

EDITORIAL

It is with great pleasure that the Department of Economics at Padma Kanya College presents the fourth issue of the *Nepalese Journal of Economic Studies*. This volume brings together a diverse range of scholarly articles addressing pressing economic issues from persistent inflation to a thought-provoking reimagining of economic growth through the lens of Buddhist philosophy.

This issue highlights critical themes such as inflation, structural reform, credit risk management, AI-driven education, financial inclusion, disaster risk financing, digital transformation, and the application of Buddhist insights to contemporary economic challenges. These themes are especially relevant to Nepal's ongoing development journey and reflect both academic depth and policy significance.

The study on the monetary and structural determinants of inflation in Nepal offers a well-rounded and timely analysis by incorporating both demand and supply-side factors, areas often underexplored in existing literature. It contributes to a better understanding of the structural nature of inflation and underscores the importance of balanced macroeconomic strategies. Complementing this is another empirical investigation that integrates both internal and external macroeconomic factors, drawing on long-run data and econometric models. Together, these studies offer valuable insights for enhancing monetary and fiscal coordination.

The article on the impact of credit risk management on the profitability of commercial banks employs both fixed and random effects panel regression models. It finds that the Fixed Effects Model more effectively captures bank-specific characteristics by controlling for time-invariant traits, providing important implications for banking policy and performance evaluation.

The article on AI-driven education examines the shifting landscape in Nepal, highlighting both the risks of digital exclusion and the potential for inclusive growth through strategic investment in human capital. Meanwhile, the paper on the synergy between financial literacy and financial inclusion illustrates how informed financial participation can foster broader socio-economic resilience. A timely contribution on disaster risk management evaluates Nepal's flood-related disaster financing. Despite some progress in policy, it reveals an overreliance on reactive aid and a lack of proactive financial instruments such as insurance and risk pooling.

Additionally, Nepal's digital public service transformation is assessed in a dedicated study on digitalization of public services in Nepal. Nepal's digital public service transformation is assessed in this study on e-governance, which emphasizes the growing role of digital platforms in enhancing efficiency, transparency, and citizen engagement. Lastly, the article exploring Buddhist teachings in the context of modern economic challenges proposes an alternative development model focused on well-being rather than accumulation. It draws on concepts such as Gross National Happiness, right livelihood, and compassion to present a holistic economic vision.

This editorial offers a timely and insightful overview of Nepal's economic challenges and opportunities within a broader regional and global context. It underscores the value of evidence-based research in shaping effective economic strategies, especially as Nepal aspires to achieve middle-income status. The articles featured in this issue demonstrate that economic research is not

merely academic, it is foundational to informed policymaking and sustainable development planning.

As always, we extend our sincere gratitude to the authors, peer reviewers, and editorial board members for their invaluable contributions. We also thank the executive members and administrators of Padma Kanya College for their continued support. We hope this issue inspires further research and policy innovation for a more resilient and inclusive Nepalese economy.

Chief Editor