandu and Terai. However, Nepal Infrastructure Development Company could not mobilize the amount required for constructing the fast track highway. The estimated cost was NPR 35 billion at that time. The recent media report stated that the cost has gone up to almost NPR 50 billion in 2017. The then government had not been favorable to the company. So, the company had simply given up the attempt on constructing the fast track highway even though it was highly profitable in view of the possibility of collecting tolls.

Another visible private investment has been in a micro cable car. It is for a very short distance. Actually, the cable care has been for a ten-minute ride from the Mugling to Manakamna temple. However, it has been very profitable. Hence, another short distance cable car has been built to reach the scenic hill called Chandragiri Hill south of Kathmandu. A third cable car is in the offing.

Foreign investments had been in the footloose industries such as soft drinks, beer, travel industry and finance. They could make quick money from such investments. If they had to move out for some reasons they could do so easily without losing investment.

Private people are very smart to make money. So, private investment will be only when the investors are sure to make money out of their investment. The government must be sincere to have the private investment giving investors every possible benefit to make money.

Chinese investors have committed a highest amount for investing in Nepal. China has been the second richest country in the world. So, they have surplus money to invest elsewhere in the world. Chinese investment has been in the hydropower in the past, too.

The rent-seeking politicians and bureaucrats have been the main obstacles to the investment in Nepal in the past. Private investment in the major projects such as the fast track highway, and Nijgadh airport would have been even in 1990s had the then politicians in power not been rent seeking and sincere to the development of the country.

Finally, the government regulating the development has been one of the main constraints on the investment in development. Such constraint was much more perceptible during the Panchayat period from 1960 to 1990. The State regulating the economic development was loosened very much after the peoples' movement and reinstatement of the multi-party democracy in 1990 but the grip of rent-seeking politicians and bureaucrats on the administration prohibited the fast growth of the economy. Now, it seems that the situation has changed to better after the promulgation of the new constitution of the Federal Democratic Republic of Nepal, as people has been powerful and vocal, and they could voice against anything going wrong in the state.

Economic Growth In Fiscal Year 2016

In a news conference held in Kathmandu on April 25, 2017, the Central Bureau of Statistics revealed that the Gross Domestic Product (GDP) would be 6.94 percent. The primary sector contributes 30 percent, the secondary sector 14 percent and the service sector 56 percent. The CBS has attributed the economic growth to the favorable climatic conditions for the agriculture, the smooth supply of power, and the reconstruction after the quakes, the news in "artha bazaar" of gorkhapatra' on April 26, 2017 stated. If a country has a seven percent economic growth then its economy doubles in 10 years.

The CBS has included agriculture, fishery and mines and mining in the primary sector, construction, industry, electricity, gas, water in the secondary sector, and wholesale/retail sales, hotel/restaurants, transport/communication/warehousing, finance, real estate, defense, health, education, and other community, social and individual services in the service sector.

The CBS has stated at the news conference that the agriculture and the forest has contributed 28.89 percent to the GDP, fishery 0.48 percent, mines and mining 0.63 percent, manufacturing industry 5.67 percent, wholesale and retail sale 13.52 percent, hotel and restaurant 1.98 percent, transport, communication and warehousing 8.11 percent, finance mediation, real estate and professional services 9.9 percent, public administration and defense 9.64 percent, education 7.23 percent, health 1.74 percent, other community, social and individual services 5.9 percent. (These figures don't add up to 100 percent)

The economic growth is projected to almost seven percent for this fiscal year 2016 ending in mid July. The growth has mainly to do with the after-quake reconstruction, economic liberalization, and the smooth supply of power, smart industry minister, health minister and the finance ministry pushing the line ministries to use the capital budget at maximum, no political disruption causing the strikes and shutdowns, and surely, the money spent on the local election.

Even though the CBS has attributed the high economic growth to the favorable climate for the agriculture, power supply and after the quakes reconstruction have been the main contributors to the so high economic growth in this year. Probably, the uninterrupted power supply must have played a significant role in the economic growth, as any economic activity depends on the energy supply. No political disruption causing the strikes and shutdowns also played a remarkable role in the high economic growth in this fiscal year.

The agricultural production has recorded the high growth not only due to the timely rains but also must be due to the smooth supply of power, as farmers could pump up the underground water or from the nearby river as and when they require to irrigate their farmland. So, the increased agricultural production has been.

The manufacturing industry heavily depends on the power supply. The recent news in "gorkhapatra" has it that the industrial production has been increased by 20 percent due to the uninterrupted power supply in the Sunsari district.

When the power supply had been heavily unreliable and had been only for one-third of a day then most of the energy intensive small industries such as printing press had died. Then the middle-sized and even the large industries also have the problem of not having the regular supply of power. They had either to keep the high cost diesel generators or cut the production to the tune of the power supply in other words most of the industries had to face high cost and low productivity due to the unreliable power supply.

Other service industries such as hotel and restaurants, communication, health, education and even warehousing have to tailor their activities to the tune of the power supply. Many cold storages could not operate. Hotels and hospitals had to keep the high cost diesel generators causing loss to their incomes.

Now, thanks to the smart CEO of Nepal Electricity Authority Kulman Ghising, and his boss Minister for Energy Janardan Sharma, the power supply has been regular. They have properly managed whatever power-production units are available to produce power at the maximum at the time of the peak power demand, and import power from India to mitigate the power shortage.

Certainly, the reconstruction of the quakes-damaged houses, schools, health post and centers, administrative buildings and private houses has increased the construction activities heating up the economy. It has increased the demand for the construction materials, and for the carpenters, bricklayers, electricians, plumbers and so on. The increased job opportunities means high economic growth.

The reconstruction activities would have a number of times higher than the current activities if the National Reconstruction Authority (NRA) has been operational a long time ago, and the government has taken drastic actions to deliver the relief supplies to the quake victims, and the reconstruction of the quake-damaged structures were started off after the relief phase. Then the economic growth would have been even higher.

The then-coalition partner of the NC government in 2015, the CPN-UML did not allow the Prime Minister Sushil Koirala to appoint the CEO to the NRA for nine months. Then Chairman of CPN-UML KP Oli became the prime minister. He appointed his man rather than a capable man to the CEO of the NRA. Then the CEO spent most of his time on the paper work rather than fieldwork.

Then, the change of government occurred in 2016. Prachanda displaced KP Oli as a prime minister. The new government waited for some months the CEO, KP Oli appointed, to perform well for delivering the relief supplies to the quake victims. Prime Minister Prachanda verbally had urged the CEO to efficiently perform his duty but his performances had been much to be desired, as some political analysts stated that the CEO deliberately delayed the relief supplies delivery to discredit the

government that had displaced his boss. So, the government fired the CEO, KP Oli had hired, and appointed a new man to the CEO of NRA but he was a man of the Nepali Congress rather than a best man for the job.

Speaking to the anchor of the Radio Nepal morning program called "antar-sambad" on the morning of April 25, 2017: the second anniversary of the quakes, CEO Dr Govinda Raj Pokharel said that the government could not perform as the private companies or individuals could; so, it would take some time to reconstruct the private houses, monuments, and cultural heritages, and the State buildings and so on. He was one hundred percent correct in saying so.

However, another side of the story is that the Nepalese government could do marvelous things if we take a look at the recent past activities of the government and political parties. They made the Chief Justice of the Supreme Court of Nepal as the chairman of the council of minister to hold the elections to a second Constituent Assembly. Even before that they add up one term after another of the previous Constituent Assembly.

Then, the question is why the same politicians and the same persons one after another taking up the job of prime minister have not been able to do the similar sorts of amazing jobs for reconstructing the quake-damaged structures because they simply did not want. They have no excuse for not doing a wonderful job of delivering relief supplies and the reconstruction.

The State had NPR 200 billion lying idle at the State treasury after the quakes and even now but the government went to the donor community begging for the donations for the reconstruction. The donors dictated certain conditions on using their money. Following those conditions, the NRA took months and months trying to receive the money but the money did not come as committed on time.

If the prime minister and ministers had been responsible for delivering the relief supplies and the reconstruction they were not short of national resources. Instead of going to the donors they could use the idle State money, and then borrow the money from the banks or from the savings of the civil employees, police, and army, and even print some money to meet the needs for relief supplies and reconstruction. They really don't need to be beggars in the eyes of the international donor community if they were to be the wonderful actors in the State businesses. That would have stimulated the economy even more than what has been so far.

The comparatively high growth of the economy in this fiscal year could be attributed to some active and sincere ministers, and hyperactive prime minister. As already mentioned Minister for Energy Janardan Sharma has made the uninterrupted power supply possible. He also pushed the companies to invest in the hydropower projects, and pushed hard the companies and contractors engaged in construction of new hydropower projects to complete as scheduled fueling the economy.

Another sincere and active minister has been the Minister for Industry Nabindra Raj Joshi. He has revived some State-owned dead industries, and he has continued to work on reviving other similar industries remaining dead for some time due to the former finance minister that followed the economic textbook knowledge rather than the ground realities for the economic development.

Minister Joshi has held the investors' conference in Nepal for attracting the foreign investment. He has been creating an environment conducive to investment in Nepal. The government, the politicians and the minister Joshi have convinced the foreign investors, that Nepal has been the favorable country for their investment, as they have created stable political situation, the power supply has been regular, the government would follow the rule of law in other words the government would be stable, and no policy change abruptly would be causing uncertainty to the investors. Tax policy and monetary policy would be stable and foreseeable.

Minister for Health Gagan Kumar Thapa is another obviously sincere and active minister that works hard and pushes others to work hard. Credits to his work have been the free treatment of major illness such as cancer, kidney problems, and so on. He has introduced the health insurance as a trial in some districts. His actions have surely contributed to the economic growth.

The economy could grow even up to the 10 percent per annum doubling the economy in seven years if the politicians taking State power are really willing to do their jobs sincerely and productively. Now, the growth has been projected to seven percent means the economy could double in ten years if this growth rate is maintained for the coming decade at least.

Conclusion

In conclusion, I can say that the sluggish economic development has been a hangover from the Shah-Rana rule. The Ranas did not allow anybody to do any new thing for any sorts of development. When they left Nepal in a dire poverty in 1951, Nepal had only two percent literate people; the life expectancy was about 25 years.

Nepal had been the victim of the despotic rulers that had repressed the Nepalese so much that Nepal had remained economically static if not retarded during the 240-year period of the Shah-Rana rule. The rulers had not only denied the political rights but also the rights to the economic development to the common folks. Consequently, Nepalese remained destitute for almost three centuries. Most of the Nepalese continued to live in poverty because of a hangover from the past.

When Mahendra Shah took over from the elected government in 1960 the first thing he did was to cancel the ongoing road project the then RTO (Regional Transport Organization: a joint venture of American Indian and Nepalese governments) had been constructing because the elected government did it. It was only a single example of what he did for stopping the fast economic development arresting industrial development and private business development.

During the 30-year period from 1960 to 1990, the Shah rulers created a number of State-owned companies called corporations such as National Trading Limited, Nepal Food Corporation (NFC), Nepal Oil Corporation (NOC), and so on. These corporations have been the centers for corruption means the misuse or overuse of resources for the benefits of the ministers and the bureaucrats. These corporations retarded the development of the private businesses. Common folks needed to pay higher prices for the goods and services they provided, as they enjoyed the monopoly not only on the supply but also on the prices. The burden of the heavy losses these corporations incurred due to the corruption was placed on the consumers.

After the ending of the no-party system of the Shah Rule in 1990, most of the democratic governments have been a coalition of more than two political parties. Most of the ministers of different political parties have been accountable to their political bosses than to the prime minister. So, they often worked independently of other ministers. Consequently, their non-cooperation and no coordination with other ministers have made a tremendous adverse impact on the economic development.

National Planning Commission (NPC) has been mandated with coordinating different ministries and monitoring the progress of development projects. Its vice-chairman directly reports to the prime minister. However, NPC has been unable to coordinate different ministries for expediting the implementation and completion of development projects. It also has surely unable to monitor the progress of development projects, too. It might be one of the reasons why the budget for the capital expenditure has been used only 12 percent in the six months of the fiscal year 2016, the State media reported.

Most of the ministers have engaged in moneymaking businesses rather than the national development. They shamelessly accumulated huge assets at the cost of the nation and at the cost of the common folks. Common folks have remained very poor whereas a few politicians became very rich, and made millions if not billions of NPR.

Most of the State Acts have favored the ministers and bureaucrats that have used the Acts as their tools for moneymaking. Public Procurement Act, Forestry Act, Land Reform Act and even the Industrial Development Act favored the ministers and the bureaucrats rather than the common folks.

The savings funds of the State-employees and the remittances Nepal has been receiving from the Nepalese youths working abroad have amply demonstrated that Nepal does not lack the resources but it has lacked the sincere ministers to use the available resources for infrastructure development. As Minister for Industry Nabindra Raj Joshi has involved the savings funds of Nepal Army and Police in running the State-owned factories other ministers particularly the minister for energy also could use those funds for the energy development.

Some ministers have the mindsets of begging. For example, Nepal could use its own resources for the reconstruction of the quake-damaged temples, cultural heritages, infrastructures, and private houses on its own resources provided the concerned ministers were so sincere to do so. Individuals and private organizations have demonstrated that they could rebuild, reconstruct and repair temples, Chaityas, and private housing complex mobilizing the local resources but the then Finance Minister Dr Ram Sharan Mahat went with a 'golden bowl' (borrowed these words from one of the lawmakers) to the international community in June 2015 for the resources required for the reconstruction. Members of the international community have committed \$4 billion but none of the money has come over to Nepal yet in 2016.

Note: Every Nepalese fiscal year starts on July 16 and ends on July 15 of the next year.

Index

Acting Auditor General Sukadev Bhattarai
 Khatri, 11, 12
 American government, 97
 Anil Keshary Shah, 106
 Annapurna Hotel, 99
 antar-sambad, 23, 26, 115
 Armed Police Force, 47
 Armed Police Force of Nepal, 93
 Army Welfare Fund, 109
 Arun Jaitley, 112, 113, 115
 Asian Development Bank, 90, 92
 Asian Development Outlook Report, 90
 Asian Standard, 100
 Auditor General, 7, 8, 9
 Auditory General, 2
 Baburam Bhattarai, 50
 Back To Village, 99
 Badimalika Municipality, 109
 Bajura, 109
 Banepa, 24
 Bangladesh, 30
 Bangladeshi, 55
 Banke, 9, 20
 Bansbari Leather And Shoe Factory, 99, 101, 102
 Barpak, 61
 Bhaikaji Tiwari, 26
 Bhaktapur, 48, 96, 99, 101, 102
 Bhaktapur Bricks and Tile Factory, 102
 bhandar-khal-parva, 95
 Bhismaraj Angdembe, 108
 Bijaya Kumar Gacchedar, 86
 Bimalendra Nidhi, 58, 59
 Binod Dhakal, 24
 Bipinbahadur Karmacharya, 85
 Biratnager Industrial corridor, 38
 Birendra, 98, 99, 100, 101, 104
 Birendranagar, 100
 Birgunj, 9, 97, 99
 Birgunj Agricultural Tools Factory, 99
 Birgunj Sugar factory, 99
 Boudha, 35, 60
 Boudhanath Area Development Committee, 60
 Boudhanath Chaitya, 60
 Brikutimandap, 5
 Britain, 56, 95
 British Army, 56
 British Chinook helicopters, 87
 Buddha, 34
 Buddhists, 34
 Budhigandaki Hydropower Project, 43
 CBS, 117, 118
 Central Bureau of Statistics, 117
 Central Program Implementation Units, 64
 Central Program Implementation Units (CPIUs), 71
 CEO Dr Govinda Raj Pokharel, 119
 Chaityas, 122
 Chakra Prasad Bastola, 58
 Chandragiri, 117
 Chhatha, 53
 China, 30, 31, 33, 34, 54, 99
 China Telecom, 30
 Chinese, 30, 54, 99
 Chinese government, 102
 Chitwan, 69, 70, 80, 92
 Christians, 62
 Chudamani Sharma, 10, 11, 12
 CIAA, 8, 59, 66
 Civil Investment Fund, 109
 Civil Servant Provident Fund, 109
 Civil Servants' trade unions, 107
 Colombo, 49
 Commission on Investigation into Abuse of Authority, 8, 59, 66
 Commission on Investigation into Abuse of Authority (CIAA), 73, 81
 Comptroller General Office, 23
 Computer Association of Nepal, 24
 Constituent Assembly-cum-parliament, 104
 CPN-Maoist-center, 108
 CPN-UML, 38, 39, 40, 61, 65, 108
 CPN-UML KP Oli, 72, 87
 Cross Border Trade of Electricity, 30
 Dairy Development Corporation, 69
 Dalai Lama, 34
 demonetization, 31, 32, 33
 Department of Archeology, 60
 Department of Drinking Water and Sewerage, 24
 Department of Electricity, 100
 Department of Forest, 23
 Department of Industry, 54
 Department of Roads, 24, 25, 64, 72
 Deputy Prime Minister Bamdev Gautam, 80
 Dhanaraj Gurung, 16, 17
 Dharahara, 61, 62
 Dhulikhel, 24
 Dilliprasad Kafle, 17
 District Agriculture Development Office, 109
 Doha, 49
 Dolakha, 66
 Dolindra Prasad Sharma, 15
 Dorprasad Upadhaya, 16
 economic liberalization, 20, 118
 Election Commission, 93, 94
 Electoral Constituency Development Program, 107
 Electoral Constituency Special Program Management Directive, 108
 Everest Hotel, 104
 Explosive Certificate, 29
 Federation of Nepal Chambers of Commerce and Industry, 37, 107
 Finance Minister Dr Ram Sharan Mahat, 63, 76, 79, 80, 83, 85
 FNCCI President Bhawani Rana, 29

Foreign Direct Investment, 54
 Forest Act, 6
 Forestry Act, 122
 Gagan Kumar Thapa, 21, 120
 Gagan Thapa, 59
 Ganeshman Singh, 100
 GDP, 31, 52, 53, 55
 Girija Prasad Koirala, 48, 55, 101, 109
 Gopi-Krishna Movie Theater, 62
 Gordon Brown, 68
 Gorkha, 61, 99
 gorkhapatra, 1, 4, 7, 9, 20, 32, 36, 42, 51, 52, 53, 54, 56, 58, 95, 108, 109
 Govinda Raj Joshi, 58, 59
 Gurkhas, 56
 Gyanendra, 103, 104
 Hetauda, 46, 47, 97, 101, 109
 Hetauda Textile Mill, 47
 Himalaya, 34, 106
 Himalaya Airlines, 49
 Hindus, 34
 Home Bahadur AC, 4
 Hotel Soaltee, 99
 Huffington Post, 68
 IL&FS, 46
 Income Tax Act of 2002, 11, 12
 India, 28, 30, 31, 32, 33, 34, 37, 38, 39, 41, 42, 52, 55, 56, 97, 99, 102
 Indian Army, 56
 Indian Border Security Police, 35
 Indian Minister of State for Commerce
 Nirmala Sitharaman, 29
 Indra, 53
 Industrial Development Act, 122
 Integrated Rural Development Projects, 98
 Investment Board Nepal, 114
 IT Park, 24
 Janakpur, 50, 99, 101
 Janakpur Cigarette Factory, 50, 101, 102
 Janardan Sharma, 21, 22, 36, 37, 38, 41, 42, 118, 120
 Japan, 101
 Jayabagesvori Cement Pvt Limited, 9
 Jeeban Bahadur Shahi, 49
 Jin Liqun, 113, 115
 Jitendranarayan Dev, 108
 Juddha Shumsher, 96
 Jung Bahadur, 95
 Kakarbhita, 30
 Kakarbhitte-Panitanki, 55
 Kalanki, 24, 27
 Kalimati, 27
 kal-mochan, 95
 Kambang, 108
 Kanchan Chandra Bade, 24, 113
 Kasthamandup, 61
 Kathmandu, 3, 5, 24, 26, 27, 37, 38, 40, 42, 43, 46, 47, 48, 50, 51, 52, 54, 57, 60, 95, 96, 99, 100, 101, 109
 Kathmandu Metropolitan City, 24
 Kathmandu Valley Development Authority, 26
 Kathmandu-Bhaktapur Trolley, 48, 99, 101
 Kenichi Yekoyama, 92
 Kerung, 30
 Khamani, 109
 Khasa, 31, 99
 Khotang, 96
 Khum Bahadur Khadka, 8, 58, 59
 Kodari Highway, 99
 Kolkotta, 30
 Korea, 101
 kot-parva, 95
 KP Oli, 2, 9, 38, 40, 41, 42, 58, 61, 65, 90, 92, 111, 112, 119
 Krishna Bahadur Mahara, 115
 Krishna Prasad Bhattarai, 109
 KU, 24
 Kuala Lumpur, 49
 Kulman Ghising, 38, 41, 118
 Labor Act, 6, 116
 Laduk, 66
 Land procurement, 5
 Land Reform Act, 6, 122
 Lhasa, 28, 34
 Lok Darsan Regmi, 37
 Lumba Dhoj Mahat, 10
 Lumbini, 34
 Madhesh Janadhikar Forum (democratic), 108
 Maha Prasad Adhikari, 113
 Mahendra, 5, 6, 59, 95, 96, 97, 98, 99, 100, 104, 121
 Mahesh Basnet, 88
 Malaysia, 101
 Man Mohan Singh, 31, 33
 Manakamna, 116
 masu bhat, 94, 95
 Masyam, 109
Medical Board, 58
 Melamchi Drinking Water, 5, 101
 Melamchi Drinking Water Development Board, 19
 Melamchi Drinking Water Project, 5
 Melamchi River, 24, 43, 44, 45, 109
 Middle East, 10, 56, 62, 101
 Ministry of External Affairs, 56
 ministry of forestry, 23
 Ministry of Home Affairs, 37, 93
 Ministry of Labor, 116
 Ministry of Urban Development, 64, 65, 66, 71, 73, 81
 Modern Slavery Act, 68, 75
 Mohan Shumsher, 59
 Mt Everest, 70
 Mugling, 45, 116
 Mugling-Narayangad Road, 18
 Mugling-Narayanghat Highway, 45
 Muktinath, 31, 34

Mustang, 31
 Nabindra Raj Joshi, 21, 47, 50, 111, 113, 120, 122
 Nagarkot, 64, 70
 Narayan, 40, 95
 Narayan Khadka, 66
 Narayanhity, 59
 Narayanhity palace, 104
 Narendra Modi, 31, 34, 91
 Naryanhity, 63
 National Disaster Management, Monitoring
 And Guiding Special Committee, 86
 National Human Rights Commission
 (NHRC), 82, 89
 National Planning Commission, 1, 25, 26, 101,
 111, 115, 121
 National Reconstruction Authority, 60, 64, 71,
 93, 119
 National Sports Council, 54
 National Trading Limited, 99, 103
 Naya Baneshwor, 104
 Naya Sadak, 97
 NEA, 37, 38, 39, 40, 41, 42
 Nepal, 6, 20, 23, 27, 28, 29, 30, 31, 32, 36, 37, 38,
 39, 42, 47, 49, 50, 51, 52, 53, 54, 55, 56, 96, 99,
 100, 109, 121, 122
 Nepal A Peace Zone, 100
 Nepal Airlines, 50, 99
 Nepal Army, 62, 87, 93, 122
 Nepal Bankers' Association, 106
 Nepal Bhasa, 96, 97
 Nepal Chambers of Commerce and
 Industry, 38
 Nepal Egg Producers' Association, 69
 Nepal Electricity Authority, 30, 36, 37, 38
 Nepal Food Corporation, 20, 99, 103, 121
 Nepal Infrastructures Development
 Company, 45
 Nepal Investment Bank, 80
 Nepal Oil Corporation, 43, 99, 103, 121
 Nepal Police, 47, 55, 93
 Nepal Rastra Bank, 56, 104, 105
 Nepal Red Cross, 82
 Nepalgunj, 100
 Nepali Congress, 8, 57, 97, 103
 Nepali LP gas industries, 29
 Nevah, 96
 NGOs, 57
 Nijgadh, 117
 Nir Bahadur Shahi, 109
 NPC, 1, 25, 121
 Nuwakot, 61, 63, 98
 Olympic, 54
 Olympic Stadium, 10
 One Belt One Road, 33
 Onsari Gharti Magar, 17
 Panauti, 24
 Panchas, 8
 Panchayat, 5, 27, 54, 98, 99, 100, 101, 116, 117
 Panchthar, 108
 Parkhan Bahadur Rai, 96
Parliamentary Finance Committee, 57
 Pashupati, 34
 Patalia, 99
 Patan, 63
pati, 96
 Petroleum and Explosive Safety
 Organization (PESO), 29
 Pharping, 95
 Pokhara, 51, 56, 100
 Post Disaster Needs Assessment, 64
 Post Disaster Needs Assessment [PDNA], 71
 postal roads, 3, 23
 Poverty Alleviation Fund, 57
 Prachanda, 36, 111, 112
 Pranab Mukherjee, 56
 Prime Minister Disaster Relief Fund, 60, 84
 Prime Minister Narendra Modi, 29
 Prime Minister Prachanda, 111, 119
 Prime Minister Sher Bahadur Deuba, 29
 Prime Minister Sushil Koirala, 67, 72, 74, 76,
 78, 83
 Prime Minister Sushil Koirala, 74, 87, 119
 Prime Minister's Disaster Relief Fund, 67, 74,
 76, 77, 78, 87
 Prithvi Narayan Shah, 40
 Public Account Committee, 9, 24
 Public Procurement Act, 4, 122
 Purna Kumari Subedi, 58
 Qatar, 10, 49
 Rabindra Adhikari, 23, 26
 Radha Gyawali, 40
 Radio Nepal, 38, 54, 96, 115, 119
 Radio-Nepal, 23, 26
 Rajbiraj, 108
 Ram Baran Yadav, 58
 Ram Hari Khatriwada, 15, 16
 Ram Kumar Prasad Shah, 58
 Ram Sharan Mahat, 48, 50, 55, 59, 101, 122
 Ramesh Lekhak, 46
 Rana, 27, 59, 95, 96, 100, 108
 Rana rule, 27, 96, 100, 108, 121
 Ranas, 28, 95, 96, 121
 Ranipokhari, 63
 Ratna, 100
 Raxaul-Parwanipur power, 37
 Remittance, 55, 109
 Royal, 96
 RPP-Nepal, 39
 RTO, 121
 Russia, 55
 Saaljhandi-Sandhikharka-Dhorpatan Road
 Project, 4
 SAARC, 60
 Sajha Bus, 48, 101, 102
 Sajha Prakashan, 15
 Salt Trading Limited, 99, 103
 Saptari, 108
 Savings and Credit Unions, 52

Shah Rule, 24, 121
Shahana Pradhan, 58
Shah-Rana, 59, 95, 121
Shanker Das Bairagi, 113
Shanker Sharma, 115
Sher Bahadur Deuba, 11, 18, 26, 58, 59, 112
Shivakumar Bhattarai, 58
Shree Prasad Jabegu, 108
Shyam Bahadur Khatri, 17
Siddharatha Highway, 109
Sikkim, 28
Silk Road, 33
Sindhupalchowk, 61
Slave trader Makkhan Singh, 67
Social Welfare Council, 82
Somlal Subedi, 36
Special Court, 10, 12, 66, 73, 81
Special Parliamentary Committee, 88
State Acts, 122
State Trust, 104
State-Owned Enterprises, 48, 49, 101
Sujata Koirala, 57, 58, 59
Sundarjali, 43
Sunkoshi Hydropower, 99
Supreme Court, 27, 39
Surkhet, 100
Sushil Gyawali, 61
Sushil Koirala, 8, 38, 58, 61, 65, 67
Swiss Development Cooperation (SDC), 84
Switzerland, 59
TAAN and NMA, 83
Tatopani, 99

Tatopani-Kodari, 31
Tax Redemption Commission, 10, 11, 12
Tax Settlement Act 1976, 13
Terai, 3, 45, 46, 97
Terrestrial Cable Route, 31
The Himalayan Times, 105, 106, 108
Theresa May, 68
Three Gorges, 43
Tibet, 28, 31, 34, 99
Tihar, 53
Tomoo Hozumi, 68, 75
transporters' cartel, 102
Tribhuvan, 59
Trishuli Hydropower, 99
Tulsi Giri, 58
Tundikhel, 63, 95
UCPN-Maoist Dr Baburam Bhattarai, 86
UCPN-Maoist Prachanda, 86
Umesh Prasad Dhakal, 10
UNESCO, 61
UNICEF, 68
USA, 54
USAID/Nepal, 101, 102
USSR, 54, 99
VAT, 1
Vijay Shrestha, 49
Vishakapatnam, 30
World Bank, 27, 57, 92, 98
World Food Program, 82, 83
Xinhua, 31
Yeti Travels, 99
Zonal Commissioner, 5



A magnificent view of Kagbeni village and surrounding hills in Mustang.

(Photo: Rajendra Chitrakar/TRN)

A river-valley agricultural field in the high hills of Nepal



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