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## **Nepal Earthquake: Could a Stronger and more Scenic Country Emerge?**

*By Pradumna Bickram Rana*

### **Synopsis**

*If governance and economic policies improved somehow in the post-earthquake period, we could see the emergence of a stronger and more scenic Nepal, but this is a very tall order.*

### **Commentary**

TWO WEEKS after the devastating earthquake struck, Nepal is entering the second phase of its recovery. The first phase was rescue and relief. With the hope of finding anybody alive having faded, many rescue teams from abroad have now gone back. Relief in the form of clean water, food, medicines, tents and tarpaulins has reached most of the affected people except those in the most remote areas. Additional relief is, however, still very much required.

The second phase of rehabilitation and reconstruction has begun. The government has established a National Reconstruction Fund to which it has allocated US\$200 million. The Asian Development Bank (ADB) has pledged another \$300 million and other donors will surely follow suit. The ADB has also established an earthquake response team which will work with other partners to assess the losses and estimate the long-term investment needs. Japan has proposed to convene a donor group meeting. Despite the generous support of many “friends of Nepal”, the country’s recovery from the crisis will take many years. Dr. Ram Sharan Mahat, the finance minister, has remarked: “After decades of policy and political uncertainty, Nepal had just been gearing up for a higher trajectory of economic growth.”

### **Possible policies for phase two**

Since losses are still being tallied, it is not possible to detail a complete list of the required long-term policies and strategies. Nonetheless, if the country’s governance were to improve and appropriate policies were to be adopted, a stronger and a more scenic Nepal could emerge from the crisis. This is a very tall order given the poor track-record of the government in delivery of services, mismanagement, and coordination, but there is no harm in hoping.

Policy actions are required in many different fronts, but there are four that can be immediately considered:

- Firstly, since the government lacks credibility, monitoring systems should be set-up to oversee the newly-established National Reconstruction Fund. Watchdog bodies and community-based organisations should be in place to ensure transparency and accountability in the use of resources.

After a decade of Maoist-led civil war which left 16,000 dead and ended in 2006, Nepal had entered a transitional stage. Seven years on, the constituent assembly has been unable to draft a constitution amidst fruitless debates and inter-party rivalry. Local government elections have not been held since 1999: instead, civil servants run the system. Corruption is pervasive at all levels. The Prime Minister's speech to the nation a few days after the quake disappointed many, and several top political leaders were conspicuous by their absence in the early days of the crisis.

Could this disaster lead to improved governance in Nepal? A long shot, but perhaps. Sometimes devastating disasters can shake up a society so much that seemingly intractable problems can be resolved. Examples are the war in Sri Lanka and the separatist movement in Aceh both of which finally came to a conclusion after the Indian Ocean tsunami that hit the countries ten years ago.

- Secondly, to re-build some 300,000 houses (and counting) that have been flattened and a similar number that have been partially damaged mainly in the villages, innovative technology such as the "Habitat Building System" developed by the Asian Institute of Technology and others could be considered, to construct cost effective yet sturdy houses. These houses should be designed to complement and blend with the village scenery in Nepal which attracts over 800,000 tourists every year.

### **Fix the economic development model**

- Thirdly, a flaw in Nepal's economic development model should be fixed. Available data suggest that Nepal has become one of the most remittance-dependent economies in the world. Before the earthquake almost 1500 able-bodied workers left the country on a daily basis for jobs abroad. This flow has now ebbed and some have, in fact, returned home to help out their families. Without jobs in the country to keep them in Nepal, they will surely leave again, perhaps in even larger droves.

It is therefore imperative that the country introduce innovative income-generating schemes like the "cash for works" programme run by, among others, Mercy Corps in Aceh in the wake of the tsunami and in the Philippines after the Super Typhoon Hainan. These programmes will provide jobs and income for the able-bodied in exchange for work completed in public works projects including school building and infrastructure development. Simply doling out money for rehabilitation is not a good idea as it will have adverse budgetary and monetary impacts.

- Finally, in a study prepared for the ADB last year, a co-author and I have argued that Nepal should strive to become a "land link" between the two "giant" countries of China and India, as it was in the bygone era, by improving connectivity both within the country as well as cross-border connectivity. Such a strategy would result in a more balanced development strategy for the country. Nepal's founding member status in the China-initiated Asian Infrastructure Investment Bank (AIIB) and its support of China's Silk Road Economic Belt policy are steps in the right direction.

### **Lessons for other countries**

Nepal experiences a major earthquake every 100 years or so. In 1934, it was ravaged by a quake which registered 8 on the Richter scale. Scientists had issued strong warnings about the likelihood of another one. The government had legislated a new building code in 1996 but the code was poorly implemented because of poverty and poor governance in the country.

An important lesson for other countries prone to natural disasters from Nepal's experience is to be prepared. It is not good enough just to have laws and codes, they should be enforced. This is, however, easier said than done especially in a poor country.

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