
Agricultural Development, Commercialization, and Job Creation: Does Foreign Investment Matters in Nepal?

*Basu Dev Lamichhane**

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Abstract

In the field of agricultural output and job generation, foreign investment in the agricultural sector in Nepal has become a hot topic. This was a review article. The relevant literature has been reviewed for the purposes of the study. The bulk of Nepalese people work in agriculture and live in rural areas. The agriculture industry has played a significant role in the growth of Nepal's GDP and economic development. Agricultural occupation has dominated the business and service sectors. The characteristics of Nepalese agro-economics were also investigated in this paper. The study found that FDI in the agricultural sector contributed to job creation, technology transfer, access to the international market for agro-products, skill development, earning foreign exchange, fostering economic development, food security, upgrading local businesses, utilizing local natural and human resources, commercialization and modernization of the agricultural sector, social peace and stability, and controls over brain-drain. Agriculture has historically been a powerful source of employment and poverty reduction. The sector has played an important role in promoting employment in rural and semi-rural areas. Low agro-investment has resulted in lower profitability, competitiveness, and low government revenue.

Keywords: *Access to international market, commercialization, agri-ecosystem services, promote employment, stability and peace.*

Introduction

In many developing countries, agriculture is the most important sector, as evidenced by its share of GDP and occupation. More importantly, the majority of the world's poor reside in rural areas and rely on agriculture as a prime source of income. As a result, agricultural growth that is sustainable is paramount in the development process. Agriculture has long been a vital part of emerging countries' economies. It has played a significant influence in the social and economic development of the country (Mongus et al., 2012).

Nepal is a small country landlocked between two densely populated countries India and China. The level of economic development they attain over the years and the current pace of their economic growth indicate that they have potential to compete on the international market. However, the stage of the economic development of Nepal is still in its early stage. For the economic growth and development, government now initiates various economic policies like industrial policy, foreign investment policy, and trade policy are formulated and being

* Assistant Professor, Faculty of Management, Saraswati Multiple Campus, TU, Nepal.

implemented slowly with a hope that these policies will significantly change the industrial and business environment of the country in future.

Nepal is largely an agrarian economy with 60 percent of its population engaged in agriculture and livestock farming. As such agriculture is an important source of employment and part of daily life for the Nepalese people. The agricultural sector is the mainstay of the economy as well as the pillar of economic prosperity of federal republic of Nepal. It is the main source of livelihood in Nepal. Agriculture sector contributes 26.2% of Nepal's gross domestic product whereas non-agricultural sector contribution is 73.8 and 60.4% of the population solely depends on agriculture profession (Economic survey, 2020/2021). The contribution of non-agricultural sector to the gross value added is increasing while the contribution of agriculture sector is decreasing compared with previous fiscal year. According to the report of the International Labor Organization, 65% of the employment is in the agricultural sector. In the Economic Survey 2020/2021, Nepal imports rice has worth Rs.28.60 billion in the year 2020/2021, likewise, 2019/2020, worth Rs.26.61 billion (MOAL, 2021). Nepalese agricultural systems are labor based economy. The agricultural sector demands more labors, people are interested in agricultural sector rather than foreign employment due to this COVID- 19 crisis. Nepal has many more fertile lands in hills, mountains and even terai regions and favorable climates for agricultural production. Much of the Nepalese banking organizations are operating in the urban area. However, they must invest at least three percent of their funds into agriculture sectors. Apart from this, Nepalese microfinance institutions have larger branch network, larger amount of remote population have the access to financial services. These services can reduce poverty in remote areas by investing on agriculture sector and creating jobs in local market.

This is an age of economic liberalization, globalization, mass production, distribution, consumption and wide range of economic transformation through technological adoption. Usually, globalization is growing force of the world business environment. It is driven by international trade, investment, information technology, transportation network, and free trade market economy system. It steps towards open world market and free trade. It is the process of internationalization of economic activity which focuses on exchange of goods, services, and capital. Nepal is an active member of Belt and Road Initiative (BRI), which is recognized by Chinese government for effective networking through connectivity of Asian countries. So, as an active member of World Trade Organization (WTO), BRI, and agree member of Millennium Challenge Corporation (MCC) an American international development authority. Government of Nepal essential to create a favorable environment for foreign investment for mass production, distribution, marketing, employment creation not only commercial sector and agricultural sector as well.

The remaining parts of the paper is structured as follows. Section 2 includes review of literature. Section 3 includes research gap. Section 4 includes research methodology. Section 5 includes findings of the study. The paper is finally end up with a discussion and conclusion of the study.

Review of Related Literature

There are many theoretical and empirical research works have been conducted about foreign investment in agricultural sector at different country. Most of the study has been also focusing

impact of foreign investment in agricultural production and employment creation. In the background, following related literatures are available from the different sources which are presented herewith.

Theoretical Review

Foreign direct investment is emerging issues both national and international level. There are many theoretical papers that examined the impact of FDI. Dunning et al. (1980) have developed foreign direct investments (FDI) issues, and main research on the motivations underlying FDI. They stated FDI is an important element of economic development in all countries, particularly in the developing countries. There are different theories and model regarding both international trade and foreign direct investment and gives insights into the reasons for foreign direct investment. Theories of FDI may be classified under the following ways. These are, production cycle theory of Vernon, the theory of exchange rates on imperfect capital market, the internalisation theory, dunning the eclectic paradigm theory.

The production cycle theory was developed by Vernon in 1966 and explain certain types of foreign direct investment made by US companies in Western Europe after the Second World War for reconstruction of Europeans countries. He stated that there are four stages of production cycle: innovation, growth, maturity and decline. The US transitional companies create new innovation products for local consumption and export the surplus in order to serve foreign markets.

The theory of exchange rates on imperfect markets was developed by Itagaki and Cushman (1981) focusing with uncertainty as a factor of FDI. This theory explain about the foreign exchange risk, which has been analyzed from the perspective of international trade. The investors and group of investors needs to assure low exchange risk before going ahead.

The internalization theory was developed by Buckley and Casson (1976) an expert of investment. This theories tried to explain the growth of transnational companies and their motivations for achieving FDI. The transnational companies face some adjustment cost when the investment are made from abroad for organizing their international activities.

Empirical Review

There are many empirical papers, which examined impact of foreign direct investment particularly transportation, communication, education, information technology, banking, finance, service, utility sector, and agriculture sector as well. They studies on the relationship between FDI and economic development as a whole.

Tobgay(2005) has addressed their views paper on agriculture diversification in Bhutan. He highlighted that agriculture forms the backbone of economy of many countries particularly developing countries around the world and Bhutan is not an exception. In Bhutan, agriculture sector provides employment and livelihoods to more than half of the total population. However, the contribution of agriculture to GDP has been decreasing over the years and there are several reasons affecting agricultural productivity. One of the reasons cited is the decreasing labor force in the agriculture sector.

McNeill's, P.E. is a consultant of private sector finance, trade and markets division, FAO (2010) has reviewed the actual and potential interest of institutional private sector investors investing in developing country in agricultural sector. In this paper, McNeill's (2010) has explored in-depth industry information about key players of private sector institutional investors, which is, including sovereign wealth funds, microfinance providers, investment managers, pension funds, hedge funds, private equity investors, banks and agribusiness involved in the agricultural sector of the developing world. He, furthermore, addressed that institutional investors are becoming an important financial component in developing world agricultural and pointed out potential benefits for agricultural innovation, technology transfer, sustainable business model, skill development, and fostering economic development in the country.

Van Zanten, et al. (2014) have reviewed a paper topic on European agricultural landscapes, common agricultural policy and ecosystem service with the objective of exploring analytical framework to determine and assess ecosystem services in agricultural landscape for agricultural production and commercialization European country as a whole. In this paper, they explored specific instruments is needed as a dimension of agricultural landscape for fostering regional rural economy, which is related to various tradeoff and various collaborations with producer, transportation agency, dealer, user for value chain mechanism. In addition, they focused commercialization and modernization of agricultural sector needs specific type of policy instruments which positively impact in advancing in agricultural management in the regional economy.

The effect of foreign direct investment in agricultural sector has led to poverty alleviation, sustainable economic growth, and higher GDP growth (Hossain, et al., 2018). They highlighted that foreign direct investment is key for financial development of any nation. Bangladesh has achieved higher growth rate in transportation, communication, manufacturing, trade and commerce, and storage FDI in this sector. Furthermore, FDI has been very good impact on technological development, capital formation, administrative ability, entrepreneurial capacity, and access to global markets.

Agriculture is the backbone of the economy of Bhutan. It has provided employment and a livelihood to more than half the population of Bhutan. The agricultural contribution in GDP is decreasing over the years (Pelzom, 2018). In this scenario, he analyzed the factors affecting young people's perception of agriculture related to employment with survey methods. He explored that Bhutanese young people are not interested in agricultural occupation due to crop damage problem, lack of resources, and parental pressure in the civil service, less access to technical and financial support to agricultural profession. He suggested that the government of Bhutan should establish provision of adequate financial and technical support, insurance service, inspire young people to agri-entrepreneurial development for attracting young people to take employment in agriculture.

Changing structure of opportunity space for young people in agriculture and agri-food in the context of broader agrarian transition is useful and social difference affect young people's ability to change the agri-food opportunity space which is essential for young people involvement in agricultural occupation (Sumberget al., 2012). Africans government, international agencies, local non-government organization agreed that policy should pay more attention to the relationship between young people and agriculture development. There was significant relationship between

young people participation in agri-sector and employment creation. Additionally, they highlighted agro policy should be favorable regarding growth of agriculture production, modernization, agrarian economy, employment creation to overcome the migration of rural young people to urban areas.

Growth of agricultural sector in general and food grains in particular are at the framework of an impressive growth of the overall economy. Public and private investment in agriculture have played an important role in determining the productivity level in the agricultural sector. The public investment in agriculture creates positive impact and cut down the private cost and provides access in infrastructure facilities (Mehta, 2012). Private investment has crucial to the application of new technology and for the mechanism of agricultural activities. Furthermore, he suggested that, for agricultural growth of Bhutan, the government needed to scale up the public investment and opportunity the private investment in agriculture more sustainable. Financial sector reform has needed by expanding the scope and coverage of microfinance facilities can play vital role for private investment. Agricultural sector has been contributed to employment, food security, and raw materials for agro-based industries.

In Nepal, majority of the population is depended on agricultural occupation as a livelihood profession (Adhikari, 2015). However, the investment in agricultural is not sufficient and not encouraging for private investment, which occur poor outcome, livelihood based, less commercialization and poor contribution in GDP. Furthermore, Adhikari (2015) has concluded that government expenditure on agriculture and FDI in agriculture, contribute significantly to the national economy in terms of GDP.

Abdullah(2018) has empirically investigated the impact of foreign direct investment (FDI) on the agriculture region of Pakistan by taking the sample from 1980 to 2014. He established short-run and long-run relationship with FDI and agriculture growth and as a whole economic development of Pakistan. He stated that there is a positive relationship between FDI and agriculture sector growth of Pakistan, both in short-run and long-run. In addition, he suggested that, trade liberalization policy should favorable for the agricultural growth and infrastructure for agricultural development and agricultural related governmental institutions need to work properly. Likewise, low public investment in education, training, inflexible labor market, poor institutional reforms, and lack of physical infrastructure are main reasons for insignificant impact of FDI in agricultural sector. The employment challenge in Bhutan has compounded by the country's small size, land-locked status, narrow economic base, the interplay of traditional values, and external factors in times of globalization. The long-term vision of the Royal Government of Bhutan (RGoB) includes achieving a self-reliant economy and full employment by 2020 collaboration with international development agencies and with feasible solutions by modernizing of agricultural sector and industrial development (Watt& Ngultrum, 2012).

Mogues et al. (2012) have examined the impact of public investment in and for agriculture: Synthesis of the existing evidence through review of available knowledge on the impact of public investment for developing countries. Furthermore, they concluded that agriculture sector need more investment for its high volume production, distribution, branding, commercialization, value chain, and public-private collaboration for research and development, sufficient funding for infrastructure in agro-sector and political support for collaboration.

Review of Current Features of Nepalese Agricultural Economy

The government of Nepal, Ministry of agricultural development has prepared agricultural development strategy (ADS) 2014 for overall strategy and roadmap for agricultural development focusing with sustainable economic growth through commercialization of agricultural system contributing to food security and poverty alleviation (Chaudhary, 2018). The government of Nepal has issued national agriculture policy, focused on enabling environment for agriculture led rural development and positive for FDI as it has mentioned in the ministry of foreign affairs official website: Nepal has been pursuing a liberal foreign investment policy and been striving to create investment friendly environment to attract FDI into country. The Nepalese tax slabs is one of the lowest and the position is fairly good in case of doing business. Profitable areas of investment include hydropower, industrial manufacturing, services, tourism, construction, agriculture, and energy (MOFA, 2018).

Agricultural input is essential for agricultural production. Farmers could not get fertilizer in time. The fertilizer and agricultural input are imported from India. Agricultural inputs are the seeds, fertilizer, quality of land, water and so on which are needed to produce agricultural products. In Nepal, there is a big shortage of those inputs, and hard get available when needed. Lack of those inputs the production is very low in Nepal. Although the government of Nepal has designed a number of plans and programs for the development of agriculture sector but these are not so effective in implementation. In Nepal, the mechanism for implementation is poor and not reached to the target group. Due to the effect of globalization and modernization, Nepalese local products cannot get market. The cost of production for local product is relatively higher than modern product, and these Nepalese local product cannot compete with the modern products.

Nepalese agriculture is characterized by low productivity because of the use of inferior seeds, traditional method of farming, lack of irrigation facilities and among others. Agriculture in Nepal is based on traditional technology. Majority of farmers are illiterate and poor. Thus, most of them are either ignorant or unable to use appropriate new technology.

Rural Nepalese people live under the poverty line. So, neither they can afford for new technology, nor they have proper knowledge about it. Hence, our agricultural sector is back grounding. Lack of education and widespread poverty has disabled Nepalese farmers from being able to increase production and productivity. Farmers are still unable to use appropriate agricultural inputs such as new techniques, improved seeds, fertilizers, and insecticides. The agricultural marketing system in Nepal is unorganized. Most of the farmers sell their product at local market or to the middleman. Farmers receive in cheaper prices for their produce than in the market.

Nepalese young people are not interested to involve in agriculture. Agriculture sector is assumed less secured and less prioritized sector in the country. Development of agriculture is highly dependent on the availability of physical infrastructure for modernization of the agricultural sector. Roads, irrigation facilities, equipment, warehouse, market centers are the necessary facilities for exchange of agro-products to increase the income of farmers. There is lack of coordination among the government, policy makers, market players, farmers, buyers, middle man, local government, for the development of agriculture sector.

Due to unsecure and less prioritized sector, agriculture profession is only for livelihood. If anyone cannot get involved in other sector then he/she chooses agriculture sector. Majority of Nepalese

farmers are deprived from agricultural finance. They need adequate credit to make the investment in agriculture. Agricultural development banks (ADB/N) have been established in several parts of Nepal for providing agricultural credit. Now a days, ADB/N has been transform as a commercial bank and the facilities do not reach the majority of the poor farmers. Hence, the formal agricultural credit has been the most serious problem in Nepal.

Research Gap

The plans and programs made for the development of agriculture sector do not reach to the target group. The government and private sector give less priority to indigenous/local products. Agriculture inputs are not available to farmers that is irrigation facility, fertilizers, and seeds. Due to lack of modern technology, appropriate training to the farmers, traditional approach and methods of farming, the productivity of agriculture is low. Market is one of the major constraints for the development of agriculture. In Nepal, there is no market certainty of product. People are not involved in agriculture as a profession, it is only for livelihood, and agriculture is assumed low level profession. Majority of Nepalese farmers are poor and do not have access to easy and formal credit facility.

For the development of agriculture sector, the government needs to formulate programs that are easy to implement and reachable to target group. On the other hand, the government needs to available agriculture inputs on time and provide market certainty of the agriculture product which encourages farmers to produce more. One of the major problems of farming is fund. So, the government needs to establish specialized financial institution for lending and providing other financial services to farmers.

Development and strengthening of cooperative sectors through institutional arrangements of small-scale farmers, producers and traders are essential to capture economic scale of production and marketing.

Agricultural research, which is the main source of modern technologies suited to local context in different settings should be effectively funded and research priorities should respond to demand and reflect agriculture's role in poverty reduction. Appropriate credit and insurance policies in agriculture are essential to modernize and diversify agriculture by enhancing small-farmers' access to institutional credits and reducing the risks of farming from adverse climate and market. The policy and programs are required to enhance marginal and landless farmers; access to land, water, and natural resources so that they will be able to effectively used their human capital to participate in agricultural markets, secure livelihoods in subsistence farming, compete as entrepreneurs, and find employment in skilled occupations.

The general objective of this study is to explore the impact of FDI in Nepalese agricultural sector. Specific objectives are: 1) To analyze the impact of foreign investment in agriculture for development and commercialization of agricultural sector. 2) To analyze the role of foreign investment for new employment creation.

Methodology

This paper is mainly based on secondary information which were collected from various journals, and periodicals. Besides secondary data, some already published interviews, reports have been employed as secondary sources of information and an informal chatting were also made with some finance academicians and practitioners as primary sources of information. In this paper, descriptive research design has been used as a major part of the research. No quantitative tools have been employed. The researcher has reviewed literature related to foreign investment in agricultural sector. Methodologically, the study is based on contents and literature review.

Findings

Agriculture is the backbone of the economy of Nepal. Agriculture sector provides employment and livelihood to a significant number of people. Young people are vital resources for agricultural production and livestock farming. They are most productive group among the overall population of Nepal. Near about five million young productive people have migrated from Nepal due to unemployment. Therefore, we need to motivate them to join this sector by creating infrastructure in agricultural sector. Such infrastructure should focus on power supply, irrigation, fertilizer, seed supply, transportation, training, financial access and need to recognize by government. These also directly affect the welfare of the majority of population depend on the agricultural profession.

Nepalese economy has been relatively growing over the period of last 15 years. It has been growth at 4% - 7% the most recent ten years. It indicates that the economy of nation is going to improve up step by step. Sectorial FDI is needed for whole economic development and economic growth. FDI is equally important for agricultural upgrade, commercialization, modernization and professional occupation as well. The regulatory body of Nepal like Nepal Investment Board (NIB) and other governmental and non-governmental institutions need to take proper step to remove obstacles in the way of FDI in agricultural sector. For inflows FDI in agro-sector the government of Nepal should eliminate the obstacles as policy, governance, structure, administration, management, resources and procedures seeing with benefits of FDI in agricultural development as policy instruments. Low investment in agro-sector leads to reduce profitability, competitiveness, and government revenue.

i. Infrastructure development in agriculture

Infrastructure to promote agricultural development and growth is obviously an integral part of the rural infrastructure. FDI in agriculture has several dimension. People are debating whether FDI in agriculture is desirable or not. This division is partly associated with a particular school of thought. The capitalist school, generally, does favor FDI in agriculture as any investment. The socialist school opposes it. However, people think that employment, market access, infrastructure, food security, technology transfer, education, working conditions, and health aspects of FDIs have positive effects.

ii. Skill development and employment creation

Skill development and employment creation are the major positive aspects of FDI. FDI not only creates capital but also provides employment. In addition to the

employment opportunity, it also provides new training and skills to employees. The development of human capital resources is a big advantage of FDI. The skills gained by the workforce through training increases the overall education and human capital within a country. Countries with FDI are promoting by developing their human resources all while maintaining ownership.

iii. International market access

Selling a product is one of the major problems of Nepalese agriculture sector. FDI provides international access to the product produced inside the country. Many economic sectors usually require presence in the international markets to ensure sales. FDI makes all of these international trade aspects a lot easier.

iv. Commercialization and modernization in agriculture

FDI in agriculture can also be secured for international collaboration in processing, production and storage related spheres of activity. Persons who involved in agriculture can learn modern systems and use modern technology of farming, irrigation, fertilizer, and marketing from other developed countries, provided the nation moves towards economies of scale.

v. Control over brain drain and maintain peace and stability

FDI creates employment opportunity to local young people. Nobody wants to go foreign for low level of employment. FDI provides good job opportunity and social security to local young that will decrease the chance of brain drain. FDI creates new jobs and more opportunities as investors build new companies in foreign countries. This can lead to an increase in income and purchasing power to locals. Social conflict and instability are the major causes of poverty and unemployment. FDI helps to mitigate poverty and unemployment. Therefore, FDI helps to maintain peace and stability.

vi. Fostering economic linkage

FDI in agriculture sector increases agriculture output, use of modern technology, and uses of local inputs in diverse and effective way. Using modern technology provides high level of productivity. Another big advantage of FDI is the increase of the target country's income. With more jobs and higher wages, the national income normally increases which promotes economic growth. Large corporations usually offer higher salary than what you would normally find in the target country, which can lead to an increment in income.

vii. Maintain food security

Food security is a big challenge in developing countries like Nepal and it is closely linked to social stability where poverty can reach very high levels. Many results show that FDI have positive effects on food security. FDI in the agriculture sector improves food security through higher level of agricultural production.

Discussion

Agriculture sector is backbone of economic development of Nepal. The two-third of the population of country is dependent on agricultural profession. Therefore, agriculture sector needs to be commercialized and modernized through capital investment. Nepalese agriculture sector has been searching for huge fund and technology for further production, marketing, transportation, distribution, processing, and commercialized. Therefore, infrastructure is an essential part of agricultural development. Such infrastructure should be focused on irrigation, seeds and fertilizer, transportation, value chain and institutional support, and health service to improve the agricultural productivity and prospects for additional job creation in Nepalese agricultural sector. Based on review of literature section 2 shows that FDI plays pivotal role in agricultural production, processing, transportation, technology adoption, branding, access to international market and diversification of the agricultural economy and ecosystem of value chain. Government should improve the each unit of value chain through various programs. A strong and efficient agricultural sector allow a country to feed its growing young generation, generate employment, earn foreign currency, and provide raw materials for agro based industry. It has multiplier effect as a whole nation's economic development.

Adhikari(2015) has emphasized that the investment in agricultural is not sufficient and not encouraging for private investment which occur poor outcome, livelihood based, less commercialization and poor contribution in GDP. Government expenditure on agriculture and FDI in agriculture, contribute significantly to the national economy in terms of GDP which is similar line with findings. The effect of foreign direct investment in agricultural sector in Bangladesh is higher effectiveness for poverty alleviation, sustainable economic growth, and higher GDP growth. Foreign direct investment is key sources for general improvement creating nation which enhanced the financial development. Bangladesh has achieved higher growth rate in transportation, communication, manufacturing, trade and commerce, and storage FDI in this sector. In addition, FDI has very good impact on technological development, capital formation, administrative ability, entrepreneurial capacity, and access to global markets for Bangladeshi agricultural products and income have also grown, and poverty has come down (Hossain et al., 2018). This experience is important for Nepalese agricultural development and commercialization aspect which is same line with my findings.

Van Zanten et al. (2014) have highlighted commercialization and modernization of agricultural sector needs specific type of policy instruments, which positively impact in advancing in agricultural management in the European regional economy. Furthermore, they focused specific instruments is needed as a dimension of agricultural landscape for fostering regional rural economy which is related to various tradeoff and various collaborations with producer, transportation agency, dealer, user for value chain mechanism. Hence, above findings for agricultural development is same line with my findings.

Conclusion

The study analysed the impact of FDI for mass production, commercialization, value chain, income generation, new employment creation and modernization of Nepalese agricultural sector. As per experiences South Asian Countries like Bangladesh, Bhutan, Pakistan and European

regional agricultural economy, Nepalese agricultural sector have needed high level of investment for mass production, creation of employment for young people, high attraction in agri-profession, access to international market for Nepalese agricultural products/items, government revenue generation, replace agriculture into competitive, reputable and commercialize occupation, youth preference sector, commercialization and modernize agriculture and replace its import business. In addition, FDI creates favorable environment for job creation and upgrading of agricultural land output. However, there is also some adverse perception in economist, agri expert, people involved in agri movements and land rightist about FDI in Nepalese agricultural sector. They have differ attitude for FDI in Nepalese agricultural sector, their sentiment is FDI directly affect small holders economic situation, demoralize skills, knowledge of small holders and quality deterioration of indigenous products. Moreover, Nepalese agricultural sector needs revolutionize, commercialize, and improve productivity and one of the high trustable occupation is done through adequate investment. Therefore, it can be concluded that FDI is an important instrument of agricultural growth. The government of Nepal needs to open new door for investment in agriculture through policy instruments for foreign investment. The public sentiments for foreign investment is negatively developed. Some people have adverse opinion about FDI in agricultural sector but many people have positive perception about FDI in agricultural sector.

The effect of FDI apart from the size of market will depend on variety of characteristics of host country including level of education, institutional development, political stability, tax laws and rules, industrial environment and corporate culture as well. The impact of FDI is positive in terms of employment, GDP, and commercialization. There is no doubt that a productive agriculture is vital for employment creation and poverty alleviation in the country as a whole. Nepalese economic growth is directly related to inflow of FDI. The findings of the study will be beneficial to policy makers, regulatory authority, economist, researcher, and BFIs. This study is based on the theoretical lenses, past literature, the logical explanation and my working experiences. Seeking assistance from a panel of experts, professional in the areas of FDI in Nepalese agricultural sector before conducting further study is also highly recommended.

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