



OPINION IN LEAD

Economics of election

Democracy is viewed as a system that ensures freedom of the people, separation of powers and respect for human rights. Although the notion of democracy has evolved, the core principle, 'by the people, for the people', still remains. Currently, the democratic systems around the world follow a representative democracy in which the people choose or vote for governing officials to have the authority to deliberate and decide legislation. The election ensures voting rights for all eligible voters to elect governing officials such as members of parliament or mayors or ward representatives. As the governing officials are responsible for legislation and its execution in a country or municipality, elections can guide the path of the economic growth of their respective areas. It is well-known that political parties and candidates spend large amounts of money during elections. In order for the candidate to win the election, campaigning is necessary, which is expensive. The campaigning may include legitimate expenses to communicate their policies and manifestos but would also involve expenses made to lure the voters into voting for them. With the local level elections just around the corner in Nepal, a question arises: to what extent do election campaigning expenditures benefit the economy?

Conducting elections is in itself an expensive affair for the government. For the upcoming local level elections to be held on 13 May 2022, Election Commission, Nepal (ECN) has been allotted a [budget of NPR 8.11 billion from the government](#). The ECN spends money on the preparation and organization of the elections. The ECN spend resources on printing ballot papers, setting up polling stations and deploying human resource to carry out the election successfully.

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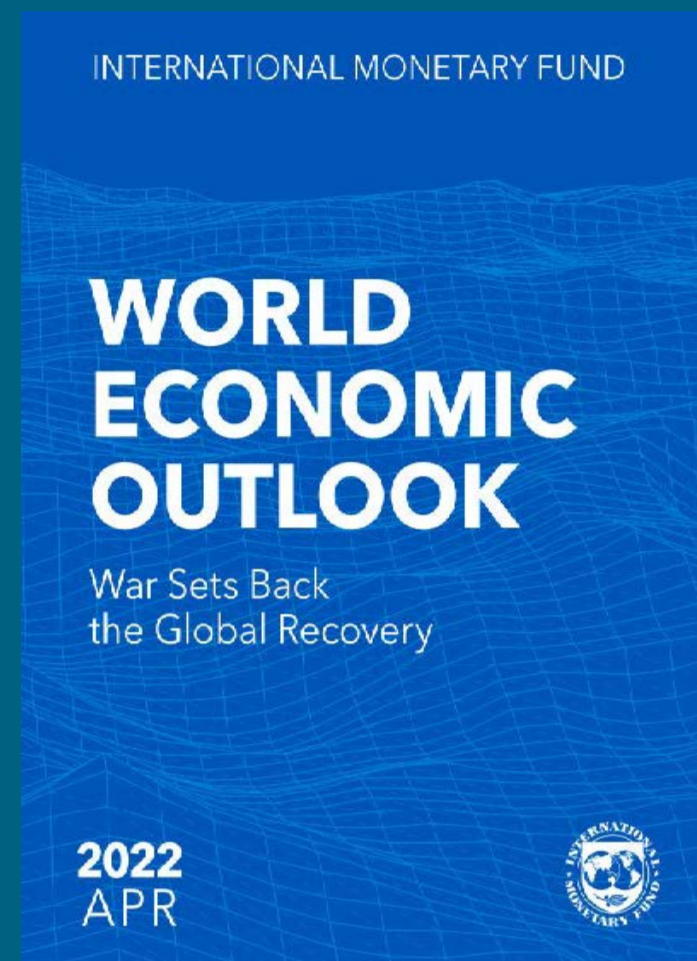
REPORT

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

International Monetary Fund's World Economic Outlook projects global growth to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023.

Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

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India needs to remove trade restrictions, reduce tariffs and provide seamless connectivity at the borders to reap the trade benefits in the South Asian region, according to the World Bank.

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Fuel shortages in crisis-hit Sri Lanka could result in the diversion of shipping activities towards Indis from Colombo – a transshipment hub for South Asia.

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IMF asks Sri Lanka to restructure debt before bailout

The IMF said that it has asked cash-strapped Sri Lanka to "restructure" its huge foreign debt before a bailout programme could be finalised.

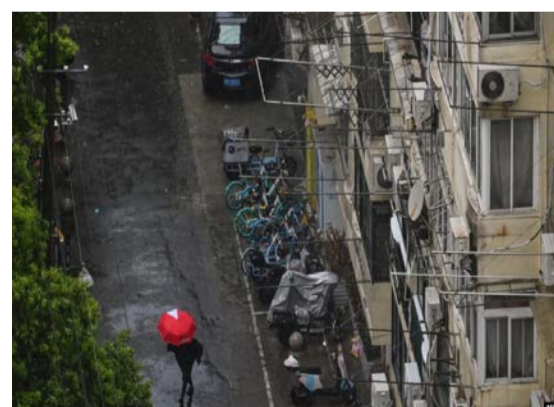
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Nepal bans imports of luxury goods amid dwindling forex reserves

The government has formally banned imports of at least 10 goods, which it considers luxury or non-essential, in a bid to stop the country's foreign exchange reserves from further depleting.

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COVID lockdowns in China hit its trade partners

Lockdowns of Chinese cities to contain the spread of COVID-19 are snarling imports and exports, raising prices abroad while lowering demand in the world's largest market.

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Experts doubt implementation of Nepal's latest trade deal with China

China has agreed to provide [duty-free treatment](#) to goods of Nepali origin covering 98 percent tariff lines, but experts question the pact's relevance.

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Nepal, India agree to expand power cooperation

Nepal and India have agreed to expand cooperation in the power and energy sector under the BBIN (Bangladesh, Bhutan, India and Nepal) framework.

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