

## PROJECTING NEPAL'S ECONOMIC GROWTH

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A KIND of misconceived debate has been going on in developing countries of the world as to whether economic growth can be achieved through capital-intensive or labour-intensive techniques of production or with an appropriate mixture of both. It is, however, not fully appreciated that more than making a choice for technology, there are certain bitter pills that have to be swallowed first.

For accelerating the rate of economic development, the plan of a country has to come to terms with the real facts of life, at one stage or the other. The sooner it is done, the better it would be for creating conditions for a self-sustained economy in future. Indeed, the rate of growth in GDP cannot simply be reduced to a bloodless arithmetical exercise. Growth must be visible through an appreciable thrust to the consumption standards of the masses at least in respect of the basic needs of life.

This paper examines the cybernetics of growth in the agricultural sector of Nepal. This sector is by far the most crucial for Nepal's economy. The analysis of growth projections in agricultural sector can fairly be applied to other sectors as well in its operational terms.

On the basis of population figures for 1971, the density per hectare in agriculture is 5.757 with the highest rates existing in eastern and central mountains, as also in central and western hills. More than 90 per cent of the total labour force that is engaged in the agricultural sector accounts for two-thirds of the total gross domestic product. It has been estimated that the annual average growth rate in GDP for 1962-73 period has been of the order of 2.5 per cent while the actual increase in population has been at the rate of 2.0 per cent. This suggests that the net growth rate in *per capita* income has been marginally beyond zero. This stagnant situation warrants something like a revolutionary thinking on why developmental efforts have not borne fruits for the masses.

The National Planning Commission, in its enunciation of the basic principles for the Fifth Five-Year Plan (1975-80) feels that national income should increase by 5 per cent per annum during the Plan period. The Approach Paper of the Fifth Plan points out that "there should be wide scope for the people to contribute to the increment of production through the utilization of their labour. Only then will