

EDITORIAL

Food for thought

It is alarming that Nepal has slid back to a food deficit country despite record harvest

Nepal slid back into a food deficit country despite a record harvest this fiscal year, after recording a surplus of nearly 1 million tonnes in the last fiscal year, ending mid-July. According to the Economic Survey 2017-18 unveiled on Sunday, the country has a food deficit of 71,400 tonnes this fiscal year. In the last fiscal year, Nepal had a food surplus of 898,115 tonnes. The survey shows that Province 3 has the highest food deficit of 535,000 tonnes, followed by Province 2 with 111,800 tonnes and Karnali Province with 16,800 tonnes. Province 1 has the highest food surplus of 320,100 tonnes followed by Province 5 (166,700 tonnes), Province 4 (97,600 tonnes) and Province 7 (7,700 tonnes).

Nearly 66 percent of population is engaged in agriculture sector and its contribution to the Gross Domestic Products (GDP) is 27.6 percent. It's a largest sector that provides employment to a large number of people. Agricultural production keeps on fluctuating because of weather stress like drought, low rainfall, hailstorm and floods. As Nepal's agriculture is rain-fed, the worrying factor is inadequate irrigation facilities in the Tarai, which is the major foodgrains basket. Agriculture is directly linked with the country's economic growth. When the monsoon is normal, production of crops, particularly paddy, increases and the country's economy shows a healthy growth.

The ballooning agricultural imports is worrying. According to the Department of Customs, Nepal imported farm products worth Rs196 billion in the last fiscal year, up 11.36 percent year-on-year, setting off concern that the country's dependency on imported food was ballooning out of control. The share of agro products in the total import bill has swelled to 20 percent of the country's total import bill of Rs984.06 billion in the last fiscal year.

The country is in trouble. Imports are unlikely to drop soon. And it could make things far worse if the ongoing trend continues: fertile farmlands in the Tarai region are being rapidly buried under concrete, and the effects of the land plotting are becoming visible in food production. Furthermore, anticipated damage to fertile agricultural land and production means that food prices are likely to stay high. This needs an urgent intervention. Now time has come to worry about where the next meal is coming.

Growing enough food for future generations will be a challenge without adopting climate-smart technology. Over the long term, as Nepal cannot increase the agricultural land, agricultural productivity must increase by making heavy investment particularly in climate-smart agriculture and farm mechanisation system. In past years, unstable government policies had helped create the problem. Now the stable government should help resolve it long-term.

WORLDVIEW

Summit that wasn't

Superlatives had greeted the decision to convene the US-North Korea summit on 12 June. The mood-swing is complete as last Thursday's fizzle—courtesy Donald Trump—reaffirms that what was billed as unprecedented shall not happen, after all. More accurately, both decisions of the US President appear to have been driven by the impetuous trait in his personality—his resolve to hold the meeting with the belligerent Kim Jong-un and now his determination to call it off. Markedly, he has cancelled the "historic" meeting a day after he had concurred with a "phased reduction" of North Korea's nuclear arsenal. Ironically enough, the cancellation coincides with the North's demolition of its nuclear test site—in itself a critical gesture on the part of Kim three weeks ahead of the scheduled summit. The flip-flop, most importantly the quirky twist in international relations, must make the world wonder whether both sides were earnestly anxious to achieve peace in the Korean peninsula or were merely riveted to the grandstanding in Singapore. In the event, the words, "unprecedented" and "historic", have turned out to be loosely-used expressions. The White House has kept the world guessing over what transpired at the meeting between Trump and the South Korean President, Moon Jae-in, who had tried to play the role of an honest broker. North Korea is a condemned regime, but it has appeared to be consistent ever since the summit was announced.

PRATISTHA PANERU

Social and other media exploded recently following the news that the government had reduced the number of public holidays from 104 to 89 days annually. It was surprising to read a lot of positive feedback for a government initiative. While some people suggested that the reduction would compel work efficiency among public servants, private sector workers felt pleased to invite their banker and public servant friends into the 'working on a public holiday' gang. I could not stop asking myself, "Is

quantity of work (working hours) always going to be superior to quality of work (productivity) in our country?" But then, productivity is a concept long disappeared from the Nepali working scene. No matter what you do during office hours or even if you do nothing at all, as long as you are working six days, it is all good! The situation is critical in public offices where employees claim to work six days a week, but can never be found in their cabins or leave 2-3 hours before closing time. While on a work trip to Malaysia, one of my foreign colleagues asked me about Nepal's working culture. When I

explained to him that we have six working days, his reflex reply was, "How are you one of the happiest countries in the world when you work for six days straight?" I wish I could explain to him that yes, we do have six working days; however, it does not necessarily imply that we actually work for six days. There is an interesting theory regarding working hours and productivity developed by researchers worldwide. They quote that working longer hours results in a reduction of labour output. In other words, the longer you work, the

lesser is your productivity over time. If we analyse the work culture of our Western counterparts, employees have adequate holidays and still productivity is high because they fully utilise the time that has been allocated for work. This way, employees can grow to their full capacity professionally as well as spend time with their families, travel and remain motivated throughout the year. I remember being overjoyed over the Dashain holidays a few years ago because I could go to my uncle's house

in far west Nepal once a year. Working professionals nowadays struggle with depression, anxiety and mood swings because they don't get to spend enough time with their families even during major holidays. Neither the pay levels justify the amount of working hours an average Nepali commits in a week, nor the quality of work produced. The underlying school of thought is that working longer hours does not necessarily result in increased productivity and definitely not in Nepal. Thus, the major agenda of policy pundits should be to increase labour force productivity and not labour hours.

Three is company

Nepal can unleash the Greater Himalayan Region's true potential only if it adopts trilateralism



MADHUKAR SJB RANA & ATUL K THAKUR

Observing recent developments between India and Nepal, one can be convinced that China is doing everything it can to pacify India over its Belt and Road Initiative (BRI) in order to get the desired outcome, minus the noisy background. Thus, Indian Prime Minister Modi's task is not simple as he is juggling formal diplomatic and trade engagements with China or Nepal while trying to actively deal with the idea that is trilateralism. The region, needless to say, will have a better chance to live up to its actual potential if it maintains well-channelised diplomatic and trade negotiations. In any case, Nepal's best interest will be served by leveraging both India and China, and improving its much-needed infrastructural capabilities and cross-border connectivity, reducing the limitations of being land-linked.

Connectivity is key

Political scientists look upon trilateralism that involves triangular relations between unequal powers as an impossibility. Economists look upon it as a straight line or corridor spanning geographical borders in order to gain from the opportunities arising from their differential resource endowments and fiscal differentials. How does one explain the movement of once-imperialist Japan's labour intensive manufactures, called Flying Geese, to Korea and Taiwan, and later to China and Southeast Asia? Also, it is misguided to think that small powers wish equal status in political terms as long as the economic benefits are mutual and, ideally, equitable.

To create a way forward, economic corridors are perfect physical components for subregional cooperation through devolution of responsibility and authority to local bodies and communities. They need seamless connectivity by road, railway, waterway, airway and grids. But, importantly, the markets must be integrated and supported by financial cooperation by local governments and banks, with risks judicially shared by all the central governments.



To initiate the perceptual change benefitting the economic and strategic fundamentals in the region, the idea of a Trans-Himalayan Economic Corridor centred on Nepal should be pursued seriously

Economic corridors must seek integration of subregions through value additions and supply chain innovations. As of now, five possible economic corridors are possible in Nepal. They are Karnali Economic Corridor: Which can integrate the far western region of Nepal with Tibet, Kumaon, North UP (Lucknow growth axis). Gandhak Economic Corridor: Which can integrate the western region of Nepal with Tibet, North UP (Gorakhpur axis). Bagmati Economic Corridor: Which can integrate the central region of Nepal with Tibet and Bihar (Patna growth axis). Koshi Economic Corridor: Which can integrate the eastern region of Nepal with Tibet, Sikkim, Darjeeling and Dooars (Siliguri growth axis). Another project of strategic significance

for the Greater Himalayan Region is the construction of the Mid-Hills Highway in Nepal with due emphasis on 10 model town development projects that serve as growth centres.

To look ahead, it is prudent to remember that Nepal prospered, until the advent of the East India Company in the subcontinent, as an economic corridor and a civilisational bridge between adjoining northern India and Tibet. Following Nepal's calamitous loss in the Anglo-Gorkha War of 1814-16, it was territorially reduced in size by around 33 percent and its prevalent national geo-psychology changed from that emerging Himalayan empire aspiring to become an economic and cultural bridge between India and China to simply a 'yam between two boulders'. Subsequently, it sought to look inward and close its doors to the outside world.

The way forward

To initiate the perceptual change benefitting the economic and strategic fundamentals in the region, the idea of a Trans-Himalayan Economic Corridor (THEC)

centred on Nepal should be pursued seriously. It is based on the firm belief that a THEC can profoundly transform the entire south-eastern Himalayan subregion and the Ganges Basin, where most of the world's absolute poor and deprived population now live. The south-eastern Himalayan subregion and the Ganges Basin need a big push in infrastructure investments coupled with far more robust annual economic growth rates in order to meet the challenges posed by its poverty mass unemployment and massive under-employment of its human capital.

Amid the development and security challenges faced by the Himalayan subregion, the emergence of Asia as a world economic fulcrum, powered by both China and India, offers grand opportunities to deal with these challenges. But for that to happen, there needs to be seamless implementation and consistency.

An added dampening factor is the politicisation of civil society. This is not only a Nepal-specific problem today, but one that plagues various democracies, where political parties have ceased to keep an internal democratic culture. This pattern is surely against the foundational idea and principles of democracy which clearly supports the freedom of institutions, including the judiciary and the press. Under the compromised state system, the rise of political fringe actors and the decline of rational voices are the hallmark of the post-truth age.

Alas, Nepal is not an exception and this vicious global trend continues to grip its state apparatus. Irrespective of the challenges on its home turf, Nepal has to overcome them and move forward to claim its vital stake in the region. While delving into the idea of trilateralism, it's important to understand that India-Nepal relations are multi-layered and formed through favourable socio-cultural and strategic fundamentals. Historically and in continuance, the cornerstones of bilateral diplomatic and trade relations have had strong consideration of the strong people-to-people ties, friendly cross-border connectivity and prospects of close economic cooperation. Hence, to further deepen the ties, it is essential that bilateral relations are supported through trilateralism in certain spheres. This is the time to move positively!

Rana is a former finance minister of Nepal and an economist and Thakur is a New Delhi-based columnist

The Gold Rush

Harvesting yarsagumba is profitable but such practices should be sustainable too



SURAJ UPADHAYA

Thousands of people from Dolpa and adjacent districts have their bags packed and are preparing for a three-month-long stay in Dolpa's high altitude meadows. Their goal is to search for yarsagumba, the most expensive medicinal fungus (*Ophicocordyceps sinensis*) in the world. During the past two decades, the value of the parasitic fungus known as caterpillar fungus has risen to unprecedented heights in the Nepalese economy. Known as "Himalayan Gold", it has become a choice commodity of exchange between wealthy people, especially in and around Chinese communities. Less than 20 years ago, a kilogram of yarsagumba was worth a couple of hundred US dollars. As of early 2018, the retail price for yarsagumba had surpassed the value of gold and is valued at \$25,000 US\$/kg.

Pros and cons

The proceeds from harvesting yarsagumba is the major source of income for most people from Dolpa and adjacent districts. The rise in the value of this fungus has encouraged thousands of outsiders to travel to several alpine meadows of Dolpa. The records of Shey Phoksundo National Park shows that in 2016 more than six thousand people paid tax to travel to different meadows within the national park to collect yarsagumba. This temporary migration of thousands of people not only makes for empty towns but also equates to crowded mountains.

For three months, people in the alpine grasslands in Dolpa get little sleep. When people find yarsagumba, they don't find a



POST PHOTO

fungus; they find money. Intermediate buyers are always nearby with cash in hand to purchase it. The monetary transactions in the grasslands show that cash from all around the world is accumulated in this area. Every individual tries to maximise their profit by either collecting more yarsagumba or selling services to collectors.

But, the economic benefits of harvesting yarsagumba are not the only impacts of this historic activity on the livelihoods of people from Dolpa. While the locals have certainly prospered economically from the commodification of yarsagumba, it has also led to several negative consequences to biodiversity. During a research I conducted last summer, I found that the alpine grasslands—critical habitat for the endangered snow leopard and blue sheep—were full of trash. The banks of rivers and streams were all filled with trash. The disposal of trash to rivers and streams not only affects the beauty of the area but also puts critical high-altitude ecosystems and associated habitat at risk. During the harvesting season, collectors dig up the bushes and shrubs, which take decades to grow, for firewood and camping. The loss in these bushes and grasses

results in ecological imbalances that we are to understand fully.

Several studies have shown that the collection of yarsagumba is not only affecting biodiversity, but also the social and cultural ecosystems of the region. Due to the chaos that occurs during harvesting season, vandalism and robberies have been on the rise. In 2014, a dispute over fungus taxes resulted in the death of two locals and the injury of more than 40 people in Dho Tarap Valley, which is famous for settlements in the highest altitudes (4,000 meters above sea level). As the price of yarsagumba continues to skyrocket in the international market, robbery and unofficial entry to the grasslands is on the rise. Recently, more than 56 people from outside Dolpa districts were caught illegally harvesting yarsagumba by the Shey Phoksundo National Park authority.

Several schools close for three months during harvest season, as students and teachers flock to the alpine meadows to collect yarsagumba. This is their opportunity to collect funds to support themselves for the next year. Reports of students and youth now getting involved in alcohol use, and gambling are on the rise. Local people attribute the increase in bad

habits of youth to the income from yarsagumba. Within the three-month harvest season, one active youth can earn at least Rs150,000.

The way forward

There are certainly no doubts about the economic benefits of harvesting yarsagumba, but the authorities need to address concerns pertaining to environment and biodiversity. A study conducted by Shrestha and Bawa in 2013 suggested that the world's most expensive fungus is in serious decline in Nepal because of over-harvesting. Several scientists and conservationist have warned that if the caterpillar fungus disappears, it could lead to an uncontrolled proliferation of the larvae and moths, triggering a series of changes in the fragile high-altitude ecosystems.

It is crucial that we develop long-term monitoring and management plan and implement sustainable harvesting measures to protect yarsagumba and the fragile high-altitude ecosystems it, and our local people and wildlife, depend upon. Policies should be formulated keeping in mind the sustainability of yarsagumba and the biodiversity. Regulations should be implemented rigorously, and authorities should restrict the annual harvesting amounts. The implementation of a quota and rotational system for the harvest would allow the grassland to recover from anthropogenic impacts. Shey Phoksundo National Park and local bodies such as the Buffer Zone Management Committee, Community Forest Users Groups, and Rural Village Municipality should focus on investing in the conservation of meadows to halt potentially devastating consequences to the ecosystems and local economy.

Upadhaya is a research student Integrative Conservation of Nature and Forestry University of Georgia, Athens, Georgia, USA

Happy holidays

Social and other media exploded recently following the news that the government had reduced the number of public holidays from 104 to 89 days annually. It was surprising to read a lot of positive feedback for a government initiative. While some people suggested that the reduction would compel work efficiency among public servants, private sector workers felt pleased to invite their banker and public servant friends into the 'working on a public holiday' gang. I could not stop asking myself, "Is

quantity of work (working hours) always going to be superior to quality of work (productivity) in our country?" But then, productivity is a concept long disappeared from the Nepali working scene. No matter what you do during office hours or even if you do nothing at all, as long as you are working six days, it is all good! The situation is critical in public offices where employees claim to work six days a week, but can never be found in their cabins or leave 2-3 hours before closing time. While on a work trip to Malaysia, one of my foreign colleagues asked me about Nepal's working culture. When I

explained to him that we have six working days, his reflex reply was, "How are you one of the happiest countries in the world when you work for six days straight?" I wish I could explain to him that yes, we do have six working days; however, it does not necessarily imply that we actually work for six days. There is an interesting theory regarding working hours and productivity developed by researchers worldwide. They quote that working longer hours results in a reduction of labour output. In other words, the longer you work, the

lesser is your productivity over time. If we analyse the work culture of our Western counterparts, employees have adequate holidays and still productivity is high because they fully utilise the time that has been allocated for work. This way, employees can grow to their full capacity professionally as well as spend time with their families, travel and remain motivated throughout the year. I remember being overjoyed over the Dashain holidays a few years ago because I could go to my uncle's house

in far west Nepal once a year. Working professionals nowadays struggle with depression, anxiety and mood swings because they don't get to spend enough time with their families even during major holidays. Neither the pay levels justify the amount of working hours an average Nepali commits in a week, nor the quality of work produced. The underlying school of thought is that working longer hours does not necessarily result in increased productivity and definitely not in Nepal. Thus, the major agenda of policy pundits should be to increase labour force productivity and not labour hours.