



## Youth Voice, Economic Growth and Gen Z Empowerment in Lumbini Province

Nahakul KC<sup>1\*</sup>

<sup>1</sup>Independent Policy Analyst and former Vice Chairman of Lumbini Provincial Planning Commission, Nepal

\*Corresponding Email: [nahakulkc@gmail.com](mailto:nahakulkc@gmail.com)

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### Abstract

*Lumbini Province of Nepal faces a dual challenge of harnessing the demographic dividend of a large youth population while addressing persistent youth unemployment and outward labor migration. Drawing on the FY 2082/83 provincial budget priorities and recent policy initiatives, this paper examines how structured youth voice and policy dialogue can strengthen economic governance and youth-responsive development outcomes. It situates youth employment, entrepreneurship, and digital economy opportunities within the province's broader growth strategy and highlights the role of institutionalized dialogue mechanisms linking young people with provincial decision-makers. The paper also reflects on the contribution of development partners, particularly the UK's Foreign, Commonwealth and Development Office (FCDO) through the British Embassy Kathmandu and The Asia Foundation (TAF), in advancing collaborative governance and evidence-based policymaking at the subnational level. The paper concludes with policy recommendations aimed at translating youth participation into tangible economic outcomes in federal Nepal.*

**Keywords:** Youth employment; Gen Z; provincial governance; policy dialogue; economic development; Nepal

### 1. Introduction

Lumbini Province stands at a critical juncture in its development trajectory. With a young and dynamic population, increasing pressures of youth out-migration, and an evolving federal governance structure, the province faces both significant challenges and unprecedented opportunities. The Fiscal Year 2082/83 provincial budget and the Second Periodic Plan articulate an ambitious vision of rapid, inclusive, and

employment-oriented economic growth anchored in agriculture, industry, tourism, and infrastructure. At the same time, these policy instruments recognize that without meaningful engagement of young people—particularly the digitally connected and innovation-driven Generation Z, the promise of prosperity will remain incomplete. In this context, youth voice and structured policy dialogue are not peripheral concerns; they are central to building a responsive, future-ready provincial economy.

This article examines the intersection of youth participation, economic growth, and policy dialogue in Lumbini Province. Drawing on provincial budget priorities and the proposed Youth Voice and Policy Dialogue for Gen Z Economic Empowerment (YVPD–GenZ) initiative, it argues that institutionalizing youth engagement can significantly enhance the effectiveness, inclusiveness, and sustainability of economic policies. It further explores how targeted investments in entrepreneurship, skills, and the digital economy—combined with platforms for dialogue between youth, government, and the private sector—can transform Lumbini’s demographic advantage into a durable development dividend.

## **2. Economic Growth Priorities and the Youth Dimension**

The development strategy of Lumbini Province is guided by the vision of “Prosperous Lumbini, Happy Citizens,” with agriculture, industry, tourism, and infrastructure identified as the main pillars of growth. The FY 2082/83 budget reflects a strong commitment to increasing production, productivity, and employment through modernization of agriculture, expansion of infrastructure, promotion of tourism, and facilitation of private investment. These priorities are inherently youth-relevant. Agriculture modernization requires energetic and skilled young farmers and Agri entrepreneurs; industrial growth depends on a technically competent workforce; tourism thrives on service innovation and cultural entrepreneurship; and infrastructure development generates both immediate jobs and long-term economic multipliers.

Despite these opportunities, a persistent gap remains between policy intent and youth experience. Many young people perceive limited pathways to influence economic decision-making, and employment creation has not kept pace with aspirations. Youth out-migration, particularly for foreign employment, continues to drain productive labor from the province, even as local industries report skill shortages. This paradox highlights the need for policies that are not only youth-targeted but also youth-informed. Incorporating youth perspectives into economic planning can improve policy relevance, foster ownership, and increase the likelihood that programs translate into tangible outcomes.

## **3. Youth Employment, Entrepreneurship, and Skills Development**

Employment generation and entrepreneurship promotion are at the core of Lumbini’s economic agenda. The provincial budget prioritizes self-employment, startup

development, and skill-based training as strategies to retain youth and create domestic opportunities. Flagship programs include youth skill development and technology transfer initiatives, entrepreneurship promotion with a specific focus on Gen Z, support for returnee migrant workers, and innovative internship schemes that integrate learning with earning.

These initiatives represent an important shift from traditional welfare-oriented youth programs toward productivity- and enterprise-based approaches. By emphasizing practical skills, innovation, and access to capital, the province aims to cultivate a new generation of entrepreneurs in agriculture, services, technology, and creative industries. However, the effectiveness of these programs depends on their design and implementation. Young people are more likely to engage when programs align with market realities, offer mentorship and networks in addition to training, and provide credible pathways to finance and markets. Structured dialogue with youth entrepreneurs and aspiring workers can help policymakers refine program modalities and ensure that public investments respond to real constraints on the ground.

#### **4. Private Sector Engagement and Investment Climate**

The provincial government increasingly recognizes the private sector as a partner in development. Policies to attract domestic and foreign investment, improve infrastructure, and promote public-private collaboration signal a commitment to investment-led growth. For youth, a vibrant private sector is the primary source of employment and innovation. Startups, small and medium enterprises, cooperatives, and larger industries all play a role in absorbing young talent and translating skills into income.

Yet private sector-youth-government linkages remain fragmented. Young entrepreneurs often struggle to navigate regulatory processes, access credit, or connect with markets, while policymakers lack systematic feedback on how regulations and incentives affect youth-led enterprises. Platforms for policy dialogue that bring together youth networks, business associations, and provincial authorities can bridge this gap. Such platforms can help identify bottlenecks in the investment climate, co-create solutions, and build trust among stakeholders. By embedding youth voices within broader economic governance structures, Lumbini can foster a more inclusive and responsive investment ecosystem.

#### **5. Tourism, Culture, and Youth Innovation**

Tourism is a flagship sector for Lumbini Province, anchored by its global religious and cultural significance as the birthplace of Buddha and complemented by rich natural and cultural diversity. Substantial budget allocations for tourism infrastructure, heritage conservation, and destination promotion underscore its importance for

income generation and employment. Youth have a particularly critical role to play in this sector, bringing creativity, digital skills, and service orientation.

Youth-led tourism enterprises—ranging from eco-tourism and agro-tourism to digital marketing of destinations and cultural products—can diversify the tourism economy and extend benefits to rural areas. However, realizing this potential requires more than funding for infrastructure. It calls for targeted capacity building, incubation of tourism startups, and inclusion of young innovators in tourism planning processes. Policy dialogue forums that foreground youth perspectives can help ensure that tourism strategies reflect changing visitor preferences, leverage digital platforms, and promote sustainable and community-based models.

## **6. The Digital and Gig Economy: An Emerging Frontier**

One of the most promising avenues for youth employment in Lumbini is the digital and gig economy. With expanding internet access and the proliferation of online platforms, young people can increasingly access national and global labor markets without migrating. Opportunities exist in freelancing, digital content creation, online services, e-commerce, and remote work. These pathways are particularly attractive to Gen Z, whose digital literacy and adaptability position them well for platform-based work.

At the same time, the digital economy presents new challenges. Digital divides persist between urban and rural areas, training ecosystems remain underdeveloped, and gig workers often lack social protection and regulatory clarity. Provincial policy has begun to acknowledge the importance of innovation and IT-driven entrepreneurship, but more deliberate action is needed. Youth-informed dialogue can play a crucial role in shaping policies that support digital skills development, innovation hubs, affordable connectivity, and fair working conditions in the gig economy. By proactively engaging young digital workers and entrepreneurs, Lumbini can position itself as a hub for inclusive digital growth.

## **7. Institutionalizing Youth Voice through Policy Dialogue**

While sectoral programs are important, their impact is amplified when embedded within strong institutional mechanisms for participation and coordination. The proposed Youth Voice and Policy Dialogue for Gen Z Economic Empowerment (YVPD–GenZ) initiative offers a practical model for institutionalizing youth engagement in Lumbini Province. By facilitating structured policy dialogue between youth representatives, the Ministry of Youth and Sports, and the Economic Development Committee of the Provincial Assembly, the initiative seeks to bridge the gap between youth aspirations and policy processes.

This initiative builds directly on the Collaborative Governance Programme supported by the UK's Foreign, Commonwealth and Development Office (FCDO), through the

British Embassy Kathmandu (BEK), and implemented in partnership with The Asia Foundation (TAF). FCDO/BEK's strategic emphasis on accountable institutions, inclusive governance, and locally led development has enabled provincial assemblies and ministries in Nepal to experiment with new forms of evidence-based dialogue and oversight. TAF's long-standing technical engagement has further strengthened legislative committees' analytical capacity, policy research, and convening power. Together, these partnerships have created an enabling environment in which youth engagement can move beyond consultation toward institutionalized influence.

High-level policy dialogue forums, orientation sessions for policymakers, and the production of evidence-based policy briefs—supported through FCDO and TAF technical assistance—can create channels for sustained engagement. Importantly, such mechanisms move beyond ad hoc consultations toward regularized interaction, enabling youth perspectives to inform agenda-setting, policy formulation, and monitoring. When youth participation is embedded in the operating procedures of ministries and legislative committees, it becomes a routine part of governance rather than a symbolic gesture.

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## **8. Evidence, Advocacy, and Accountability**

Effective youth engagement must be grounded in evidence. Generating and disseminating policy-relevant research on youth employment, entrepreneurship, and innovation can strengthen advocacy and improve decision-making. Policy briefs that synthesize youth priorities in key sectors such as agriculture, ICT, and tourism can provide actionable recommendations to policymakers. Similarly, dialogue reports that document commitments and follow-up actions can enhance accountability.

Civil society organizations with strong policy engagement experience play a vital intermediary role in this process. By convening stakeholders, facilitating research, and supporting dialogue, they help translate youth voices into policy influence. At the same time, collaboration with government institutions ensures that recommendations are aligned with planning cycles and legislative mandates. Such partnerships are essential for moving from consultation to impact.

## **9. Inclusiveness and Equity in Youth Empowerment**

Youth are not a homogeneous group. Gender, geography, caste, ethnicity, disability, and socio-economic status shape access to opportunities and voice. Inclusive youth empowerment requires deliberate efforts to engage marginalized and underrepresented groups, including young women, rural youth, returnee migrants, and those from disadvantaged communities. Provincial programs already include targeted measures for some of these groups, but participation gaps remain.

Policy dialogue mechanisms should therefore be designed with inclusiveness in mind, ensuring diverse representation and safe spaces for participation. Monitoring and evaluation systems that track who benefits from youth programs can further enhance equity. By centering inclusiveness, Lumbini can ensure that youth-driven growth does not reproduce existing inequalities but instead contributes to broader social transformation.

## **10. Conclusion:**

### **10.1 Toward a Youth-Responsive Growth Model**

Lumbini Province has articulated a clear vision for economic growth, employment generation, and inclusive development. The challenge now lies in translating this vision into outcomes that resonate with the lived realities of young people. Youth voice and policy dialogue are not add-ons to this agenda; they are foundational elements of effective economic governance in a youthful society.

By institutionalizing platforms for Gen Z engagement, aligning youth entrepreneurship and skills programs with market needs, leveraging the digital economy, and strengthening collaboration between government, the private sector, and civil society, Lumbini can harness the full potential of its young population. Such an approach promises not only to reduce youth unemployment and out-migration but also to cultivate a generation of engaged citizens and innovators who see their future within the province. In doing so, Lumbini can move closer to realizing its aspiration of shared prosperity and happy citizens, grounded in inclusive, youth-responsive development.

### **10.2 Concluding Policy Recommendations: Translating Youth Voice into Economic Outcomes**

To consolidate recent policy commitments and respond to emerging economic realities, the following policy recommendations are proposed for Lumbini Province. These recommendations are grounded in current provincial budget priorities, recent implementation experiences, and evolving youth labor-market trends, and are intended for policymakers, development partners, and academic and policy audiences.

First, Lumbini Province should institutionalize youth policy dialogue within formal governance structures, building on the collaborative governance architecture supported by FCDO/BEK and TAF. Regular, calendar-based policy dialogue forums between youth representatives, the Ministry of Youth and Sports, and the Economic Development Committee of the Provincial Assembly should be embedded within annual work plans and committee operating procedures. Evidence from the FY 2082/83 budget cycle shows that while youth-focused allocations exist—such as NPR 4.65 crore for youth skill development and dedicated funding for Gen Z–focused entrepreneurship—the absence of structured feedback mechanisms limits policy learning and adaptive implementation.

Second, youth employment and entrepreneurship programs should be scaled up and strategically co-financed through public, private, and development partner resources. Despite a reported decline in provincial unemployment to around 8 percent, youth out-migration remains high, indicating a mismatch between available jobs and youth aspirations. Development partners such as FCDO and TAF can play a catalytic role by supporting pilot models, innovation funds, and learning platforms that inform provincial scaling decisions. Entrepreneurship support should integrate finance, mentorship, incubation, and market access rather than relying on stand-alone training interventions.

Third, agriculture and tourism policies should be deliberately redesigned to attract and retain young entrepreneurs. Targeted incentives for youth-led agribusinesses, including preferential access to subsidized loans, agri-tech incubation, and guaranteed market linkages, can help reverse declining youth engagement in agriculture. Similarly, the province's allocation of approximately NPR 80 crore for tourism development provides a strategic opportunity to integrate youth-led innovation in eco-tourism, cultural enterprises, and digital destination promotion. Development partners can support applied research, policy pilots, and public–private dialogue to strengthen youth inclusion in these sectors.

Fourth, the digital and gig economy should be recognized as a strategic pillar of youth employment policy. With a digitally literate Gen Z population and expanding connectivity, platform-based work and online entrepreneurship offer viable livelihood pathways without physical migration. Provincial policy should prioritize digital skills training, local innovation hubs, and affordable broadband access, particularly in

secondary towns and rural municipalities. Support from partners such as FCDO and TAF in regulatory analysis, skills ecosystem development, and inclusion frameworks can help ensure that digital employment is both productive and decent.

Fifth, implementation capacity and results-based monitoring must be strengthened. Past experience across provinces highlights that weak execution can undermine well-designed programs. Lumbini should invest in outcome-focused monitoring systems that track youth employment, enterprise creation, and income effects, with transparent reporting to the Provincial Assembly. Technical assistance from development partners can support the design of such systems and strengthen the analytical capacity of legislative committees.

Finally, inclusiveness should remain central to youth economic empowerment strategies. Young women, marginalized caste and ethnic groups, rural youth, and returnee migrants face distinct barriers to participation. Targeted outreach, simplified procedures, and gender- and equity-responsive design—areas where FCDO and TAF have demonstrated comparative strengths—are essential to ensure that youth-focused growth contributes to broader social inclusion.

Taken together, these recommendations point toward a youth-responsive growth model that is participatory, evidence-based, and institutionally grounded. By leveraging provincial leadership alongside strategic support from development partners such as FCDO/BEK and The Asia Foundation, Lumbini Province can convert youth voice into sustained economic transformation within Nepal's federal system.

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