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Nepal: From Moon-Promises to a Nation That Builds

Toward a Manifesto for Building the Nation That Shaped Me

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Executive Summary

As political parties unveil their manifestos, Nepal does not lack promises. It lacks a blueprint for building. Elections have become contests in declaring outcomes—higher incomes, more jobs, faster growth—without specifying the institutional systems required to produce them. Manifestos should answer three disciplined questions: what must be built, what must be fixed, and what must be restrained. Instead, they have functioned as declarations detached from execution. This paper asks political parties not merely to promise prosperity, but to specify what they must build—and what they must stop doing—for prosperity to emerge.

Nepal's failure to advance living standards and expand everyday opportunity is widespread and structural. It is a failure to build systems that convert national strengths into prosperity. For decades, elections have been dominated by what this paper calls "moon-promises"—pledges not grounded in institutional capability or accountability. Because political actors face few consequences for non-delivery, manifestos have become exercises in exaggeration rather than credible plans.

The economic consequences are stark. Nepal's per capita income, once comparable to India and China in 1980, has since fallen far behind. Weak job creation has forced millions to seek work abroad, turning migration into the economy's primary adjustment mechanism rather than a choice. Education has expanded enrollment but failed to produce employable skills. National savings, largely driven by remittances, remain underutilized. Hydropower potential remains unrealized, productivity is among the lowest globally, and corruption continues to erode institutional credibility. The result is an economy that consumes but does not build.

These outcomes reflect deeper institutional failures: low national ambition, misplaced priorities expressed as lip service to economic growth, weak rule of law, and a political system that rewards rhetoric over results. Power remains discretionary rather than rule-bound, discouraging skill formation, productive investment, enterprise growth, and long-term planning. Manifestos, rather than correcting these failures, have often reinforced them by prioritizing promises over systems.

Nepal's path forward requires rebuilding the "conversion systems" that translate effort into prosperity. This means creating jobs at home by treating workers as national assets; aligning education with employable skills; channeling capital toward productive enterprise; integrating electricity into job-creating sectors; enabling private enterprise under predictable rules; and restoring institutional credibility through enforceable governance. Political actors must also exercise restraint—avoiding promises that bypass institutional reality and committing instead to building systems that make progress reliable.

Ultimately, Nepal's challenge is not technical but political and moral. Prosperity will not emerge from louder promises but from institutions that constrain power, reward performance, and convert effort into progress. The choice is clear: continue performing hope through promises of moons, or construct prosperity through systems that build. The choice is ours—and the consequences will be ours as well.

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Why This Essay

When I read, year after year, about the extraordinary progress of other Asian countries while Nepal struggles in nearly every dimension, I feel a quiet ache and loss. When I see people living in dire poverty not only in the high hills where farming is hard, but also in the Terai—the nation's grain basket—I sense that something fundamental has gone wrong. When I pass public schools with half-empty classrooms while private schools across the road are overflowing, I see a system that sorts rather than lifts. When I watch patients standing in long queues outside public hospitals while private clinics line the streets of Kathmandu and Bharatpur, it becomes clear that care has become a privilege rather than a right. And when I hear that people must bribe simply to access basic government services, I am struck by how deeply corruption has penetrated everyday life.

When I watch thousands of young Nepalis leave each day for foreign manual work—even on the eve of the greatest festivals, departing with garlands around their necks and tears in their families' eyes—the cost of this failure becomes impossible to ignore. Seeing families trapped in poverty for generations—without secure food, real education, or a path forward—I feel not just sorrow, but urgency. This is not a temporary hardship; it is a life sentence passed from parent to child. And when I see villages nearly empty and fertile fields overtaken by monkeys in a country that increasingly imports its food, I am left with the unmistakable feeling that something is deeply broken.

I could go on, but the pattern is clear: this is a nation whose systems are failing. These scenes are not isolated. They are connected. When the same breakdown appears in government services, farming, schooling, health care, and employment, it is no longer a series of problems—it is a systemic failure. And when such failure persists across generations, stagnation ceases to be a temporary phase and hardens into a chronic condition, with risks that are not only economic, but civilizational.

Having watched these failures repeat across villages, schools, hospitals, and labor markets, I write with pain—but also with responsibility. I left Nepal long ago in pursuit of higher education, yet I have never left it in spirit. I write not as a politician, and not for any party or power, but as someone shaped by this country and determined to understand why it has settled for so little—and why repeating the same practices will take us nowhere unless we break the system that keeps producing them.

Before we can talk about how this cycle can be broken, we must first confront how the system learned to survive without building. The objective of this article is not to present a detailed manifesto, but to outline a roadmap of what must change if Nepal is to become a nation it has long failed to build. It sets out where effort must be focused if politics is to move from managing decline to creating prosperity. In doing so, the article asks a simple but demanding question of political parties: not what they promise, but what they are willing to change, restrain, and build if they genuinely intend to govern a country rather than manage decline.

The rest of this essay proceeds as follows. First, I explain the political mechanism that traps Nepali voters in cycles of promises without delivery. Then I describe where Nepal stands today. From there, I explain how we arrived here. I then turn to what can be rebuilt—and what politics itself must become if any change is to endure. Finally, I close by asking what citizens must now demand of their political elites.

I. Age of Moon-Promises

Year after year, elections arrive with promises from every political party to address these painful realities. Yet almost nothing follows. Once elected, those commitments are quietly abandoned, and the same patterns persist. For seventy-five years, Nepalis have been promised prosperity under every system—monarchy, multiparty democracy, and now the republic. Each promised transformation. Each delivered disappointment (Acharya, 2025a). Over time, the distance between words and reality did not shrink; it widened. Under the republic, the inflation of promises has only intensified. Election manifestos read like shopping lists: free services, instant prosperity, guaranteed growth. With every election, the claims grow larger—not because capacity has improved, but because there is no cost to exaggeration.

Manifestos are written, briefly read, and then forgotten. Once a party is elected, no one systematically compares what was promised with what was delivered. There is no scorecard, no audit, no political memory. Failure leaves no trace. Past failures are never counted against future claims. Because parties understand this, they behave rationally. If breaking promises carries no cost, the only way to compete is to promise more. Each election becomes an auction of fantasies. Yesterday's exaggeration becomes today's baseline. Tomorrow's manifesto must therefore promise the impossible. The result is not ambition—it is moon-shot politics: promises that grow larger precisely because they are never meant to be kept.

This is not the failure of individual leaders. It is the logic of the system itself. When words bind no one, politics stops being about delivery and becomes a performance of belief. What matters is not whether something can be done, but whether it sounds inspiring. Ideology and identity then enter as cover. They are used not to clarify responsibility, but to escape it. "Isms" become shields behind which failure hides. Parties defend themselves not by showing results, but by claiming vision, doctrine, and grand designs for the nation—blaming rivals, foreigners, or history for what they themselves have not delivered.

Broken promises do more than stall growth. They train citizens to expect betrayal. Cynicism becomes rational. In such a system, realism is punished and exaggeration is rewarded. The system has turned upside down: it is now harder to win by promising what can be done than by promising what cannot. This is a system that penalizes honesty and pragmatism while rewarding dogma, exaggeration, and conspiracy. Until this political malpractice is confronted, no reform—economic or social—can take root. To do so, we must first understand where Nepal actually stands and why.

II. Where Nepal Stands

To understand how far Nepal has fallen behind, we must begin with the most basic indicator of national performance: economic growth — the closest proxy we have for prosperity. I therefore locate Nepal within its regional context, comparing it with India and China. Some may question the value of comparing Nepal with countries that now stand so far ahead. That concern is understandable. These economies have become extreme outliers, even though they were not vastly different from Nepal not long ago. But the purpose of comparison is not to measure parity. It is to measure distance — how far Nepal has fallen behind relative to its immediate neighborhood.

Nepal's economy produces about US$45 billion in gross domestic product (GDP) each year — the value of all final goods and services produced within its borders and the simplest measure of a country's economic size. It sits between two economic giants: India, with a GDP of roughly \$4.6 trillion, and China, at about \$20.7 trillion (World Bank, WDI). Together, these neighbors account for more than one-fifth of global output and remain among the world's fastest-growing major economies. Nepal is not merely smaller than its neighbors, about one percent the size of India's economy and a quarter of one percent of China's, it is being left further behind each year.

Economic growth is the engine of prosperity. When an economy expands, employment rises, incomes grow, and poverty falls. Growth preserves family life by creating opportunity at home, gives young people a future they can imagine, and provides governments with the fiscal space to deliver education, health care, and infrastructure. Given how transformative economic growth is across all spheres of society, no other force is more powerful or more important in shaping a nation's destiny. It is the only proven way to fund universal education, reliable health care, and basic dignity for the poorest households at scale and across generations. Yet in Nepal, growth has been too weak for too long.

The numbers tell the story. In 1980, Nepal's average income per person was roughly on par with India and China, about US\$450 in today's prices. Today, Nepal remains near \$1,450, while India has climbed to about \$2,700 and China has surged to nearly \$13,000 (World Bank, WDI). Over this period, the average Nepali's income grew by just 2.8 percent per year, compared with more than 4 percent in India and nearly 8 percent in China. Such large and persistent differences in growth rates are not matters of policy nuance; they reflect fundamentally different development trajectories. China and India treated growth as a national strategy; Nepal treated growth as a slogan. Recent trends are even more sobering. Over the past four years, Nepal's per-capita income has grown at less than half the pace of India's.

The real story is not where Nepal began, but where it failed to go, especially in comparison with its two immediate neighbors, India and China. Nepal is not merely smaller than its neighbors; the gap widens each year. It is not only poorer; it continues to fall further behind. This stagnation cannot be blamed on any single regime. Under absolute monarchy, constitutional monarchy, and the republic, Nepal grew slowly nonetheless. Each failed to generate sustained growth, and under each Nepal fell further behind. At its core, this is not merely a growth failure. It is a prosperity failure: an inability to produce more and translate that production into better lives.

Economic growth ultimately depends on two forces: how many people are employed and how much each worker produces (labor productivity). These twin engines of growth are shaped by deeper structural pillars: employment creation, education and skills, investment, infrastructure, and productivity (Acharya, 2025a). Nepal's weak growth is therefore not accidental. It reflects persistent fragility in these pillars, which depress both job creation and labor productivity.

Jobs: Nepal is a job-scarce economy where labor exodus has become the primary "safety valve." In the last year alone, 840,000 Nepalis left for foreign employment—an average of 2,300 people every day, excluding those moving to India (Department of Foreign Employment, 2025). This is not a temporary imbalance; it is a defining structural feature. Nepal exports labor because it has failed to build an environment where firms grow, productivity rises, and enterprises multiply.

The domestic employment base is alarmingly thin, with only 6% of the working-age population employed in the formal sector (World Bank, 2025). Of roughly 21 million working-age Nepalis, only 8.5 million participate in the domestic labor force (National Statistical Office, 2023). Around five million work abroad — more than half the size of the domestic workforce — and including India and permanent emigrants, nearly seven million Nepalis live outside the country. Yet youth unemployment remains near 23 percent. This is not a contradiction; it is a systemic failure.

Had this labor been productively employed at home, domestic output and skill base would be transformed. Instead, we have settled for an economy that relies on exporting workers rather than building work. Labor that could be expanding Nepal's production is instead subsidizing the growth of other nations.

Education: Job creation and human capital formation are inseparable. An economy cannot generate productive work without skills, and skills have little value where firms do not grow. Nepal is failing on both fronts. Schooling has expanded rapidly and enrollment rates appear respectable, yet learning outcomes remain weak. A large share of students complete years of schooling without acquiring basic literacy, numeracy, or problem-solving ability. UNICEF estimates that more than half of Nepali children aged 9–14 lack the foundational skills expected by Grades 2–3 (UNICEF, 2022).

Completion patterns reinforce this weakness. Out of every 100 students entering Grade 1, only seven reach graduation without repetition or drop out (calculation based on several Flash Report of Ministry of Education, Science and Technology). Even among completers, capability gaps remain large. Education does not reliably translate into productivity.

Inequality imposes an additional cost, further deepening the problem. About three-quarters of students attend public schools where outcomes are substantially worse. Those who can afford private schooling exit the system and advance. Those who cannot remain and lag behind in jobs and opportunity. Education therefore functions not only as a weak skill builder, but as a sorting mechanism that reproduces inequality across generations.

When education fails to build usable capability at scale, the economy forfeits its primary source of productivity growth. Education does not merely shape individual opportunity; it sets the ceiling on how much an entire economy can produce. When capability is not built at scale, growth itself is capped.

Conversion (Investment): Nepal's investment dynamics reveal a structural paradox. Domestic saving generated from production is extremely low, roughly 6 percent of GDP. When remittances are included, national saving rises to about 36 percent of GDP (World Bank, WDI). Yet much of this saving never becomes productive capital. Total investment remains near 24 percent of GDP, leaving nearly one-third of national savings unconverted—held as idle cash, parked in bank deposits, diverted into gold and land, or lost through capital flight.

In China and India, saving, investment, and production reinforce one another. In China, all three exceed 40 percent of GDP; in India, they remain aligned at roughly 30 percent. In Nepal, they are disconnected. Financial resources circulate, but they do not build. Instead of flowing into enterprises, infrastructure, or industrial capacity, capital is absorbed by land speculation, idle deposits, gold holdings, or outward flight.

This is not a shortage of money; it is a failure of conversion. When savings do not translate into productive investment, potential growth is lost. Even the investment that does occur often flows toward low productivity uses rather than sectors that expand output and employment. As a result, Nepal forfeits a substantial share of possible economic expansion through both unconverted and misdirected capital.

Infrastructure/Natural Resources: Nepal has struggled across many dimensions of infrastructure, but nothing illustrates its development gap more starkly than energy. Despite vast hydropower potential, Nepal remains among the lowest energy users in the world. Per-capita energy consumption is roughly 520 kilograms of oil equivalent per year, about one-fifth of the global average (World Bank, WDI). Even more revealing than the level of consumption is its *composition*. Even more revealing than the level of consumption is its composition: electricity accounts for only about ten percent of total energy use. Nearly two-thirds of Nepal's energy still comes from traditional biomass (firewood, agricultural residue, and dung). Petroleum supplies the rest (Ministry of Finance, 2081).

Electricity production itself remains limited. Per-capita generation is roughly one-third of India's and about one-twentieth of China's. For a country long described as hydropower-rich, this gap reflects not resource scarcity but an inability to convert natural potential into productive capacity. Nepal's underutilization of electricity signals more than a technical gap; it signals a structural failure to transform resource advantage into sustained economic growth.

In fast-growing economies, electricity becomes the backbone of production — powering factories, logistics, irrigation, transport, and urban services. In Nepal, even where power exists, it has not reorganized production. Farms, processing facilities, cold storage, transport networks, and workshops remain weakly electrified. As a result, even limited electricity production is exported and celebrated as success—when in fact it reflects the economy's failure to absorb and use even modest amounts of power domestically.

Energy is not simply another sector. It is a foundational input that shapes both employment creation and labor productivity. By failing to generate and use electricity at scale, Nepal has forfeited one of the most powerful levers of modern development. The consequence is slower productivity growth, fewer expanding firms, and reduced capacity to absorb labor into higher-value work.

Labor Productivity: Ultimately, how fast a nation develops depends on how much its workers can produce in a given time—their productivity, the second engine of economic growth. More productive economies grow faster, pay higher wages, and build firms that can compete abroad. Productivity is what converts labor, capital, and resources into rising incomes. Nepal is among the least productive economies in the world. According to the World Bank, a child born in Nepal today is expected to realize only about 18 percent of his or her potential productivity as an adult, reflecting combined failures in education, health, and labor markets (World Bank, 2025). If that potential were realized, incomes could be several times higher. What is lost is not just output, but decades of opportunity.

Low productivity does more than slow growth. It makes firms uncompetitive both abroad and at home. This is why Nepal never built an export engine. While China and India anchored their growth strategies in global markets, Nepal remained inward-looking and fragmented. Today, exports account for only about 8 percent of GDP, while imports exceed 33 percent (World Bank, WDI). Nepal runs an unusually large trade deficit by international standards. As a result, growth leaks outward. Jobs are created elsewhere. Skills are accumulated abroad. The domestic economy becomes a marketplace, not a producer. In trade, Nepal's failure is striking.

The composition of output helps explain this failure. Nepal's tradable sector remains extremely small, with manufacturing—the main scalable export activity—accounting for barely 4 percent of GDP (Acharya, 2025a). Most economic activity is concentrated in non-tradables such as real estate, retail trade, and low-productivity services that recycle domestic demand rather than expand it. An economy that does not export cannot scale, and an economy that cannot scale cannot absorb its youth.

Nepal's growth is weak not only because jobs, skills, and investment are scarce, but because the productivity of each worker remains low. These productivity constraints are institutional outcomes. The causes of low productivity are poor education, limited machinery and tools, weak infrastructure, regulatory costs imposed by corruption and delay, a thin innovation ecosystem, limited scale, underused geography, and mistrusted markets. These are not consequences of low productivity; they are its causes.

Persistently low productivity has imposed a massive cost on Nepal, constraining incomes, shrinking opportunity, and limiting prosperity across generations.

III. Why Nepal Stalled

The weaknesses described in the previous section are not independent failures. They arise from deeper structural breaks that shape incentives across sectors and reinforce one another over time. This is not the story of a single policy error, one government, or a missed moment. Nepal has underperformed not because of episodic mistakes, but because it has failed to build systems capable of converting potential into progress. These institutional drawbacks have kept the economy in a state of stagnation, allowing underperformance to persist and compound over time. They have also raised poverty and inequality not because compassion is absent, but because productive work is.

In what follows, I outline why these systemic failures persist. This is not a moral judgment, but an examination of the institutional environment that has shaped incentives, expectations, and behavior across generations and produced the outcomes described above.

1. Lack of Ambition: Behind everything lies a quieter failure: the failure to dream at scale. Nepal's elites have not aspired to govern a prosperous, skilled, and competitive nation. They have imagined survival and rent-sharing, not dynamic firms, productive cities, or rising incomes (Acharya, 2025b).

A country does not grow beyond the ambitions of those who lead it. When ambition is low, blaming others becomes a habit—foreigners, history, geography, or rivals—while responsibility quietly disappears. Policy settles for tweaking rather than transformation. Until Nepal measures itself by what it builds—skills, firms, exports, and institutions—rather than by what it receives or whom it blames, stagnation will remain rational and ambition will remain low.

2. Wrong Priorities: Successful countries treated growth as a national mission. It shaped budgets, institutions, and performance metrics—and became a source of collective pride. In Nepal, growth has remained a slogan rather than a governing constraint. Political parties repeat the language of "double-digit growth," but rarely explain how it would be achieved or what structural changes it would require. The result is a deep disconnect between talk and reality. That gap is not optimism; it is a sign of institutions that have lost touch with priorities, constraints, incentives, and execution.

Countries that treat growth as a source of pride and stagnation as a source of discomfort have consistently outperformed those that do not. In Nepal, the opposite has taken hold. Despite falling steadily behind its neighbors, there is little sense of collective alarm or national resolve. Fittingly, exports never became a strategy, only a residual. Energy projects multiplied megawatts, but not productive demand. Education expanded enrollment, not capability. Without growth as a binding objective, systems optimize for survival rather than transformation.

3. Lawless Power: Growth depends on predictability. When rules are stable and power is constrained, people invest in skills, firms adopt new technologies, and capital commits for the long term. In Nepal, that confidence has never taken root. Laws exist, but enforcement is selective. Regulations shift with political winds, contracts are slow to enforce, and outcomes depend less on compliance than on connections. The result is pervasive uncertainty that shortens time horizons across the economy.

At the core of this failure is a simple reality: power has stood above law. When rules do not bind those who wield authority, commitment becomes a liability rather than an advantage. This explains why electricity has not reorganized production even as supply improved; why education has not translated into skills; and why firms hesitate to scale even when credit is available. Nepalis would invest if the system rewarded rules rather than required the appeasement of power. This same power over law is the root of widespread mismanagement, delay, and corruption in Nepal—not their byproduct (World Bank, Worldwide Governance Indicators).

4. Politics Over Performance: In successful countries, governments earn legitimacy by delivering results. Growth, jobs, and rising living standards become the currency of political survival. In Nepal, legitimacy is built through political control, identity, coalition management, and survival—not outcomes. Political success depends less on improving productivity, learning, energy use, or exports than on sustaining political drama (Acharya, 2025b). Failure therefore carries little cost, breaking the feedback loop that drives development. Schools are funded regardless of learning. Utilities persist regardless of reliability. Agencies survive regardless of results.

When performance is neither rewarded nor failure punished, systems have no reason to change. Over time, low performance breeds low expectations, and low expectations normalize failure. Projects miss deadlines. Schools underperform. Power remains underused. Exports stagnate.

Savings fail to become investment. Yet nothing breaks. No leadership falls. No institution is reset. The system learns how to endure without improving.

To sustain this equilibrium, responsibility must be deflected. This is where pseudo-nationalism enters. When objections arise, blame is redirected to "foreigners," "external forces," or vague conspiracies. The targets are indistinct, but the narrative is effective: it rallies voters, silences scrutiny, and returns incumbents to office—only to repeat the same routines. This is not nationalism aimed at building capability. It substitutes symbolic nationalism for performance and, over time, becomes a decaying force.

Low ambition narrows horizons. Wrong priorities misdirect resources. Lawless power distorts rules. Nepal has consistently ranked poorly in global corruption indices, reflecting persistent weaknesses in institutional integrity and accountability (Transparency International, 2025). Politics over performance removes accountability. Together, they form an equilibrium in which stagnation becomes normal and pressure to change disappears. Nepal is trapped not by accident, but because its systems reward political maneuvering rather than building.

IV. The Necessary Path

If systems can fail, they can also be rebuilt. So far, this essay has described what went wrong. This section asks what must change for Nepal to escape its low-growth equilibrium. Nepal's stagnation is not destiny. It is the outcome of repeated choices, often unspoken and often deferred, but choices nonetheless. The question is not whether Nepal can change, but whether it is willing to reorganize itself around building rather than merely surviving.

The reasons for Nepal's stagnation described earlier were not only institutional but aspirational. A nation that normalizes small outcomes eventually structures itself around them. Rebuilding therefore requires raising ambition — not rhetorical ambition, but the ambition to compete, export, innovate, and grow firms beyond protected domestic comfort. This is not about comparison or grievance toward other countries. Too often, our discourse looks outward for explanation or blame. Nepal's future will be shaped primarily by the choices Nepalis make. It can be built or broken by our ambition, discipline, and collective effort. Building confidence in that effort is essential to achieving shared prosperity. The path Nepal must take, outlined below, is therefore as much about raising expectations as it is about reforming systems.

Taking this path is not a matter of choice. It is a necessity. However, it does not require miracles or ideological reinvention. It requires restarting the conversion systems that translate effort into skills, skills into enterprises, and enterprises into employment. We discuss six such conversions. They illustrate what is practical and achievable. Together they define the route to prosperity, beginning with people and culminating in systems that work.

1. Workers as Assets: Remittances have bought Nepal time, but they cannot buy a future. Nepal must treat workers as national assets and place job creation at the center of economic policy. For decades, labor policy has centered on facilitating migration rather than expanding domestic employment. This must change. Policy must place workers at the center of the domestic economy. Expanding employment at home allows firms to accumulate knowledge, skills to deepen, savings to circulate through investment, and communities to stabilize. Migration should remain an individual choice, but it cannot remain the system's default outcome.

Job creation is not a welfare objective. It is the mechanism through which growth produces dignity and opportunity. For low income households, employment determines whether life is defined by dependence or by agency. Building enterprises that generate sustained work must therefore be treated as a central economic priority.

2. Employable Skills: Education must become a pipeline into domestic employment. Policy should align training with the needs of expanding firms and prioritize practical and technical capability that supports production at home. Skills and enterprise reinforce one another. When capability deepens, firms expand. Building skills at scale through decent public secondary education, addressing dropout and systemic failure seriously, and restoring this link must be central policy objectives. Foundational competencies must be ensured for all students, and skill formation must occur at scale rather than within isolated pockets of advantage.

Addressing poverty and inequality begins here. Along with accessible health services and sustained job creation, effective education is one of the most powerful tools for widening opportunity across households, especially among the poor.

3. Productive Investment: Capital must be redirected toward enterprises that hire, produce, and export rather than assets that simply store value. For that to happen, returns to production must be credible. Only firms can transform savings into employment. The state cannot replace enterprise, but it must shape incentives so that productive investment becomes safer and more attractive than passive accumulation.

Policy should ensure that the financial system rewards productive risk-taking rather than collateral-based speculation. This requires predictable rules, enforceable contracts, and infrastructure that lowers uncertainty for investors. When this shift occurs, investment stops merely circulating and begins compounding. Savings generate employment. Employment generates skills. Skills generate productivity. Productivity sustains growth.

4. Electrification for Jobs: Energy policy must shift from capacity expansion to production integration. Electricity should be treated not as installed megawatts but as an input that enables firms to hire, scale, and compete. Reliable, affordable power where production occurs must therefore become a central policy objective.

Priority should move toward expanding electricity use across job-creating sectors such as agriculture, agro processing, manufacturing, logistics, irrigation, cold storage, and digital services. Electrification lowers uncertainty, reduces costs, and enables investment in machinery and technology. This expands employment while raising productivity.

The state's role is not only to generate electricity but to ensure its productive use. Transmission must reach economic zones, pricing must encourage utilization, and regulation must provide certainty for investment in energy using enterprises. Energy becomes productive only when megawatts translate into work performed and goods produced.

5. A Pro-enterprise State: Nepal's crisis is not only one of policy but of economic identity. For decades, the country has spoken the language of markets while treating private enterprise with suspicion, publicly accepting markets while quietly constraining them. The result is a low-trust economy. Firms hesitate to invest, capital hides in land and idle assets, and ambition is redirected abroad. Nepal must treat enterprise as a central partner in growth. This is not ideology. It is pragmatism. Rebuilding trust between the state, society, and enterprise is essential to sustaining reform.

This does not imply faith in markets as self-correcting or morally sufficient. Left alone, markets reward power as easily as productivity and exclude those without assets or leverage. Strong public systems such as education, health, regulation, and the rule of law are therefore not alternatives to markets but conditions that allow them to work for ordinary people. But markets remain the most effective mechanism for signaling production needs, allocating capital, and coordinating effort at scale. Ignoring this weakens both growth and opportunity (Acharya, 2025a).

Giving enterprise a larger role does not mean weakening the state. It means reorienting it. The state cannot replace entrepreneurs. It must create conditions in which enterprise becomes rational, safe, and worthwhile through predictable rules, contract enforcement, regulatory restraint, and a public administration that acts as an environment setter rather than a discretionary gatekeeper.

6. Credible Rules: Productivity cannot rise where rules are uncertain and time is wasted. Corruption, administrative delay, and discretionary enforcement raise the cost of productive activity. They divert effort from building to navigating. This must end. Economic activity requires predictable timelines, transparent processes, and equal application of rules (Acharya, 2025b).

Reducing friction is one of the fastest ways to raise national productivity. Permits must move on schedule. Contracts must be enforceable. Public decisions must be reviewable. When time becomes reliable and rules become credible, firms invest more confidently, workers engage more productively, and capital compounds rather than hides. Productivity ultimately reflects institutional credibility.

To sum up, when systems fail, it is the poor who absorb the damage. They cannot substitute private schools for public ones, private clinics for public hospitals, or connections for fair access to work. The true test of any economic or political agenda is therefore not how much it promises, but whether it strengthens three foundations on which ordinary lives depend: decent public education, reliable health care, and an economy that creates jobs without patronage. These are not luxuries to follow growth. They are the conditions under which effort becomes productive, mobility becomes possible, and poverty stops reproducing itself across generations.

V. Credibility Through Restraint

The point of identifying these failures is not to narrow political imagination, but to redefine political credibility. Nepal does not suffer from a shortage of promises; it suffers from a shortage of systems that protect citizens when promises fail. Credibility therefore lies not in what parties pledge to deliver, but in what powers they are willing to restrain so that delivery does not depend on connections, intervention, or endurance.

The preceding sections have shown where Nepal stands, why it arrived here, and what structural changes are required to alter course. The central lesson is simple but uncomfortable: stagnation reflects not too few promises, but too little capability. Moon-shot pledges followed by inaction have become obstacles to progress. Promises, whether aggregate or sectoral, carry little meaning when they are not implemented.

With elections approaching, parties will again issue manifestos in response to the call to compete. That is appropriate. But those manifestos should be judged against the capability failures just identified. Any promise that directly addresses the failures outlined in Section II is welcome. Seriousness, however, should be judged by whether they engage with the necessary path set out in Section IV. Platforms that avoid these foundations merely recycle aspiration without altering the trajectory. Even when parties adopt this language, implementation cannot be assumed.

If this cycle of promise and non-delivery is to end, politics itself must transform. A serious political force earns credibility through restraint, not by what it promises to deliver, but by what it is willing to restrain itself from controlling through binding rules. Credibility requires concrete institutional commitments. Such commitments might take the following forms:

- We will no longer interfere in courts, regulators, or police. Appointments, transfers, and investigations will follow published rules and fixed timelines. Ministerial intervention will be illegal, void, and subject to review.

- We will no longer control schools and universities through party networks. Curricula, examinations, and hiring will be governed by independent bodies. Political organizations will be barred from schools and campuses. Performance, not loyalty, will determine careers.

- We will no longer protect land speculation, cartels, and politically shielded profits. Tax privileges and regulatory favors will end. Idle asset gains will be taxed. Production will become safer than speculation by design of law.

- We will no longer treat electricity as a political trophy. Tariffs, grid access, and industrial connections will be rule-based and public. Power will flow to where it reorganizes production, not where it generates headlines.

- We will no longer govern without being measured. Budgets, contracts, timelines, and outcomes will be public. Independent scorecards will be mandatory. Failure will trigger automatic parliamentary review, not explanation, not excuse.

This is what credibility looks like: not the promise of delivery, but the surrender of discretion. Not “trust us,” but “we will make betrayal institutionally difficult.” Nepal does not need another platform; it needs a higher standard of legitimacy, one that asks not what parties say, but what powers they are willing to relinquish. Only then can politics become an instrument of building rather than a theater of survival. Credibility must now be translated into public demand.

VI. Citizens Demand

Nepalis should no longer judge parties by the scale of their promises, but by what they are willing to bind themselves to. The coming election must become a test of seriousness. Voters should demand from every party and candidate a small, clear, non-negotiable contract with the public, one that replaces moon-promises with institutional discipline. Voters' demands should include:

- Rule before power: *Power must obey rules, not personal influence.*
- Jobs before slogans: *Jobs, not remittances, are the measure of success.*
- Power that produces: *Megawatt-hours in use matter more than megawatts announced.*
- Schools that teach: *Failure must carry political cost, because each year of broken schools and clinics steals the future of the poorest children.*
- Capital that builds: *Capital must build, not hide.*
- Enterprise before ideology: *The state must enable producers, not fear them.*
- Performance with consequences: *No scapegoats. Only accountability.*

This is the minimum standard of a serious democracy. Prosperity will not come from louder promises, new ideologies, or recycled heroes. It will come only when power is restrained, performance is rewarded, and institutions are made stronger than those who run them. The real choice before Nepal is no longer left or right, old or new—it is survival through illusion, or progress through discipline.

To be clear, this is not an argument against any party—old or new. Long-established parties may still deserve the support of many voters. But to ask for votes on the basis of ideology alone, while daily life remains unchanged, is the wrong test of legitimacy. For generations, Nepal has lived under every major doctrine—monarchy, socialism, communism, liberal democracy—and none has built a system that reliably turns effort into progress for ordinary people.

When families cannot find work at home, when children must leave to build a future, and when promises fade after every election, the problem is no longer which ideas we declare; it is whether those ideas are ever made real. A politics that drums ideology without delivering results does not renew itself; it repeats itself. And repetition without reform cannot change a country.

VII. Conclusion

Nepal's story is not one of inevitable failure. It is a story of missed transformation. We did not fall behind because we lacked rivers, talent, savings, or effort. We fell behind because we never built the systems that turn these into lasting prosperity. Compared with India and China, the distance between us is not only one of income, but of institutional capability.

We now know where we stand. We know why we are here. And we know that change is possible, not through fantasy, but through disciplined rebuilding. Electricity can reorganize production. Education can create skills, not exits. Savings can become investment. Firms can grow. Migration can become a choice, not a necessity.

Prosperity is not real unless it reaches the last household in the last village. Growth is its engine, but dignity its destination. What remains is not a technical problem. It is a political and moral one.

The coming election will test whether Nepal is ready to move from survival to building. It will test whether we are willing to abandon moon-promises, ideological theater, and inflated expectations—and replace them with seriousness, accountability, and restraint.

This is the choice: to continue performing hope, or to finally construct it.

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