

STATUS OF PUBLIC ENTERPRISES IN NEPAL

Social Sector Analysis

A Thesis Submitted To

Central Department of Rural Development,

In partial fulfillment of the requirements for the

Degree of Master's Arts (MA)

in

Rural Development

Submitted By

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DECLARATION

I hereby declare that the thesis entitled **Status of Public Enterprises in Nepal – Social Sector Analysis** of Nepal submitted to the Central Department of Rural Development, Tribhuwan University, is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of writing this thesis. The result of this thesis have not been presented and submitted anywhere else for the award of any degree or for any purpose. I assure that no part of this thesis has been published in any form before.

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RECOMMENDATION LETTER

This thesis entitled **STATUS OF PUBLIC ENTERPRISES IN NEPAL- Social Sector Analysis** has been prepared by **Mr. Sandip Sedhain** under my guidance and supervision in partial fulfillment for the Degree of Masters of Arts in Rural Development. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

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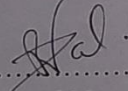
APPROVAL LETTER

This thesis entitled **Status of Public Enterprises in Nepal – Social Sector analysis** submitted by **Mr. Sandip Sedhain** in partial fulfillment of the requirements for the Master's Degree (M.A) in Rural Development has been approved by evaluation committee.

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ABSTRACT

Social sector enterprises are important industries for the economic growth and human resource development. Various types of public enterprises of social sector are the pillar on nation building. Public enterprise has long been an important instrument of public intervention in the development process in Nepal. There is no any study conducted over Social Sector Public enterprise separately in past time so this study tries to find out the answers of investment status, fiscal impacts, profitability status, roles, responsibility as well as problems and challenges on social sector enterprises. This study intended to analyze Public Enterprises of Social Sector category in their effectiveness and current status. This study attempt to investigate the macroeconomic performance of social sector enterprise, roles and problem identification regarding social sector enterprises. My study become milestone for further researcher to carried out the report over PEs and this study will be beneficial for policy makers too. Although there were limitations of time, cost, data and many more things this study was completed properly and organized in five main chapter.

In this study data has been collected from secondary sources mainly and adopted descriptive and explanatory. It was revealed that the quantifiable return on the large volume of investment in the public enterprise sector in Nepal. Almost all the enterprises operated at sub-optimal levels, there were huge losses in many cases It was, therefore, recommended that achieving improved performance in public enterprise sector in Nepal requires more far-reaching reforms and greater commitment on the part of government.

It is descriptive as it is based on detailed investigation and record of the study area. It is exploratory in the sense that analysis is focused for analyzing the public enterprise activities for social sector. Data were processed and analyzed manually in analytical nature.

From analysis and interpretation of objectives because of low investment and the optimum revenue is also low, huge administrative expense and low operational income, most of enterprises are in situation of loss and no any dividend return, limited employment generation, few asset, irregular auditing declines the macroeconomic perspective of PEs. Similarly, they have limited roles on contribution in GDP, revenue of government, welfare of public, infrastructure development, planning

development process, poverty alleviation and balance development also. This sectoral enterprises have to face various problems and challenges in structural sector, managerial sector, commercial sector and execution of financial efficiency and responsibilities. This study is able to show that social sector has basic infrastructure which shall be upgraded. At the present time income generating from social sector enterprise is very low in comparison to other sector.

It is necessary to make active participation of all level of government related to social sector which helps to increase government revenue and its effective service delivery mechanism. Various technology and managerial strategies are needed for overall progress of social sector enterprise.

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ACRONYMS/ABBREVIATION

AD	-	Anno Domino
ADB	-	Asian Development Bank
BS	-	BikramSambat
CAAN	-	Civil Aviation Authority of Nepal
FY	-	Fiscal Year
GCE	-	Government Controlled Enterprises
GDP	-	Gross Development Product
GoN	-	Government of Nepal
ILO	-	International Labor Organization
IMF	-	International Monetary Fund
Ltd	-	Limited
MoF	-	Ministry of Finance
NEA	-	Nepal Electricity Association
NPC	-	National Planning Commission
NTV	-	Nepal Television
PEs	-	Public Enterprises
PSB	-	Public Service Broadcasting
SOE	-	State owned Enterprise
UK	-	United Kingdom
USA	-	United State of America
VAT	-	Value Added Tax