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For more than two decades, Swarnim Wagle built his reputation as an economist rather than a politician—working across the World Bank, UNDP, Nepal's National Planning Commission and policy research institutions. Then he left the Nepali Congress, joined the Rastriya Swatantra Party, won Tanahun-1 twice and became Nepal's Finance Minister. His transition from technocrat to elected politician now places him inside the difficult experiment he spent years analysing from outside: whether

Nepal can convert political change into sustained economic transformation.

Swarnim Wagle's public life has unfolded across institutions that rarely produce the same kind of person. He has worked in international development agencies, advised governments, studied trade and public finance, participated in post-earthquake reconstruction planning, led a policy think tank and then entered electoral politics. In March 2026, that trajectory brought him to the Ministry of Finance, where he assumed responsibility for an economy characterised by strong foreign-exchange reserves but weak investment, sluggish credit demand, poor capital expenditure and persistent concerns about employment and productivity.

The appointment carried unusual expectations because Wagle arrived with considerably more economic-policy experience than the typical political entrant to the ministry. But the advantage also created a higher standard against which his performance would be measured. For years, he had been able to diagnose Nepal's structural problems as an economist; as Finance Minister, he would now be judged on whether diagnosis could become implementation.

From Gorkha to the World of Development Economics

Wagle was born in Gorkha in 1974 and pursued an academic path that took him through some of the world's best-known institutions for economics and public policy. He completed undergraduate economics studies at the London School of Economics, an MPA in International Development at Harvard University and a doctorate in economics at the Australian National University. His professional interests developed around trade, investment, development, public finance and the broader question of how poorer countries can accelerate economic transformation without sacrificing social progress.

That education placed him inside a generation of Nepali professionals whose careers developed internationally while remaining closely connected to Nepal's development challenges. At the World Bank, he worked as a senior economist in the International Trade Unit, focusing on areas including trade, investment and public finance. Earlier, he worked with UNDP, including on regional trade initiatives spanning more than 20 countries, and contributed to the 2013 global Human Development Report, *The Rise of the South*.

Wagle's career therefore developed around a recurring question: why do some countries convert opportunity into broad-based development while others remain trapped in low-productivity

equilibria? Nepal is a particularly revealing case because its social indicators have often improved faster than its productive economy. Wagle himself has described Nepal as evidence that significant social progress can occur even without high GDP growth, while also arguing that such progress eventually requires a stronger economic foundation.

Returning to Nepal's Policy Machinery

Wagle's international career did not keep him permanently outside the Nepali state. Between 2014 and 2018, he served intermittently at the National Planning Commission, first as a member and later as vice-chair. The Commission is supposed to provide long-term planning and policy coordination across government, and Wagle argued after taking charge in 2017 that it should evolve more clearly into the government's policy think tank rather than operate simply as a traditional planning bureaucracy.

His most consequential work during this period came after the 2015 earthquake. Wagle helped lead the Post Disaster Needs Assessment, which calculated the scale of destruction and reconstruction requirements following the disaster. His professional biography credits him with helping mobilise roughly US\$4 billion in international reconstruction pledges—work that strengthened his reputation as a policy economist capable of operating during a national emergency rather than only in academic settings.

The episode also exposed a central problem that would continue to shape his later politics: Nepal often knows what needs to be done but struggles to execute at institutional speed. Planning documents can be technically sound while projects remain delayed, capital budgets go unspent and administrative systems resist reform. Wagle's later political language would repeatedly return to this gap between policy quality and implementation capacity.

The Think-Tank Years

After leaving the National Planning Commission, Wagle became closely associated with the Institute for Integrated Development Studies, one of Nepal's long-running policy research institutions. Between 2019 and 2026, he led IIDS and later became its chairman emeritus. The position allowed him to remain active in debates about Nepal's economy, regional integration, governance, migration, trade and institutional reform without holding elected office.

This period reinforced his identity as a public economist. Wagle wrote, lectured and appeared regularly in policy discussions, while maintaining connections to academic and international-development networks. His published work included co-editing *The Great Upheaval* and earlier participation in the UNDP Human Development Report, while his institutional roles included service connected to Kathmandu University and regional policy networks.

Yet technical credibility does not automatically convert into political influence. Economists can propose tax reform, regulatory simplification or investment policy; elected governments decide whether those proposals survive political bargaining. By the early 2020s, Wagle increasingly appeared to conclude that remaining near politics was not the same as possessing political authority.

The Break with the Nepali Congress

For years, Wagle had been associated with the Nepali Congress and was regarded as part of the party's policy-oriented reformist circle. That relationship ended dramatically in March 2023, when he announced that he was leaving the party shortly before the Tanahun-1 by-election. He publicly criticised the leadership structure around Sher Bahadur Deuba and Arzu Rana Deuba and indicated that he no longer saw a viable political future for himself inside the organisation under its existing leadership.

The decision mattered because it transformed an internal party dispute into a national political experiment. Rather than retreating from politics, Wagle joined the relatively new Rastriya Swatantra Party led by Rabi Lamichhane. The RSP had built support around dissatisfaction with established parties, promising changes in governance, institutional accountability and political practice.

For Wagle, the move carried both opportunity and risk. He gained a platform capable of presenting him as part of a generational

break from older parties, but he also surrendered the organisational infrastructure and history of the Nepali Congress. His economic credentials would now have to survive the far less controlled environment of electoral politics.

Tanahun-1 and the Test of the Ballot Box

The first test came quickly. The Tanahun-1 seat became vacant after Ram Chandra Paudel was elected President, triggering an April 2023 by-election. Wagle contested as the RSP candidate and won decisively, receiving about 34,900 votes against roughly 20,100 for Nepali Congress candidate Govinda Bhattarai and 8,488 for UML candidate Sarbendra Khanal.

The result was politically significant beyond a single constituency. Tanahun had deep historical links to the Nepali Congress, and Wagle had left that party only weeks before defeating its candidate. His victory demonstrated that an economist with limited experience in traditional constituency politics could combine personal reputation with an insurgent party brand and defeat an established organisation.

Three years later, voters were asked to judge him again. In the March 2026 general election, Wagle retained Tanahun-1 with **38,040 votes**, while Nepali Congress candidate Govinda Bhattarai received **16,231**. A second electoral victory changed the meaning of his political career, giving him a stronger basis to argue that his

support extended beyond the protest mood surrounding his first win.

Building Influence Inside the RSP

Wagle's position inside the Rastriya Swatantra Party also strengthened. At the party's first general convention in June 2026, he was elected vice-chair unopposed, alongside party chair Rabi Lamichhane; Sobita Gautam was elected to another vice-chair position. The convention also exposed internal organisational tensions, suggesting that the RSP—despite presenting itself as a break from older political structures—was developing many of the same challenges of faction, representation and institutional consolidation faced by established parties.

Wagle's role inside the party is distinct from that of leaders whose political identity is built primarily around mass mobilisation. His comparative advantage is policy design, economic analysis and international credibility. That makes him useful to a party seeking to prove that political disruption can be followed by administrative competence.

It also places him in a difficult position. When a reform party enters government, intellectual arguments that once sounded persuasive from opposition benches become measurable commitments. Economic reform is particularly unforgiving because citizens ultimately experience it through jobs, business

conditions, prices, public services and household income rather than through speeches about structural change.

From Parliament to the Finance Ministry

On March 27, 2026, President Ram Chandra Paudel administered the oath to a new cabinet led by Prime Minister Balendra Shah. Wagle was appointed Minister for Finance and ranked second in the cabinet hierarchy, placing him at the centre of the new government's economic programme. Official government records continue to list him as Nepal's Finance Minister.

He inherited an economy that presented a paradox. Nepal had accumulated strong external reserves and interest rates had fallen, but businesses remained cautious, banks held large amounts of lendable liquidity and private-sector credit demand was weak. Revenue collection and capital expenditure remained problematic, while structural issues—low productivity, limited industrialisation, migration and dependence on remittance-supported consumption—continued to constrain growth.

This was precisely the kind of economy Wagle had spent years studying: macroeconomic stability without sufficient productive transformation. The challenge was no longer to describe the imbalance but to change incentives inside a political economy where licences, regulation, state contracting and access to power have historically shaped investment decisions.

His Diagnosis: Nepal's Access-Based Economy

One of Wagle's early moves as Finance Minister was to publish an economic situation paper diagnosing deeper structural problems. The document argued that policy corruption, informal influence, licensing rents and crony capitalism had distorted the relationship between the state and market, creating an economy where access could matter more than entrepreneurship, competition or innovation. It rejected the idea that simple liberalisation alone could solve the problem and instead called for wider structural reform.

The diagnosis reflected ideas Wagle had articulated for years. Nepal's problem is not merely insufficient private investment; it is the quality of the environment in which investment occurs. If connected businesses receive preferential access to licences, finance, regulation or contracts, productive newcomers can be discouraged even when headline policy appears market-friendly.

The government's economic paper identified manufacturing weakness, migration and inadequate domestic employment as major vulnerabilities. Manufacturing had contributed only about 5.4 percent of GDP on average over the previous decade, according to the paper, while growing dependence on foreign employment supported remittance income but intensified concerns about loss of skilled and semi-skilled labour.

The Ambition for Structural Change

Wagle's ministry has promoted a reform agenda built around investment, infrastructure, digitalisation, regulatory changes and stronger public financial management. The government has spoken about faster growth, greater private-sector participation and a shift away from rent-seeking toward productive investment. It has also advanced changes to economic procedures and investment-related legislation while arguing that institutional reform is required if Nepal is to become a more competitive lower-middle-income economy.

By its first 100 days, the Finance Ministry said it had moved forward with legal reform, preparation of alternative development-finance legislation, restructuring measures, investor-facilitation initiatives and changes connected to fiscal management. It also reported progress on Nepal's Financial Action Task Force commitments and on digital systems intended to improve revenue administration and grievance handling. These were government-reported achievements; their long-term impact depends on implementation rather than announcement.

Wagle and the wider government have also placed hydropower, digital services, infrastructure, tourism, agriculture and private investment near the centre of Nepal's growth strategy. During his September 2026 visit to India, Wagle discussed clean energy, connectivity, digitalisation, agriculture, tourism and investment,

with Nepal promoting plans to significantly expand electricity generation and cross-border economic cooperation.

The First Wagle Budget

The most concrete expression of Wagle's economic philosophy came with the federal budget presented on May 29, 2026. He announced a total expenditure plan of **Rs 2.124 trillion** for fiscal year 2026/27, including roughly Rs 431 billion in capital expenditure and Rs 1.27 trillion in recurrent spending. Revenue was projected at approximately Rs 1.404 trillion, with domestic and external borrowing financing part of the gap.

The budget included changes intended to provide relief to parts of the middle class, including a higher income-tax threshold. At the same time, measures affecting sectors such as education, healthcare and electricity attracted criticism, with opponents arguing that indirect taxation could offset some of the household benefit created through direct-tax relief.

Wagle defended the overall size of the budget, arguing that it should be judged relative to the size of Nepal's economy rather than treated as an unusually large absolute number. Critics focused less on the headline figure than on execution, questioning whether the government had presented sufficiently credible mechanisms to deliver the reforms and spending commitments contained in the document.

When Economic Theory Meets Political Reality

The first months of Wagle's tenure demonstrated how difficult it is to move from structural diagnosis to visible economic recovery. By July, economists saw limited improvement in private-sector confidence, investment, capital expenditure and loan demand despite the government's reform announcements. Banks continued to hold large amounts of excess liquidity, while the stock market and real-estate sector remained subdued.

Wagle rejected the view that nothing had changed, pointing to legal reforms, public-service improvements and institutional measures that he argued were laying the groundwork for a stronger economy. Some economists agreed that governance and regulatory reform had begun in promising areas but emphasised that the decisive test would be implementation. Others argued that the government's first 100 days had not yet produced the economic momentum voters and businesses expected.

These assessments are not necessarily contradictory. Structural reforms can take years to influence investment and productivity, while governments still have to respond to immediate expectations. Wagle's political difficulty is therefore partly temporal: the reforms an economist may consider most important are often slower than the timetable on which voters judge a government.

The Private-Sector Confidence Problem

Nepal's current economic challenge is not simply the availability of money. Interest rates have fallen and financial institutions have held substantial lendable resources, yet businesses have remained hesitant to borrow and invest. That makes confidence—an intangible variable—central to Wagle's task.

Business organisations have called for predictable regulation, legal security and stronger coordination between the government and private sector. Wagle began consultations with chambers of commerce and industry shortly after taking office, while the government later widened formal engagement with business organisations. Critics nevertheless argued during the first half of 2026 that consultation had not always translated quickly enough into decisions capable of changing investment behaviour.

This is one of the places where Wagle's academic and political identities meet. Development economics stresses institutions, incentives and credibility; investors respond to the same things in real time. A government cannot command confidence through policy declarations alone—it must create a record of predictable decisions.

An Economist Inside a Political Party

Wagle's move into politics also poses a broader question about technocracy. Economists often describe problems through models,

evidence and international comparisons, while democratic politics must balance regional demands, organised interests, public expectations and ideological disagreement. A policy can be economically efficient and politically unacceptable; another can be politically popular while weakening long-term fiscal discipline.

Wagle's career now requires him to operate on both sides of that divide. In the National Planning Commission, he could advise governments; as Finance Minister, he has to defend taxes, spending priorities and economic trade-offs before Parliament and the public. The shift is not merely institutional—it changes the meaning of expertise.

His role as RSP vice-chair makes the transition even more complicated. Wagle is no longer simply a technocrat serving whichever government seeks his advice. He is part of the leadership of the ruling party and therefore shares responsibility for its political choices as well as its economic programme.

The Migration Question

Few economic issues reveal Nepal's structural challenge more clearly than migration. Remittances have supported consumption, foreign-exchange reserves and poverty reduction, but the continued departure of young workers also reflects limited opportunities at home. Wagle's economic policy has repeatedly emphasised the need for productive domestic employment and a

business environment capable of absorbing skilled labour.

He has argued publicly that many Nepalis abroad could consider returning if the country offered credible economic prospects. That proposition is more demanding than appeals to patriotism: returning workers need wages, investment opportunities, predictable institutions, housing, schools and confidence that their skills will be rewarded.

For Wagle, therefore, migration is not simply a labour-policy problem. It is an outcome of the entire economic system. If his reform agenda ultimately succeeds, one of the strongest indicators would be whether more Nepalis begin to see staying—or returning—as economically rational rather than emotionally desirable.

Nepal Between India, China and Global Capital

As Finance Minister, Wagle also occupies a diplomatic position because Nepal's economy cannot be separated from its geography. India remains Nepal's largest economic partner and is crucial for trade, transit, power exports, fuel supply and connectivity, while China is an increasingly important source of trade, infrastructure and geopolitical engagement. Development banks, bilateral partners and international institutions also remain significant sources of finance and technical support.

During his September 2026 visit to India, Wagle met senior Indian officials and discussed investment, energy, connectivity and trade cooperation. Nepal has promoted ambitious hydropower expansion while seeking deeper regional electricity integration and investment in infrastructure and digitalisation.

The economic opportunity is substantial, but so is the strategic sensitivity. A Finance Minister must treat regional relationships neither as abstract geopolitics nor as partisan symbolism; they affect the cost of trade, export markets, investment flows and Nepal's ability to finance development.

The Post-Disaster Economist Returns to Crisis Management

Wagle's career has also been repeatedly intersected by disasters. His role in the 2015 earthquake reconstruction assessment helped define his earlier public-service reputation. In 2026, he again became involved in economic response after catastrophic flooding damaged infrastructure and hydropower capacity, adding reconstruction pressures to an already difficult fiscal environment. Official government biographies identify both the 2015 earthquake and the 2026 disaster response as major episodes in his policy career.

Disasters create a particularly difficult fiscal problem because governments must spend urgently while revenue and productive

capacity may simultaneously weaken. For a minister who has emphasised fiscal discipline and infrastructure investment, reconstruction forces difficult choices between immediate relief, rebuilding and existing development priorities.

It is another reminder that economic policy rarely unfolds under controlled conditions. Governments inherit shocks as well as plans.

The Reputation Problem of the Expert Politician

Wagle's greatest political asset may also be a source of vulnerability. He entered government with a reputation for intellectual competence, international experience and economic sophistication. That meant supporters expected not merely improvement but visibly better economic management than under conventional political leadership.

Criticism during his first months therefore focused heavily on the gap between expectation and result. Economists argued that investment, capital spending and private-sector confidence had not improved enough, while other analysts credited legal reforms and governance changes as a reasonable beginning.

This is the burden of the expert politician. A conventional minister can blame bureaucracy, coalition instability or inherited problems;

a technocrat enters office precisely because voters expect him to understand those constraints. Wagle's credibility will therefore depend less on whether he can explain Nepal's problems than on whether institutions under his influence begin solving them.

What Swarnim Wagle Represents

Wagle represents a distinct strand of Nepal's changing politics. Unlike leaders whose legitimacy comes primarily from party history, protest movements or personal charisma, his political identity was built around expertise before it was tested at the ballot box. His victories in Tanahun demonstrated that policy credentials can coexist with electoral appeal when combined with a political mood demanding alternatives to established parties.

But his career also tests a proposition that is often assumed rather than proven: that technically competent people will necessarily govern more effectively. Institutions can frustrate experts as easily as career politicians. Reform creates losers as well as winners, bureaucracies resist change, budgets involve compromise and implementation depends on thousands of officials beyond a minister's direct control.

The relevant question is therefore not whether Wagle understands economics. His professional record makes that difficult to dispute. The question is whether economic expertise can be converted into political coalitions, administrative execution and reforms durable

enough to survive beyond one ministerial term.

From Diagnosing Nepal to Being Responsible for It

For much of his career, Swarnim Wagle occupied positions where he could study Nepal's development trajectory, recommend policy and critique institutional weakness. The National Planning Commission gave him temporary authority; international institutions gave him comparative perspective; IIDS gave him intellectual independence. Electoral politics changed the nature of the responsibility.

He is now part of the government whose performance will become evidence for or against many of the arguments he previously made. If investment remains weak, industrialisation stalls and young people continue leaving in large numbers, explanations will eventually matter less than outcomes. If regulatory reform deepens, capital expenditure improves and credible opportunities emerge, those outcomes will likewise matter more than the sophistication of the original policy documents.

That is what makes Wagle's current phase more consequential than the impressive résumé that preceded it. The economist has already reached the position from which he once advised others.

The question now is whether Nepal's policy diagnosis can finally become economic execution.

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