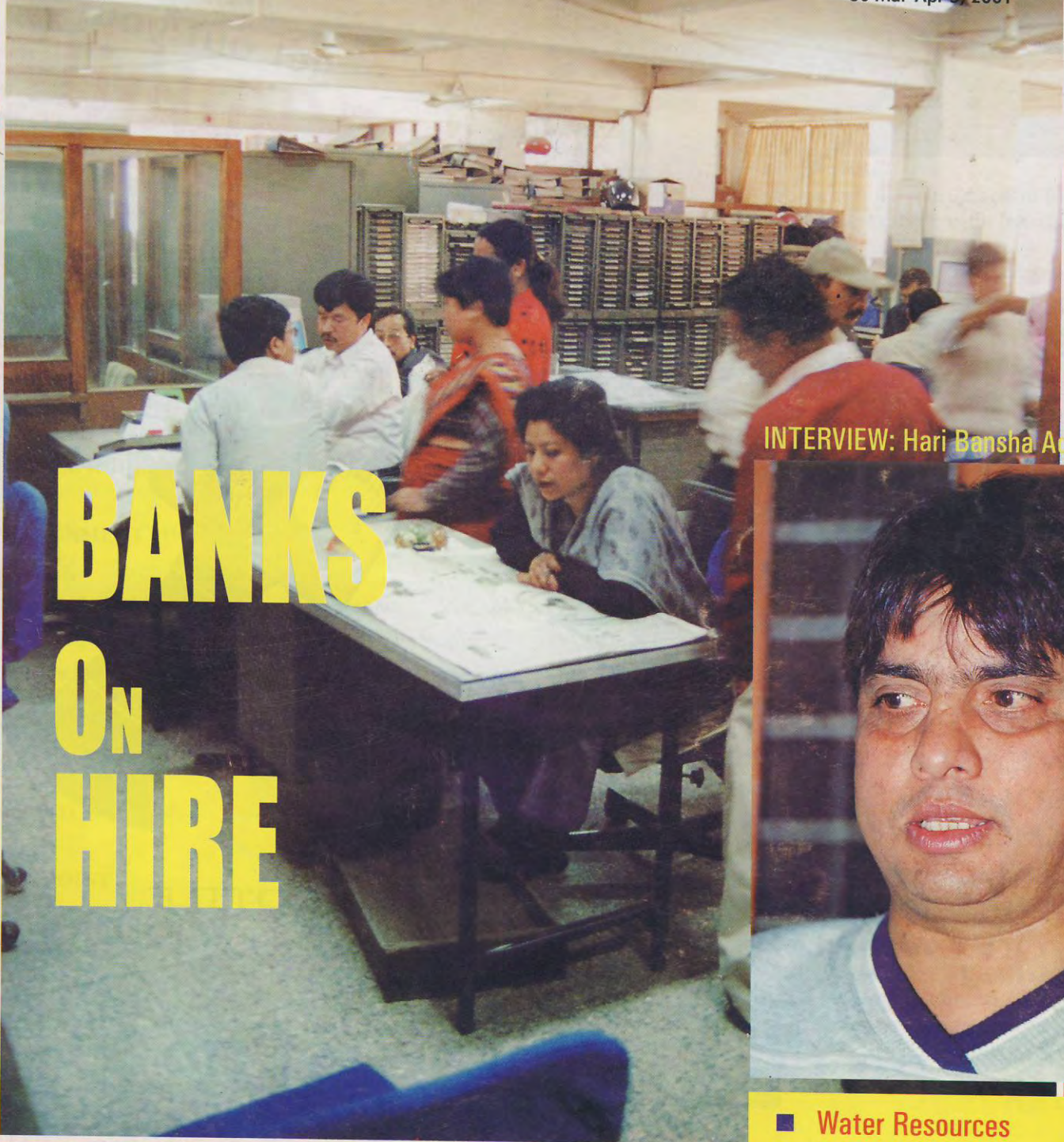


SPOTLIGHT

30 Mar-Apr 5, 2001



INTERVIEW: Hari Bansha Acharya

BANKS ON HIRE



- Water Resources
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Special Report: CIAA Vs AG

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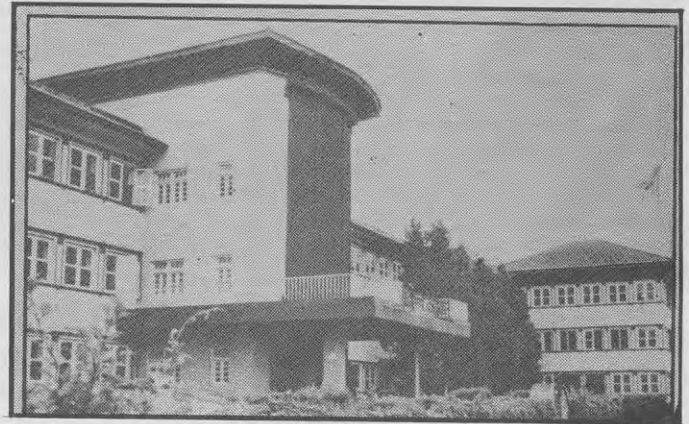
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The government prepares to hand over the management of two of the country's largest banks to foreign experts in the latest bid to rescue them from the present mess.

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SPECIAL REPORT : CIAA Vs AG

The final prosecuting right of the Attorney General comes under fire.

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INTERVIEW : HARI BANSHA ACHARYA

One of the most famous faces in the country, comedian Acharya talks about his recent successes in film and stage.

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SPOTLIGHT

THE NATIONAL NEWSMAGAZINE

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EDITOR'S NOTE

On the way back home after a brief sojourn to the United States, this scribe is very disappointed to recall how far behind our country lags from the rest of the world. All of us need to work at least 18 hours a day to transform one of the poorest countries of the world into a developed one. Unfortunately, our parliament remains in deadlock for more than one and half months. The shameless, corrupt politicians continue to prolong the House only to draw their salary. We strongly urge that the House be prorogued immediately and no allowances be disbursed to the legislators for the have done nothing for the country and their poor countrymen during this period. We would also like to advise the opposition leaders to go to the people and seek fresh mandate if they are convinced that this parliament can't solve the country's problems. As we can't hope much from the constitutional monarch, only people can punish a corrupt government like this led by G. P. Koirala.

* * *

Nepal may be poor in terms of development, but nature has bestowed on her enough resources to become a rich nation. The Water Resources Strategy Formulation workshop going on in Kathmandu, I suppose, is focusing on harnessing the country's rich natural resource for the benefit of our poor people. We must not forget that all of our political leaders, whether during Panchayat era or in the multiparty democracy, have never tired of highlighting the potentials offered by this resource. Some of them even went on to say that the "Sun will rise from the west" if this resource was utilized properly. People have no basis to believe them as we have seen that all the corrupt governments of the past have seen this resource as a means to fulfill their vested interests. There have been no genuine efforts to tap this potential by mobilizing international support for the benefit of the country. Only 15 percent of the population has access to electricity and the reach of irrigation is also limited. So, instead of talking about making Nepal rich by selling power to the monopoly buyer in the South, our policymakers should talk about developing small hydropower, community-managed irrigation systems and drinking water projects which we can develop and sustain on our own. The poor Nepalese people have remained cheated for long. Please don't sell any more empty dreams to us. ■



Madhav Kumar Rimal

Chief Editor & Publisher



Delicious Story

It was interesting to read an in-depth story on the food habits of Kathmanduites ("Changing Taste", SPOTLIGHT, March 23-29). For someone tired of reading a bout politics and other boring stuff, your cover story came as a breath of fresh air. It gave an insight into the eating habits of urban Nepalis. To a great extent, food habits are an indicator of the level of civilization. I hope you will publish similar refreshing stories in future.

**Radha Karki
Kalimati**

Gujarat, the people here seem to have forgotten the clear and present danger of this natural disaster. ("Tremors Of Concern", SPOTLIGHT, March 16-22). If we continue to adopt the ostrich-like behavior of hiding our heads and hoping for the danger to go away, we would be making a grave mistake. Let us join hands and pressure the authorities to start doing something to mitigate the possible effects of earthquakes.

**Dipesh Rai
Jhamsikhel**

NSP's Politics

The Hrithik Roshan episode provided the Nepal Sadbhavana Party fresh impetus to carry on its communal politics ("Mechi To Mahakali", SPOTLIGHT, March 16-22). The holding of the nation-wide chariot rally has exposed the true colors of the party. The people of the terai themselves have rejected the NSP in past elections. We hope the same happens in future so that our ethnic harmony remains intact.

**Dinesh Thapa
Sanepa**

Modernize The Bourse

There is an urgent need to modernize Nepal's stock exchange ("Bear Comes Hugging", SPOTLIGHT, March 9-15). To avoid speculation-driven oscillation in future, the authorities should strictly demand true financial statements from the listed companies and improve their information system. There should also be clear guidelines to control stockbrokers. These measures would help restore confidence among investors.

**Binaya Dhital
Chabahil**

Momo Tops The Menu

It is clear that momo tops the menu of Kathmandu's restaurants ("Changing Taste", SPOTLIGHT, March 23-29). But there are apprehensions about how safe it is. Except for a handful of big and top-class restaurants, most outlets do not seem to give much emphasis to cleanliness. This could pose a major health risk to a large section of momo eaters. The municipality and concerned authorities need to keep an eye on the cleanliness of the meat used to make momos.

**Sujan Baidya
Satdobato**

Go Veg

Truly, vegetarianism is the best way to live ("Changing

Taste", SPOTLIGHT, March 23-29). Scientists and doctors have said that meat consumption simply strains the body's system. In fact, many doctors recommend patients to give up meat after reaching the age of 40 years. Light vegetarian meals are not only healthy but also beneficial to those who are likely to suffer from high blood pressure, diabetes or kidney ailments.

**Pradeep Khadka
Samakhushi**

Annan's Visit

The visit by United Nations Secretary-General Kofi Annan provided Nepal a special opportunity to highlight its problems before the international community ("Peace Proposal", SPOTLIGHT,

March 16-22). Though Nepalese authorities were successful in presenting their case for the establishment of a regional peace-keeping training center in the country, they could have done better by seeking Annan's support in resolving the Bhutanese refugee problem. The nearly 100,000 refugees are turning out to be a major problem for Nepal. Annan could use his good offices to expedite the repatriation of these people to their homeland.

**Samir Shrestha
Kopundole**

Clear And Present Danger

After a brief phase of alarm following the earthquake in the western Indian state of

Regional Admn. Offices Set Up

The government has set up regional administration offices in each of the five development regions of the country. The offices, set up in Dhankuta, Hetauda, Pokhara, Surkhet and Dipayal, are headed by special-class officers of the government. Talking to reporters in the capital Thursday, Deputy Prime Minister and



Poudel

Home Minister Ram Chandra Poudel said the regional administrators will be primarily responsible for coordinating development- and security-related agencies in the region. Asked about the fate of the ordinances to set up the Armed Police Force and amend the Local Administration Act, which provides for the appointment of regional administrators, Poudel said the government would explore other alternatives if the current session of the parliament failed to pass those ordinances. He did not elaborate. The government had decided to set up the Armed Police Force and appoint regional administrators as a way of containing the five-year-old Maoist insurgency. *Compiled from reports March 24.*

Sanitation Campaign Launched

To mark World Water Day (March 22), the government announced a five-year national sanitation campaign. The



Poor sanitation

initiative, to be implemented in collaboration with the United Nations Children Fund (UNICEF), aims at generating a positive impact on healthy living, especially for children. Lack of adequate sanitation is considered one of the major causes of death of nearly 28,000 children in Nepal every year. The officials launched the national sanitation action week covering nearly 1,000 village development committees in the country. The week is part of the five-year advocacy and social mobilization campaign that aims at raising public awareness at the village level to construct and use latrines. Only 27 percent of the 23 million people in Nepal have access to latrines at their houses. Authorities expect that at the end of the campaign, at least 800,000 families in Nepal will construct and use permanent and sanitary latrines and adopt a sanitary and hygienic lifestyle. Director-General at the Department of Water Supply and Sanitation, Sohan Sunder Shrestha, said the government would encourage villagers to construct and use low-cost, affordable latrines. He said such latrines could be constructed at a per-unit cost of nearly US\$30. *Compiled from reports March 23.*

Fire Controlled In Sagarmatha Park

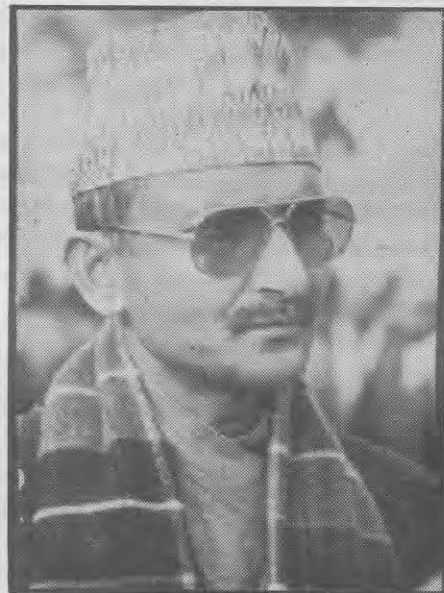
The forest fire that engulfed a huge area of forest in the Sagarmatha national park, at the foothills of Mount Everest, has been brought under control. Officials said their efforts to put out the fire succeeded after a week's effort. No major

damage to wildlife was recorded. A police official at the Area Police Office in Solukhumbu said the fire was brought under control Wednesday afternoon through the joint efforts of police, army, forest officials and local people. The fire, which broke out last Thursday, had engulfed over 3,000 square feet of forest.

Officials said burning cigarettes left behind by local people who sneak into restricted forest area to collect fodder might have caused the fire. The park houses several wild fauna, including deer and lophophorus. Officials said their efforts to put out fire were hampered by lack of specialized equipment. Hundreds of people dug pits in the ground and threw mud on the burning trees and bushes. Light snowfall on Tuesday also helped the firefighters. Thousands of hectares of forests are destroyed by fire in Nepal each year. *Compiled from reports March 22.*

Five Left Parties Announce Programs

Five left parties, including the main



Oli

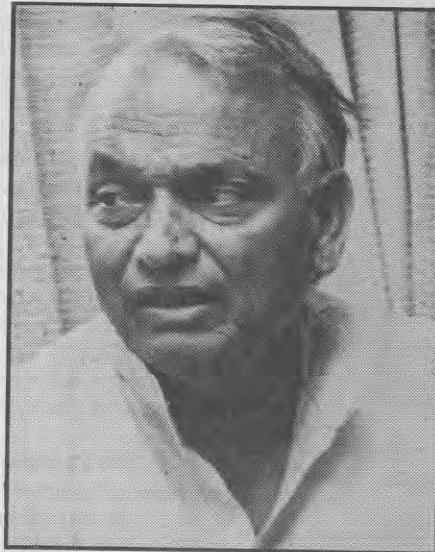
opposition UML, agreed Thursday to launch a joint nationwide protest program to force Prime Minister Girija Prasad Koirala to resign. The rightist Rastriya Prajatantra Party, which had joined hands with the communists in the parliament in demanding the prime minister's resignation, however, said it would not take part in the street protests. UML leader K.P. Oli said the protest programs would not be affected even if the RPP did not join. "We had successfully launched the people's movement (in 1990) even in their absence," Oli said. The RPP was formed after the movement. *Compiled from reports March 24.*

Utility Offices To Open On Sunday

The government has decided to open public utility offices, including drinking water supply, electricity, telecommunications, and financial offices and banks from 10 a.m. to 5 p.m. Sunday to Friday effective April 14, 2001, RSS news agency reported. A decision to this effect has been taken with a view to reduce growing vehicular movement in Kathmandu valley at one particular time and render services to the people in a smooth manner, the Ministry of Information and Communications said. The government had enforced a two-day weekend in all government offices in the capital valley since mid-August last year. *Compiled from reports March 22.*

NSP Wants Amendments To Ordinances

Nepal Sadbhavana Party (NSP) has said it could support the ordinances on Armed Police Force (APF) and Local Administration amendment Act if some amendments were made. During a press meet organized here Thursday, President of NSP Gajendra Narayan Singh said the power delegated to the regional administrators by the proposed bills could be misused to suppress the opposition. He also demanded that the five development regions of the country be re-demarcated on the basis of their geographical and



Singh

cultural proximity. The NSP said it could help the government to run parliament if its demands were met. NSP lawmakers were boycotting the House for the last few days after the speaker included the bills on the agenda. The House has failed

to function as the entire opposition remained absent. Analysts say if the government could persuade the NSP to be present in the House, it could pass the bills, as the ruling party enjoys a majority in the lower house of parliament. *Compiled from reports March 24.*

Maoists Call 'Bandh'

The underground Communist Party of Nepal (Maoist) has called a nationwide shutdown strike on April 6 as part of its agitation against the G.P. Koirala-led government. In a statement, the chairman of the party, Comrade Prachanada, accused the government of ignoring his party's recent proposal to form an interim government by including all the major political forces in the country. The Maoist proposal has been seen here as their desire to take part in parliamentary politics, albeit with some reservations. *Compiled from reports March 22.*



Help Nepal Network, an organization of Nepalese living abroad, and Ahwan Samuha, jointly organized the first phase of Hepatitis B Vaccination Program at Chabahil recently. All the volunteers of Help Nepal Network Nepal took vaccines themselves and with the money they had raised they offered free vaccinations to 20 people. Perhaps, this is the first program of its kind in Nepal.



King Birendra and Queen Aishwarya gracing the Ghode Jatra festival

THE SECURITIES BOARD OF NEPAL (SBN) HAS PREPARED new issue guidelines to manage better the only capital market in the country. Talking to reporters here Thursday, chairman of the board Damber Dhungel said the organization had prepared the new guidelines with a view to simplifying the process of issue and making it more transparent. The new guidelines, which will come into effect from the Nepalese New Year (April 14, 2001), bar companies from issuing shares unless they have a track record of one year. Financial institutions, which are legally bound to do so, and organizations promoted by domestic or foreign companies in profit at least for two years are exempt from the new rules. The companies issuing shares are required to make public their capital structure and float their shares within two months of the date they get permission from the board. Dhungel said the board had given permission to over 30 companies to float shares worth Rs 1.34 billion between 1998 and 2000, during which more than 167,000 investors entered the market.

THE MAOIST REBELS HAVE ASKED THE PEOPLE IN THE remote northern district of Dolpa to kill all their dogs, Kantipur daily reported. The rebels have pasted hand-written notices in the villages, asking people to kill their dogs immediately or face consequences. Some people have already executed their orders out of fear. Deputy Superintendent of Police in the district, Dipak Thapa, said the rebels might have issued the order as part of their strategy to avoid police at the time of their assaults. Dogs would bark at the rebels passing through the area in the night, thus making police aware of an imminent threat. The rebels had mounted a devastating attack at Dunai, district headquarters of Dolpa, in September last year killing 14 policemen and looting millions of rupees from a local bank.

THE US GOVERNMENT HAS PLEDGED TO PROVIDE AS- sistance of up to \$100 million to the Nepalese government over the next five years, officials said. According to the Finance Ministry, the funding strategy was unveiled during the second Nepal-USAID program consultations meeting held here Tuesday. The programs under implementation with the US assistance cover agriculture, forestry, irrigation, family planning and health, women's empowerment and hydropower development. The new country assistance strategy for 2001-05 is to lay emphasis on the important sectors like health, natural resources management, hydropower development and democracy and governance. It is expected that funding levels in these areas would be in the tune of approximately US\$ 20 million each year for the next five years, officials said.

OPPOSITION LEADERS HAVE URGED THE GOVERNMENT to formulate new development and investment programs keeping in view of Nepal's specific socio-economic conditions. Addressing the National Symposium on Trade and Investment organized here by the Institute for Development Studies (Fids) Tuesday, leader of the main opposition UML Madhav Nepal alleged that foreign investors were withdrawing their investment from Nepal and asked the government to clarify its policy in order to attract foreign investment. Former prime minister and Rastriya Prajatantra Party leader Surya Bahadur Thapa alleged that the government was encouraging short-term investment rather than long-term sustainable industrial investment. Nepal Rastra Bank Governor Dipendra Purush Dhakal said the government had given high priority to reforming the management of two of the largest commercial banks in the country, as financial sector reforms alone could raise the national GDP growth by 2 percent.

THE GOVERNMENT HAS INTRODUCED DOTS (DIRECTLY Observed Treatment Short Course) for the treatment of TB patients in all 75 districts of the kingdom, two years ahead of schedule. The government had planned to introduce DOTS by 2003, but the National TB Center was able to expand the program all over the country well before the target. More than 200 DOTS Centers and 640 sub-centers have been providing free services to TB patients all over the country, officials said. Minister of State for Health Tirtha Ram Dangol said the government has been providing drugs free of cost for the treatment of TB and leprosy patients all over the kingdom. Up to 11,000 people reportedly die every year in Nepal due to tuberculosis.

THE LALITPUR APPELLATE COURT HAS ORDERED THE main accused in Letter of Credit (LC) scam, Ananda Kumar Agrawal, and three others to post a combined bail of Rs 257 million. In response to a case filed by the Commission for Investigation of Abuse of Authority (CIAA), a division bench comprising justices Min Bahadur Rayamahji and Ram Prasad Khanal issued the order last Wednesday. The court also directed that the total bail amount be sought from Shrikrishna Shrestha, the then general manager, and Mahendra Bhakta Pradhananga, chief executive at the Rastriya Banijya Bank, Baneshwor branch, if the accused did not post the bail. According to the CIAA, all the accused remain at large.

A CONSORTIUM OF THREE FOREIGN CONSTRUCTION companies, which bagged the lucrative works contract for the Middle Marsyangdi Hydroelectric Project (MMHP), signed a memorandum of understanding with Nepal Electricity Authority (NEA) Thursday. The consortium has agreed to finish the job at its earlier quoted price and complete the civil works construction by August 2004, the stipulated timeframe. "We signed the MoU with the consortium," a senior official of NEA said. "They have agreed to finish the project on time and at the quoted price." Earlier, reports had said the consortium, led by Dywidag of Germany, was pressuring the government to increase the contract amount by up to Rs 400 million. The consortium had bagged the contract two months ago by quoting a price of Rs 6.20 billion.

THE NEPAL-THAI COMMUNITY IS TO CONSTRUCT Pashupatinath temple and a Nepali school in Thailand, a press release issued by the Royal Nepalese Embassy in Bangkok said. The decision came after the seven-day Bhagawat Mahapuran Mahayagya organized by Nepal-Thai Community in Thailand on the occasion of Mahashivaratri, for the resident Nepalis in Thailand, which concluded recently. A total of 2 million Thai baht was collected through the effort of Acharya Tulsi Ram Kandel, president of Vedic Youth Council, Nepal and also secretary of the World Hindu Federation, Nepal, who was in Thailand to organize the Mahayagya. The cost of the temple and the school is estimated at around Rs 5 million.

“I have already told my friend Madhav Kumar Nepal (UML general secretary) that their approach is wrong.”

Krishna Prasad Bhattarai, former prime minister, in Ghatana Ra Bichar.

* * *

“He is never open. He does not talk in detail. Just says vague things like ‘leave it, let’s go unitedly’.”

Madhav Kumar Nepal, leader of the main opposition and UML general secretary, asked whether he had talked to Prime Minister Girija Prasad Koirala on the present crisis, in Kantipur.

* * *

“Girijababu is still my main leader.”

Jaya Prakash Gupta, Nepali Congress MP who recently resigned from the position of agriculture and cooperatives minister, dismissing claims that he was abandoning the prime minister to join the Deuba camp, in Bimarsha.

* * *

“All industrialists and businessmen should welcome this move. At least there won’t be any smuggling now.”

Mahesh Acharya, Minister for Defense, on the mobilization of army at major custom points, in Himalaya Times.

* * *



Jima Asstha

“Why should I become an ISI agent? I have no business becoming closer to Pakistan. In fact, I once said that Pakistan International Airlines should stop its flights to Kathmandu.”

Janim Shah, chief of the Spacetime Network, emphatically dismissing allegations that he is an agent of Pakistani

intelligence agency, in Jana Aastha.

* * *

“Anybody who defies the appeal will be severely punished by the People’s Government according to the people’s decision.”

A notice pasted by Maoists in Kalikot, asking the local people to kill their dogs, after the canines’ barks alerted police, in The Kathmandu Post.

* * *

“The Asian Football Confederation (AFC) breached the law of the land by constituting a separate committee.”

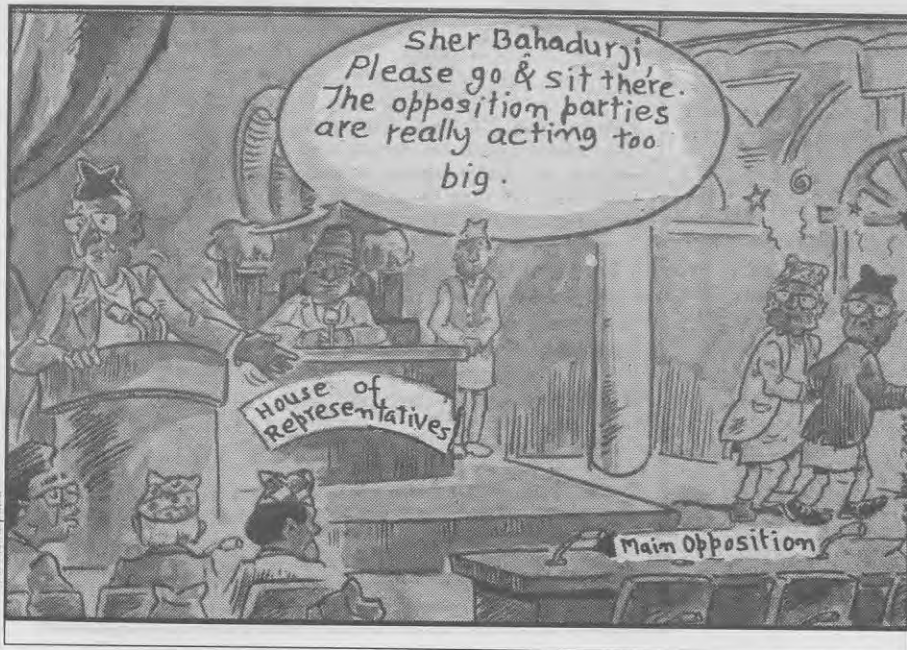
Geeta Rana, president of the National Sports Council-recognized ad hoc committee of the All Nepal Football Association, accusing the AFC of dividing the football association in Nepal, in Chhahalfal.

* * *

“There is everything. Mostly, you get respect and money if you work hard there.”

Prem Raja Mahat, Nepali folk singer-turned-restaurant manager in the US, who left the country four years ago, when asked what is so special about the United States, in Ghatana Ra Bichar.

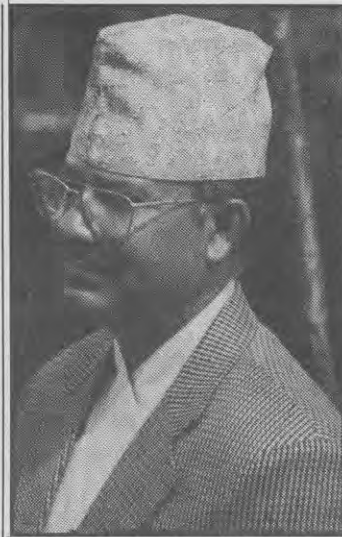
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Sumachurpudin

Bhattarai's Buggy

Nepalese politicians have different preferences when it comes to travelling. Some like to trudge new heights and trek long distances, while others love a long journey in their backyard. Former prime minister Krishna Prasad Bhattarai — who is often described by that oxymoron, 'saint-leader' — seems to like that good old human touch. For someone who has spent almost all of his political life carrying his trademark umbrella, Bhattarai



Nepal : Look, who's following us



Bhattarai : Palanquin politician

must have found it uplifting to have been carried along in a buggy.

Nepal's Innovative Idea

CPN-UML leader Madhav Kumar Nepal is very happy these days. The leader of the main opposition party has a special reason to rejoice. His much-demonised parliamentary strategy and tactics are being emulated in other parts of the region. "Who says we are being undemocratic in parliament when India's Congress

leader Sonia Gandhi is following us. All Nepalis should be proud of our ways," Nepal told party workers last week. To be frank, there is nothing wrong in the UML-led opposition's way of pressuring the government, especially when the same set of procedures are being copied in the world's largest democracy.

Ranabhat's Tactic

Speaker of the House of Representatives Taranath Ranabhat is busy organizing all-party meetings on finding ways of restoring order in parliament. However, he knows that nothing will change as long as he wishes to run parliament in the way he likes. Ranabhat's stand stems from Prime Minister Girija Prasad Koirala's failure to support him in his quest to win a seat on the Congress central committee. Until Koirala takes proper initiatives to compensate Ranabhat for that glaring lapse, there is no reason for the speaker to try to straighten out things where he is the boss.

Poudel's Wish

As House of Representatives Speaker Tara Nath Ranabhat is showing no willingness to force opposition MPs to join the house, his predecessor — Deputy Prime Minister Ram Chandra Poudel — is bragging about the heavy-handed tactics he used to pass the bill on local governance. As a former communist, Poudel seems to be aware of the strategy of communist opposition in a better way than the pure Congress cadre Ranabhat is.



Rana : Split personality

Rana's Record

Geeta Rana, principal of Galaxy Boarding School, seems to have a special skill

in breaking institutions. Whatever organization she has joined, Rana has almost immediately split it right through the middle. After setting up an ad hoc All Nepal Football Association and the throwing the sport into chaos, Rana has

now managed to split the Public and Boarding School Organization Nepal. ■

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HISTORY

Sikh Sway

The culture and traditions of the Sikh kingdom influenced Nepal's court and squares

By AKSHAY SHARMA

The beginning of the nineteenth century saw the emergence of Bhimsen Thapa from the vortex of political intrigue and instability. Thapa's 31-year rule and his contributions to Nepalese nationhood remain a subject of intense discussion to this day.

"He was clear-headed enough to save Nepal from British colonialism," writes Chittaranjan Nepali in his book "Bhimsen Thapa". "He was the first person in Asia to raise the voice of cooperation in the continent."

Thapa's life was one of contrasts. "[No] Greek tragedy has presented a more dramatic catastrophe than his fearful end," P.B. Land wrote. Less known perhaps is the influence the powerful Sikh kingdom exerted in the art and traditions of Nepal during Thapa's rule.

The outward visual symbols established by the Khalsa have identified Sikhs around the world. The artistic traditions of the Punjab under Sikh rule are rooted in the interrelationship among Sikh, Hindu and Islamic traditions. In addition, most of the architecture in Nepal during Thapa's period seems to have been influenced by the Sikh tradition.

"The temples that are clustered around Thapathali and the Dharahara, which was rebuilt after the 1934 earthquake to half its size, seems to reflect Sikh architecture," says Sameer Pradhan, a student of history.

These monuments reflect the cosmopolitan and egalitarian atmosphere of the Nepalese court during Thapa's rule. This period saw a flourishing of architecture in the Nepalese court. Rich textiles of extremely high quality were produced.

A large number of objects at the museum in Chauni reveal the outstanding Nepal's cultural achievements in the early 19th century.

Maharaja Ranjit Singh, feared as the "Lion of the Punjab", led the Sikh empire to its height during his rule from 1801 to 1839. His influence on Nepalese cultural habits seemed predominant, according to historians. Some of the finest pieces from the court of Ranjit Singh — including the Maharaja's famous octagonal Golden Throne, hand-crafted by a Muslim artisan in pure gold, drawing on Hindu forms — are among the artistic highlights of the era.

"With its tiled palaces and gardens of Lahore," writes another historian, "Lahore became the center of cultural and artistic activity, drawing the elites of almost every country."

Sikhism is explained through paintings and book illustrations, notably the illustrations of the Janam Sakhhi manuscript that recount the life of Guru Nanak, considered the first Guru by Sikhs. The Ten Gurus — particularly the Tenth Guru, Gobind Singh — and other exalted courtiers and religious figures are the subjects of a number of paintings.

"Nepalese architecture and thought seems to have been greatly affected by the strong Sikh kingdom," suggests Pratik Upadhaya, another history student.

The numerous ornately decorated weap-



Dharahara : Towering past

ons and armor on exhibition in Chauni convey a striking sense of the extravagance of the mid-19th century Nepalese court.

Among the military objects included in museum from that era include an enameled gold medal set with emeralds and diamonds; a turban helmet; a sword hilt of jade inlaid with precious stones; a full set of armour; and intricately carved pistols and a matchlock musket, manufactured in accordance with the latest European technology, with inlaid leaping figures and cast animal head finials.

The woven silks, carpets and printed cottons of Punjab are extraordinarily diverse in character — the towels made for the Hindu courts in Indian and the highly refined carpets of Lahore seems to have been available to the courtiers of Nepal. The renowned Kashmir pashmina shawls were the most important textiles produced during the Sikh kingdom. Greatly prized at the court and by visitors, these shawls are known to have been as famous in Nepal then as they are today.

"This European perspective is also evident in many paintings by other well known artists, and albumen prints that document important sites and prominent individuals in Nepal during Bhimsen Thapa's rule," Upadhaya.

Sikhism was founded by Guru Nanak (1469-1539) 500 years ago in what is now known as the Punjab region divided between India and Pakistan. Breaking from the caste system of the Hindu faith, he taught his disciples that God is the Truth and that all people are equal in the eyes of the Almighty.

The faith he founded emphasizes the values of democracy, tolerance, equality, courage and self-reliance.

Almost 200 years later, in April 1699, Guru Gobind Singh (1675-1708) initiated five of his followers to create the sacred brotherhood called the Khalsa, completing the work of Guru Nanak.

Declaring himself the last in the line of Gurus, he ordained the Sikh scriptures, called the Guru Granth Sahib, to be the everlasting Guru. To ensure equality for all individuals and eradicate caste, Guru Gobind Singh asked that all men adopt the surname Singh and all women the surname Kaur.

He also prescribed the incorporation of five outward symbols for the initiates of the Khalsa — uncut hair, the comb, the steel bangle, under shorts and the kirpan (a small sword).

The Sikh empire had reached new heights in April 1801, when Ranjit Singh (1780-1839) was proclaimed the first Sikh Maharaja of the Punjab (Land of the Five Rivers) in Lahore, which lies in present-day Pakistan.

His cosmopolitan court held a powerful Sikh state, and was a scene of glittering brilliance, which dazzled European visitors, some of whom came to live at Lahore and influenced its artistic and military life. "This had a great impact on Nepal then," says Upadhaya.

The Sikh court synchronized some Mughal and Hindu patterns, using the Persian language, employing weaponry as a significant element of court costume, and commissioning paintings by well-known Indian and western artists, which may have affected the court of Nepal as well. Some words from the language used in the Sikh court may have influenced Nepali, some linguists say. The dynamic artistic movement Ranjit Singh assembled for his court continued to thrive after his death in 1839, lasting through several wars and the annexation of the Punjab by the British.

During the same period, Bhimsen Thapa's rule was plagued by one disaster after another, "bigger in their destructive power than the 1934 earthquake," in the words of one author.

Many monuments to his creativity remain to this day, but the territory of Nepal of that era has shrunk. Thapa's own end came in tragic circumstances, having ended his own life in prison, according to most accounts. Many of the problems Nepal faces today are similar to those of Thapa's era. This is probably why the man and his times are being dissected and interpreted so diligently by so many today. ■

CONSTITUTIONAL DEBATE

Question Of Jurisdiction

The Supreme Court's decision on the role and independence of the Attorney General's Office will have a major bearing on the future

By KESHAB POUDEL

After the citizenship issue, the Supreme Court has completed hearing arguments on the case that has pitted the Attorney-General's Office against the Commission of Investigation of Abuse of Authority. Attention is now focused on how the apex court will settle an issue that will

abuse of authority and encroaches on the rights of others, a controversy of far-reaching proportions is inevitable.

The CIAA embroiled itself in a major controversy when it asked the rationality, intention and merit of legal opinion tendered by the attorney general - country's top legal officer who has the constitutional right and obligation to defend every institution and official of the state, including the



Framers of the constitution : Process under strain

determine the fate of the constitutional process in Nepal.

The way the case is settled will have a significant impact on the structure and functioning of the constitutional organs. The decision could prove to be a major step towards clearing ambiguities about the role of constitutional bodies. In this case, the CIAA, knowingly or otherwise, is responsible for creating the constitutional deadlock.

When a constitutional body like the CIAA oversteps its prime responsibility to investigate cases related to corruption and

CIAA. This was something unusual and unheard of in any common law jurisdiction.

The verdict of the court is expected to give a clear line to the attorney-general and government attorneys on their right to exercise and fulfil their obligations and perform their functions independently, impartially and fearlessly.

During four days of hearing, prominent constitutional lawyer and senior advocate Ganesh Raj Sharma and Motikazi Sthapit, Attorney-General Badri Bahadur Karki and advocate Harihar Dahal pleaded on behalf of the Attorney-General's Office.

Advocates Anup Raj Sharma, Bal Ram K.C., Prakash Wasti, Sambhu Thapa and Sushil Panta pleaded for the CIAA.

Many are surprised to see the country's two major constitutional bodies locking horns over a currency that is not legal tender in Nepal. Should the highest constitutional bodies be spending time fighting on something so obscure? The lawyers are debating that point as well.

In two separate cases - one related to the legal opinion and prosecutorial decision tendered by the attorney-general, and the second related to the government attorney of Kapilvastu district - the CIAA interfered with the right of the government attorney to decide the legal status of the case on the basis of merit.

Former attorney-general Sthapit, while pleading the case in the court, was citing the statement made by British Attorney-General Sir John Scott in 1792: "I protest against that doctrine, that the attorney general of England is bound to prosecute, because some other set of men choose to recommend it to him to prosecute, he disapproving of that prosecution. He has it in his power to choose whether he will or not, and he will act according to his sense of duties. My conscience must direct me, your judgement shall not direct me."

This citation was being quoted for a Supreme Court in 21st-century Nepal in a case involving kingdom's attorney general's opinion. What a pitiful situation? It shows where the legal scholarship of Nepal stands. The five member special bench include chief justice Keshab Prasad Upadhyaya, Justices Laxman Aryal, Kedar Nath Upadhyaya, Krishna Jung Rayamajhi and Govinda Shrestha.

Can a police official question a man who needs to have eligibility for appointment as a judge of the Supreme Court? The rationale behind such qualification is that the attorney-general be qualified to sit as a judge of the Supreme Court is to ensure that the official representing the government at the highest level is on a par with those to whom he addresses his legal arguments, and so that he is able to command respect.

As chief legal adviser, the attorney-general is the person responsible for advising the government on legal issues, recommending proposed lines of conduct in relation to legal matters, and pursuing claims and counter claims on behalf of the govern-

ment in civil, criminal and administrative cases.

The unnecessary intervention by the CIAA created a state of confrontation with the Attorney-General's Office. The CIAA is now hiring private lawyers to defend its case. If the CIAA cannot rely on government attorneys who take the oath of secrecy, how can it trust private lawyers who may have conflicts of interest?

Some of the lawyers who are defending the Royal Nepal Airlines management in the Lauda Air deal, which is being investigated by the CIAA, pleaded on behalf of the CIAA in this case. A matter of great interest is how the CIAA is going to avoid conflict of interest of private lawyers who might be defending one case filed by the CIAA and fighting another on behalf of the CIAA.

"How long can the CIAA go from door to door searching for a lawyer? It cannot ignore the attorney-general in consulting the cases and opinion as constitutional practices guarantee its role to tender the opinions on any legal and constitutional issue," said senior advocate Sharma, before the special bench of Supreme Court. "If the CIAA asks questions on the constitutional and legal opinions tendered by country's first law officers, every lawyer will have to fall prey to the CIAA next time."

The private lawyers hired by the CIAA defended the right of CIAA to question the attorney-general. "As a constitutional body set up to contain corruption, the CIAA can interrogate any official, including the attorney-general," said advocate Bal Ram K.C., who resigned as a senior government attorney following a dispute with Attorney-General Karki.

"Article 98 of the Constitution of the Kingdom of Nepal clearly gives the right to the CIAA to investigate anybody holding public office, except any official in relation to whom this constitution itself separately provides for such action, and any official prosecuted under the Army Act," said K.C.

Whenever constitutional bodies feel uncomfortable or unclear on any point of a question of law, they are supposed to seek the government lawyers' and ultimately the attorney-general's opinion. When such bodies contest the opinion tendered by the attorney-general, how could they expect to seek opinion for themselves next time?

"The attorney-general's opinion is not immune from the scrutiny of law and the

CIAA has the constitutional right to investigate any issue when it suspects corruption and irregularities. In the Sunil Maskey IC Rs 500 banknote case, the opinion tendered by the attorney-general was against the law," said advocate Wasti. "Should the CIAA encourage corruption in the name of privilege?"

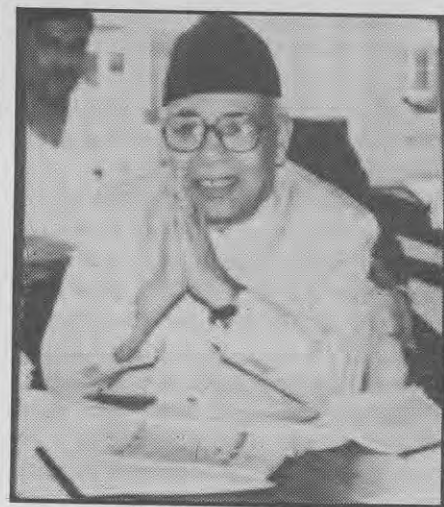
Nepal Rastra Bank has banned the transaction of Indian Rs 500 bank notes in the country following notification received from the Indian central bank. "How can Nepal's attorney-general legalize Indian Rs 500 notes which do not have more than paper value in the country after the notification from the central bank of India?" asked advocate Dahal arguing in front of the bench.

In corruption cases, attorneys are not immune. The recent case of an attorney of Lalitpur Appellate Court, Lekhanath Poudel, who resigned following his involvement in a bribery case, shows that government attorneys are not immune from the rule of law. If they go against the law, they should be punished. In the IC 500 case, the CIAA, however, asked for clarifications on the rationality of the legal opinion tendered by the attorney-general.

"In a dispute between the Reserve Bank of India and Nepal Rastra Bank attorney-general is being questioned in defending Nepal Rastra Bank's decision to ban circulation of Indian Rs 500 banknotes," said senior advocate Sharma on the last day of hearing.

While performing their duties, attorneys around the world get functional immunity. Attorneys and other officials, including those of the CIAA, are given immunity to maintain their independence. "Whenever attorneys commit an offense, they should be punished. However, they should never be questioned for the opinion they deliver. While performing their professional duties, no one can question the merit of the opinion," said Sthapit. This simple question seems to be totally ignored by the CIAA.

In every country, the attorney-general is known as a first legal officer and his legal opinions are always respected until they come under the scrutiny of the Supreme Court. "If an incumbent attorney-general cannot protect the power and the interest of independence of his organization and team, he has no moral right to continue in his position," Karki pleaded. "By the very oath



Sthapit : In defense of AG

taken in the name of the constitution, he is constitutionally obliged to fight this cause."

Interestingly, Sthapit, who served as attorney-general for just five years, defended the independence of the Attorney-General's Office, while K.C., who retired after almost three decades with the institution, opposed it.

"The attorney-general is also a public official and his opinions, too, come under the purview of the CIAA. When an attorney-general tenders an illegal opinion can he be considered immune to the actions arising therefrom?" asked K.C.

The CIAA has the right to investigate corruption cases but the constitution trusts the attorney-general for legal matters and other disputes. "The constitution guarantees the independence of the attorney-general and its final decision on whether to go for particular case," said Sthapit. "He is the lawyer of the judiciary, executive and legislature. The opinion expressed by the attorney-general is final unless the court says otherwise."

In the last 10 years, questions concerning the rights and independence of constitutional bodies have appeared before the court time and again. This time, too, a new debate has been raised on how important the independence of the first law officer of the state is to maintain judicial independence and rule of law when the CIAA can question the legal opinion, prosecutorial decisions, advisory opinion and legal representation of the attorney-general.

"No institution of the state can raise in court questions on prosecutorial decisions, advisory opinions and legal representation

of the attorney-general. By the very nature of these functions, no other organ has the capability, quality and expertise, on these matters of professional integrity and decision-making process," said Sharma, citing international cases.

On behalf of the state and government, the attorney-general is the only institution that has been envisaged or conceived by the constitution as the sole institution fully equipped and wholly responsible for prosecution functions. Attorney General is a lawyer of legislature with a power to address the parliamentary session and friend of the court.

"Since the issue over the role and duty of the CIAA and attorney-general is a major constitutional importance, all friends of the court should hand over Written Note to the court," ordered Chief Justice Keshab Prasad Upadhyaya, at the concluding session of the discussion.

Likewise, the constitution gives investigative authority to the CIAA regarding corruption and misuse of authority and the attorney-general as the final authority to take final decision whether to file a case or not in court. In criminal cases, the attorney-general has the sole discretion over whether to institute certain types of prosecution based on police

investigation in accordance with Schedule 1 of the Public Prosecution Act 1992 (sometimes also referred to in English as the Government Cases Act), and over whether to pursue certain cases through the courts which have been investigated and prepared by other authorities under special status (such as the Revenue Department in relations to tax cases, or the Special Police Department in relation major corruption inquiries). The power given by Article 110(2) of the constitution has been delegated in accordance with Article 110(5) under the terms of an official notice to subordinate officials working in District Offices of the Attorney-General's Office in each of the 75 districts," according to the book "Commentary on the Nepalese Constitution," written by Dr.Surya Dhungel, Bipin Adhikary and B.P. Bhadary.

Following the completion of the final hearing on the case, the court's decision will go along way in determining institutional credibility and limit future encroachments on jurisdictions. The court's decision is also expected to check the rising despotism in the nature of the CIAA. ■

BHUTANESE REFUGEES

Waiting For Results

No sooner than the JVT started the verification process, questions are raised about its outcome

By BHAGIRATH YOGI

What a bizarre coincidence? Aita Singh Magar, the first Bhutanese refugee interviewed by the Joint Verification Team comprising Nepalese and Bhutanese officials at Damak, in the eastern district of Jhapa, Monday found later that the person interviewing him was non other than the man who had ordered him to leave his homeland more than a decade back. "I could gather by looking at the expulsion order that he (Dr. Sonam Tsering, director at the Home Ministry of Bhutan) was the same official who had handed out the order," said Magar, after coming out of the JVT office. "They asked me why I had to leave Bhutan and I explained them the conditions under which I was forced to leave."

Against its own expectations, the JVT could interview only two people on the very first day the verification process kicked off. After a fortnight of homework, the JVT comprising five officials from Nepal and Bhutan each decided to launch the verification process from Khudunabari Camp — one of the seven camps accommodating above 12,000

Bhutanese refugees.

The refugees were transported from their camp near Birtamod in Jhapa district to the JVT office at Damak in the same district Monday. Eight more families, including women and children, however, had to wait the whole day waiting for their turn.

Nepalese and Bhutanese officials had agreed to launch the joint verification process during the 10th round of ministerial level talks in Kathmandu last December. "The verification procedure is in line with the Terms of Reference agreed between Nepal and Bhutan during the 10th round of talks," officials said.

As part of the verification process, members of the JVT ask the head of refugee families to fill up a form. The refugee family-members above 25 years of age are required to fill up a separate form technically called "attached proforma."

Interestingly, not only the time frame of the entire process is uncertain. Officials say the results of the exercise will be announced only after nearly 99,000 refugees in the camps are verified.

There are 98, 817 Bhutanese refugees living in seven refugee camps, according to



Refugees : Waiting to be verified

official statistics. Out of a total of 15,032 refugee families in all camps, Beldangi I, II and Extension Camp together hold 7,533 families, Timai Camp has 1,377 families, Goldhap Camp 1,349 families, Khudunabari camp 1,963 families and Sanischare Camp has 2,714 families.

The JVT has agreed that the official documents issued by the Bhutanese government, such as Bhutanese citizenship certificates, land ownership certificates, document related to government/civil services, scholarship to the students, birth and marriage registration certificates, passports, trade license, receipts of voluntary labor contribution, school registration documents would be the basis of verification in identifying Bhutanese citizens from non-Bhutanese, if any, among the refugees.

"By interviewing 10 families a day it could take up to five years to complete the verification process," said Rakesh Chhetri, a Bhutanese human rights activist. "Moreover, the whole verification process seems as fishy and suspicious." (See box)

Refugee leaders had initially welcomed the decision to launch the verification process terming it as a "breakthrough." Breakthrough it was in the sense that Bhutan had finally agreed to sit for the joint verification process after dosing Nepal for several years. The first batch of 60 Bhutanese refugees entered Nepal in December 1990. In the following two years, the numbers rose to around 100,000 in seven UNHCR-managed camps in Jhapa and Morang districts of eastern Nepal.

It was only in 1993 that both Nepal and Bhutan agreed to categorize the refugees into four categories: Bonafide Bhutanese who have been forcibly evicted, Bhutanese who have emigrated, Non Bhutanese, and Bhutanese who have committed crimes. But the consequent differences in the positions of Nepal and Bhutan and heavy criticism from the refugee community itself took seven more years for the two parties to come to a common agreeable point.

Thanks to increasing international pressure, Bhutan agreed to hold the verification process to satisfy itself whether all the refugees are genuine one. Earlier, Bhutanese officials are blaming that even non-Bhutanese are taking shelter in the refugee camps.

Refugee leaders claim that almost all of the refugees have some sorts of documents to prove their nationality. But it is yet not clear if the Dragon kingdom would accept to take back all of its citizens residing in southern Bhutan who were forced to flee the country after it introduced the "discriminatory" Citizenship Act 1985. The Act required anyone claiming to be a Bhutanese to have the land tax receipt of 1958. The 1988 census of Bhutan labeled those found without the document as non-nationals and, allegedly evicted them forcibly.

REFUGEE VERIFICATION A Fishy Affair

There is no transparency in the whole process

By RAKESH CHHETRI

The Joint Verification Team (JVT) has said it will be able to interview only ten refugee families per day. This means that to interview 15,032 families, the JVT will take 1,503 days or four years. Add holidays, it might take five years.

The JVT will not disclose the result of the interview on a daily basis. The result of verification will be announced only after the completion of the entire verification process. This means that the refugees who had completed their interview with the Joint Verification Team will not be told whether s/he has qualified as Bhutanese or not. So s/he will not know her/his status until the end of the verification process. There is no transparency in the whole exercise. The JVT team is trying to keep the whole process

under secrecy, thereby curtailing the right to freedom of information, as set in the Nepalese Constitution. When something is held in secrecy, there will be enough ground for suspicion.

This suspicion and fear is compounded by the non-inclusion of a third party or refugee representation. This is a matter of grave concern for Bhutanese refugees as it directly concerns to their right to go home, live with dignity and honor. How could only two parties, the JVT decide the fate of 20 percent population of Bhutan? What is the guarantee of the JVT providing justice to the Bhutanese refugees, the victims of persecution of a government, which is a party to the JVT? For the interest, security and mental health of the refugees, the result of the interview must be made public on the same day.

The JVTs mandate is to check the documents of refugees. If there are complications, controversies, doubt etc, arising during the verification process, then the JVT is to forward such complications to the Joint Ministerial Level

Committee (JMLC) for further discussions. Bhutan is bound to make complications during the verification process. We are aware that Bhutan is not willing to take back more than 10,000 refugees and this attitude of Bhutan makes the refugees more suspicious.

Since the JMLC comprises ministers, it will lead to further delay. Bhutan's intransigence is going to create more problems; it might create complication for over 50 percent of refugees by rejecting the documents or by other means. If JVT is to place the problems of 50% of refugees before the JMLC, one can imagine the volume of work and amount of delays. It is not possible for the ministers to sit for a marathon meeting for three or four months at a time to sort out the problems of over 50 percent refugees.

Furthermore, the unstable political situation in Nepalese politics is going to create more problems. This means that the JMLC will take another four or five years of time over and above the time taken by JVT for checking the documents. Who knows, the whole process will rebound to unknown rounds of JMLC in future. That means refugees will not know their status in another ten years. What would be the future of refugees and their children, if after ten years they are declared as non-Bhutanese? It is better to declare the result of status of refugees on daily basis.

Moreover the JVT is not going to deal with the resettlement of other communities from north and east in the lands of refugees in southern Bhutan. If the resettlement is not stopped, where will the refugees go?

The whole verification process, since the interviewed refugee will not be aware of his status and has to wait for 5-10 years, seems as fishy and suspicious. There is no transparency.

(Mr. Chhetri is the executive director of the Center for Protection of Minorities and Against Racism and Discrimination in Bhutan)

Bhutanese refugee leaders and human rights groups have been demanding involvement of a third party — in this case, the UNHCR — in the verification process to settle disputes, if any, that could arise during the course of verification. But both the governments haven't responded to such demands as yet.

As the time passes, the optimism among

the refugees will go on fading. The lengthy process of the verification and lack of commitment on part of the Bhutanese government to take back all the refugees identified its citizens raise questions about the entire exercise. Given the past track record, few would wonder if the entire process turned into a fiasco anytime soon. ■

LEADERSHIP

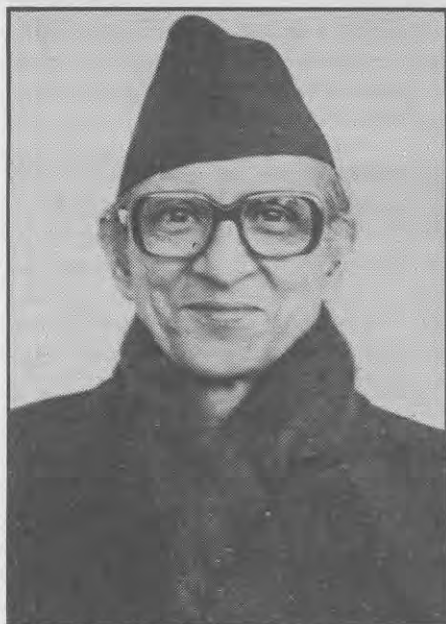
Drought Of Ideas

A country immensely proud of its outstanding leaders and thinkers of the past is desperately searching for their modern equivalents

By AKSHAY SHARMA

A spectre is haunting the country today — the spectre of leaderlessness. “We have no strong leaders — like Jung Bahadur or Bhimsen Thapa — at a time when the country needs them most,” says Arun Kumar Joshi of Jawalakhel, The sagacity and strength of leaders and thinkers of the past laid the basis for a modern Nepal. At a time when Nepalis are in dire need of consolidating their gains, there is collective yearning for a “true leader” who could deal the country’s troubles in the true spirit of public service.

The gradual opening up of Nepal from isolation to modernity saw a proliferation of new ideas and broader perspectives. “The expansion of the middle class, the spread of education and the gathering of intellect in Nepal were generating an audience eager for books. And a swarm of authors rose up to saturate this demand,” says Ravi Ghimire of Chabahil. “In this new atmosphere, thinkers and authors attained a status rarely accorded to them.”



B.P. Koirala : Left a vacuum

The older generation held forth with all their eloquence, cheered by a widening audience, stimulated by hundreds of alert competitors, liberated by the decline of dogma, spurred by the vanity of print. Writers launched upon the inky sea a flotilla of letters, pamphlets, diatribes, essays, memoirs, histories, novels, drama, poems, theologies and philosophies.

However, now that seems to have been the exception of the Nepalese age of enlightenment. “Leaders and thinkers of such calibre seem to emerge only once in a very long while,” says an analyst. The political liberalization of the last decade was expected to unleash a new wave of moral and intellectual creativity that would give much-needed momentum to the polity. Instead, a sense of feebleness has gripped the overall national atmosphere.

To be sure, literature and the media have flourished in many ways. They finally broke through all the chains of censorship, swept away all resistance and transformed the mind and faith of the country. Never in literature has there been such subtle wit, such dedicated pleasantries, such coarse buffoonery, such lethal ridicule unleashed by sharply pointed, sometimes poisoned, usually nameless, pens.

When we see country after country and government after government brought down by the mighty pen, we can only be awed by the power of the message to transform society. However, the facilitators of the free flow of information have not been able to put the transactions in this great marketplace of ideas to the nation’s service in the desired sense.

“We have not again seen thinker-politicians with the calibre of B.P. Koirala and Subarna Shamsher whose quest for life, liberty and the pursuit of happiness lit the spark that created the Nepali Congress,” said Chiring Sherpa, a youth leader who supports the governing party.

Arun puts the blame for the country’s problems at the doorsteps of the govern-

ment. “The government of Nepal is like the father of the family. All of us understand what the primary responsibility of the father is.”

He says there can be no justification for the current failure to perform. “If we seek to put the blame on politicians, then there are ways of bringing them back on track — there is the CIAA (Commission for Investigation of Abuse of Authority), the court, the police. Why don’t those in government work to combat the disease that is plaguing the nation?”

The country takes immense pride in an older generation of people whose ideologies and philosophies have shaped the Nepalese identity. Then comes the new logical question: When will leaders of such calibre emerge again? ■

FORESTRY For Improving Livelihood

The British government has agreed to provide a grant assistance of about Rs 1.96 billion to the Nepalese government for the implementation of the Livelihoods and Forestry Program (LFP) in the program districts. The LFP will work in the seven hill districts of Koshi and Dhawalagiri zones that were covered by the Nepal-UK community forestry project and area-based activity will be extended into additional four hill districts in the mid-western region, the Finance Ministry said. The purpose of the LFP is to enhance the assets of rural communities through more equitable, efficient and sustainable use of forest resources. The 10-year program, beginning this year, will address the goal of reduction of vulnerability and improvement of livelihood of poor rural people in Nepal. The LFP will impact directly on poverty elimination by increasing the livelihood opportunities from and increasing security of access to forest resources to approximately 300,000 households in 4,000 forest user groups. Finance Secretary Dr. Bimal Koirala and British Ambassador to Nepal Ronald Nash here signed a letter of exchange to this effect last week. According to Keshav Kandel, chief of the foreign aid division at the Ministry of Forest and Soil Conservation, the British assistance is targeted to create enabling environment for poor farmers in accordance with the priority given by the Nepalese government towards poverty alleviation. “The program will focus on building up the assets and capital of the poor people and engage them to deal with their vulnerability,” he said. ■

TOURISM INDUSTRY

Struck By Politics

Hopes of stability in the hotel industry are dashed by the announcement of new political protests

By KESHAB POUDEL

Hoteliers and restaurant owners at Nagarkot have seen an unusually low number of tourists turning out during the first half of this year. The Aylic hill resort, 25 km east of the Kathmandu, has remained a popular attraction for tourists who want to see the sunrise.

The hotel-owners are particularly worried by the decline in Indian tourist arrivals, especially since it is this group that fills the vacuum during the off season. After the hijacking of an Indian Airlines plane in December 1999, the Indian and Nepalese government agreed to introduce an identification system for air travellers as part of tighter security measures. Air travellers from India and Nepal have to show either a voter ID card, passport, citizenship certificate or any document establishing their identification.

That stipulation has hit businesses in places like Nagarkot real hard "Business at hotels and restaurants is much below expectations," said a restaurant owner in the resort. "This time of the year normally used to be full of honeymooning Indian couples, who spent as much as foreign tourists."

The ban imposed by New Delhi on the carrying of Indian Rs 500 banknotes to Nepal and Bhutan has also discouraged Indian tourists from visiting this country. The decision has forced many Indian tourists to carry bundles of Indian Rs 100 notes to visit in Nepal. With all these new inconveniences, many Indians feel they have better destinations on offer outside South Asia.

Nepal's tourism officials are in a damage-control mode. "We are organizing various types of tourism promotion

fairs in India," said Tek Bahadur Dangi, director of marketing and promotion at the Nepal Tourism Board. "We have already started marketing programs in various Indian cities, including Mumbai, Delhi, Madras and Bangalore."

A day after hotel workers suspended their strike and people began expecting some normalcy in the tourism sector, the



Tourists in town: Uncertainty continues

country confronted another potential source of instability. The announcement of a Nepal Bandh by the student wing of the CPN-ML and Nepal Communist Party (Maoists) and the political agitation launched by the main opposition party CPN-UML and four other communist parties have cast a new round of uncertainty over the upcoming tourism season.

After the restoration of democracy, Nepal's tourism industry has faced several rounds of instability but has managed

to limp on. With the advent of the new millennium, frequent new jolts have all but destroyed what was once regarded as the Himalayan kingdom's most lucrative industry.

Despite the current respite, the tourism sector may be rocked by new problems at any time, as trade union groups have already decided to legally challenge the government decision's to bring the hotel and restaurant sector under the Essential Services Act.

"It seems that Nepal's tourism sector has become a target of a well-planned conspiracy," said a tourism entrepreneur. "Although every political party knows how important the tourism sector is to the country and hotel workers understand its significance for their personal development, why are they promoting such activities?"

The hoteliers lost the first round of the battle at the Lalitpur Appellate Court, which declined to issue an interim order to prevent strikes in hotels. Because of the court decision, the hotel industry was closed down for a day.

"We don't feel secure yet, but for the time being, disturbances have been averted," said Madhav Om Shrestha, executive secretary of Hotel Association Nepal. "The workers will also understand the challenges faced by us."

The trade union workers, however, see the government's decision to invoke the Essential Services Act as unfair and are holding consultations before mounting a challenge in court. "The government's decision is against the verdict of the court, which has established the right of workers organize strikes," said Bishnu Rimal, joint coordinator of the hotel workers' joint agitation committee. "We will challenge the government's decision."

The months of March and April constitute the main tourist season and any agitation launched by the country's major political parties will disrupt the entire industry. Ironically, political parties, which tirelessly claim to be the saviour of the poor, are playing a game to destroy a sector that is one of the largest sources of jobs and foreign currency in one of the world's poorest countries. ■

NBL & RBB

Banking On Reforms

After last year's damning revelations by the international auditing agency KPMG Barents Group about their state of financial disarray, the two old war-horses of Nepal's financial sector - Nepal Bank Limited and Rastriya Banijya Bank - are facing fresh reform attempts. The latest prescription: leasing their management on contract to foreign experts. Although there is stiff opposition to this proposal - which also has a Swadeshi-Vs.-Videshi dimension, there seems to be no other viable alternative. Moreover, with the kind of losses these banks are accumulating, can the country afford to continue with a few patch-up efforts?

By SANJAYA DHAKAL

As officials at the central bank were working in full speed in their plans to lease the management of two government-controlled banks to foreign experts, the employees of the Rastriya Banijya Bank (RBB) were raising slogans in the streets on Monday against what they called a "sell-out".

Their counterparts at Nepal Bank Limited (NBL), too, are rolling up their sleeves to pre-

pare for a showdown with the government against the proposed management contract.

Every time there is a talk of reforming these two giant banks, it causes a storm in the country. Whether it was the implementation of the recommendations of the Commercial Banks Problem Analysis and Strategy Study (CBPASS) in 1988 or demands to clean up irregularities reported to run rife in the institutions, each move has met with tremendous pressure from several quarters.

Last year's report by a reputed interna-

tional auditing agency, KPMG Barents Group, which went so far as to term the two banks "technically insolvent", caused a political and financial uproar in the country, with everybody clamoring for some concrete move to prevent them from hitting rock bottom.

Although there is a consensus among all political parties, employees' unions, authorities and board of directors of the banks on the need to reform these two institutions, the differences of opinion become sharp when it comes to the nature of the remedy.



Employees in a bank : Ready for reform?

Naturally, the current government move to lease the management of the banks to foreigners is meeting fierce opposition from employees, opposition parties and a section of bank officials themselves.

However, Nepal Rastra Bank (NRB) - the central bank - and the Finance Ministry seem resolute in pushing ahead with their agenda. The World Bank has agreed to provide around Rs 1.5 billion in loan to cover the expenses of leasing the banks' management.

Last April, then Finance Minister Mahesh Acharya had promised at the Nepal Development Forum - a consortium of foreign donors - in Paris to start the second phase of economic reforms. In the financial sector, among other things, Acharya had proposed the restructuring of the RBB and the NBL with improved management, branch rationalization, improved supervision mechanisms, and privatization of the government-owned banks and non-bank financial institutions in the medium term (that is, within 24 months).

Following Acharya's pledge, the government published a notice in *The Economist* magazine in September, 2000 inviting international bidding for awarding the contract for management of the two banks. At present, the central bank is short-listing the bidders in close cooperation with the bank officials. In the case of the NBL, the NRB has already short-listed four candidates — Price Waterhouse (India), Ernest Young (Sri Lanka) and two others including Development Partnership from United Kingdom.

The government believes that the foreign

management will be able to turn around the banks' financial situation by bringing with them required skills and technological know-how in loan recovery, credit flows, human resource management and investment.

"In the present scenario, there is no alternative to improving the performance of these banks other than handing over their management on contract," NRB Governor Dipendra Purush Dhakal told SPOTLIGHT. "The country's Gross Domestic Product could register a growth of an additional 2 percent by carrying out financial-sector reforms alone."

Agrees Punya Prasad Dahal, executive chairman of the RBB. "If we could use their expertise to our benefit, this could prove good," said Dahal (See box).

State Of The Banks

Why is the financial situation of the two commercial banks so important for the country? The answer lies in their size, volume and area of operation. Between them, the two banks mobilize nearly half of the Rs 145 billion deposits in the country's banking system. They have lent 55 percent of the total lending of Rs 91 billion from the banking sector. Similarly, of the total bank branches in the country, 86 percent belong to these two. They operate ninety-three percent of bank branches in rural areas.

The RBB alone contributes 25 percent to the total deposit collection and 30.1 percent to the total credit flow.

Given their ubiquitous presence, they are literally the mainstay of the Nepalese banking sector. "Any serious damage to these banks can invite a financial sector meltdown in the coun-

try," said Prof. Dr. Biswombhar Pyakurel, a former member of the board of directors of the NBL, who now serves as executive chairman of the Nepal Industrial Development Corporation.

At present, the two banks are in a serious financial problem. According to the KPMG report, their combined losses are somewhere between Rs 15 billion to Rs 30 billion - which represent 4.5 to 8.5 percent of the GDP of Nepal. Says Pyakurel: "Although the deposit collection of these banks rose by 15 percent in the last nine months, the credit flow rose only by 9 percent, as compared to 14 percent in previous year. This is not a healthy sign."

But top officials of the banks downplay the situation. "We do not have operating losses. The problem we have is in loan recovery," said Dahal. The bad debt of the RBB amounts to Rs 910 million in principal and over Rs 3 billion in cumulative interests. "As ours is a big bank, it will not be difficult for us to sail over the present losses," Dahal said.

Rajendra Khetan, a leading industrialist and a member of the NBL board of directors, believes that the bank is not in the serious situation many are projecting. "The NBL is not in big problem. We still have one million customers, 6,000 employees and five to six thousand shareholders. Because of certain top officials and vested interest groups, the bank has landed in the current situation. If action is taken against them individually, the bank will break even within a short span of time," he said. (See box).

The NBL also suffers from accumulated bad debts. It has bad-debts running in billions of rupees resulting from defaults by some big business houses.

According to reports obtained by SPOTLIGHT, some of the major defaulters of the NBL include Biswas Garments, Bluebird, Eastern Sugar Mills, the Golchha Organization, Hyatt Regency, Jyoti Spinning Mill, Mt. Everest Brewery, Oriental Hotels, Phulbari Resort, Silver Fibre Textile and the Shangrila Group.

Why Management Contract?

This is the million-dollar question. Everybody says the banks are ready for reforms but few agree on the mode. As all previous efforts have bitten the dust, the management contract has come as the latest alternative.

As far as the NBL is concerned, the government even diluted its majority share to give 59 percent of the bank's share to the private/public sector. But because of continued political intervention, unchecked irregularities and weak management, the bank is still reeling under pressure.

Take, for instance, the case of Sher Bahadur Thapa, a former top official of the bank, who had to resign following allegations of having given loans amounting to billions of rupees to

different parties, including the Biswas Government, in an irregular way. When the bank's board tried to take action against him, even the majority of the board members, including representatives from the government and the NRB, opposed the move under the influence from top ruling party politicians.

As all the lighter means of reforming the banks have apparently fallen flat, there is a strong opinion in favor of giving their management on lease.

"The boards of these banks had had enough opportunity to clear up the mess. Besides, there is an international tradition of giving bank management on lease on technical service agreement (TSA) at times of negative indicators," said Dr. Pyakurel.

Handing over the management of the bank on contract for a specific period to foreign experts, many say, will improve their functioning. "This can inject the custom of corporate governance in them," said Pyakurel.

Dr. Puspa Raj Rajkarnicar, a former deputy governor of the NRB, also believes that management contract could be useful to an extent. "If there is a guarantee of sovereignty to the bank's board of directors, bringing in foreign management for technical consultation is OK," he said. "I put special stress on sovereignty of the board of directors because it is they who are ultimately accountable to the shareholders."

Opponents: Swadeshi-Vs.-Videshi :
Some still believe that Nepalese manage-

'There Are Positive Sides Of Management Contract'

— PUNYA PRASAD DAHAL

PUNYA PRASAD DAHAL is the executive chairman of the Rastriya Banijya Bank (RBB). A former industry secretary and veteran bureaucrat, Dahal spoke to SANJAYA DHAKAL about the situation of the RBB and the issue of leasing the bank's management in contract. Excerpts:

What is the overall financial situation of the Rastriya Banijya Bank?

Auditing work of the last fiscal year 2055/56 is going on. During the previous fiscal year, the situation of the bank was not good. The bank was in loss. We do not have operating loss. The problem we have is in loan recovery. But we are making provisions to compensate for the losses. Apart from that, there is no reason to lose hope. As ours is a big bank, it will not be difficult for us to sail over the present losses.

How much of bad debts do you have?

In principal our bad debt is above Rs 910 million, but its cumulative interest amounts to Rs 3 billion.

What are your views regarding the issue of leasing out the RBB on management contract? Will it solve the existing problems?

Nobody should believe that the management contract would bring a magical solution. We definitely are in short supply of the skill and technical expertise needed to operate a bank in today's competitive age. Earlier, there was no competition and the consumers had no choice but to come to us. Because of poor service-delivery and weak information system, today we need knowledge, expertise and experience. That is where the TSA (Technical Service Agreement) or management contract comes in. What I have understood is that about eight people with such expertise will come from outside and help us in our affairs. I don't know the overall procedures under which they will function. My guess is

they will work in coordination with us. I take that positively, as it could help us perform better. Hopefully, these people would be knowledgeable about the ways to improve our condition. They could also help us in better manage our human resources and train them as well. If we could use their expertise for our benefit, this could prove good. I do not deny that there could be some negative aspects of this. But looking from this perspective, we can take advantage of their expertise.

What is the current status of the management-contract process?

The whole thing is being done by the Nepal Rastra Bank (NRB). We have sent three members from our board, who are studying the matter together with the NRB officials.

What internal reforms is the RBB introducing following the report by KPMG, which termed the bank as technically insolvent?

We are trying to develop our human resources. We have formulated guidelines on extending loans. At a recent meeting in Pokhara, bank executives asked managers of local branches to voice their problems and present recommendations to improve the RBB's service. The local managers reported an improvement in loan recovery. After the KPMG report, there was speculation that our deposit collection would decline. But nothing like that has happened. On the contrary, our deposits have doubled. We have categorized customers into prime, good and satisfactory in order to extend loans. Earlier, we used to invest as much as 93 percent of our deposits. But with the current high deposit collection, we are finding problems in locating more areas for investment. Around Rs 10 billion of our collection is currently locked in dollar and treasury bill investment.

The RBB has closed down some of its branches in rural areas. Why did you do that? Won't it affect the people?

No. We have closed only eight branches because of security reasons. At some places, we have merged the branches. But this is not intentional. We are aware that the RBB has certain obligations to the people. In fact, government banks like the RBB are the ones that sowed the seeds of banking among the people. Besides, we don't have problems of loan recovery in rural areas. In general, the people are aware of their obligations to return loan. The private commercial banks are centered in cities and have a handful of branches. We have 200-plus branches. Our service is, therefore, required more in rural areas. Because of our easy access, the common man prefers us to other banks.



What are the immediate challenges before the RBB?

One is loan recovery. The existing laws are more tilted towards the customers. Earlier, when I was in Ministry of Industry (as its secretary), we used to stress the need for laws in favor of the people. The company act, so drafted, is heavily tilted towards people. Now I understand that these laws are hampering the banks. If you take a loan, you must pay it back. You cannot escape that responsibility. Besides, we see that some customers go to the court and seek stay orders when they have to pay back the loan. Although, that is not our problem, it becomes cumbersome for us to fight cases in court to get back our loans. Another problem is human resource management. We regularly face problems in transferring our employees. That apart, there is no carrot-and-stick approach to deal with employees. We hope the new management will solve these problems. ■

ment experts are capable of resolving the present crisis. They point that no real efforts at reforms have been undertaken in the past.

"If you end political intervention in the bank's internal affairs, ensure autonomy, appoint responsible and accountable management, check irregularities and take action against corrupt officials, there is still big room for rescuing the bank from present mess," said Premal Khanal, general secretary of the Nepal Bank Employees' Association. "The big business houses are responsible for the 80 percent of the bank's dues of 10 billion rupees. Why doesn't the government take action against them?"

If foreign management is the answer, other say, then the government might as well hand over the management of every loss-making institution to foreigners.

"The employees at the NBL have had more than six decades of experience in banking. They are the ones running the show at most of the joint venture banks. So you cannot say that the bank lacks experience at this point," said a senior NBL official.

Others are more vehement. Dr. Dilli Raj Khanal, UML MP and an economist, is tooth and nail against the present bid to hand over the banks' management to foreigners. "This is a classic case of taking antacid to cure your headache," he said. Khanal's party's chief (Madhav Kumar Nepal) even goes so far as to accuse that the move to hand over the banks' management is aimed at protecting the loan defaulters.

Dr. Khanal asserts that the problems encountered by the banks should be looked into a case-by-case basis. He says problems like bad debt, high ratio of non-performing assets, recapitalization, weak management and political intervention should be tackled on their own merits. "Taking a loan of one and a half billion rupees for handing over the management is outrageous."

But he, too, believes that technical guidance may be sought from foreign parties. "In my encounters with World Bank and IMF officials, I found them positive on simply giving these banks technical guidance. Handing over the whole management is nothing but ludicrous."

The employees' unions of both banks say the prescription will not work. "The problem will not be solved by the management contract," said Mani Ratna Shrestha, secretary at the RBB employees' union. Saying 40 percent of the RBB's bad debts was borne by about 100 big parties, he said the government should have applied the right remedy.

Modalities And Accountability :

There still is much confusion regarding the authority and legal status of the foreign management that takes over the bank. Although the central bank and the Finance Ministry have

assured that the technical-service agreement with those parties would be in the overall interest of the employees and the bank, doubts still persist.

The precise modalities under which the foreign parties will take over the banks' management are still unclear. Who will the management be accountable to, what will be their responsibilities and will they be penalized if they do not fulfill them?

"It would be better if such management could be tied up with the profit of the bank. That could be a good motivation," said Dr. Rajkarnicar.

Meanwhile, there was a fresh controversy regarding the NRB's latest move that could increase the cost of handing over the management by as much as Rs 500 million. In its March



Governor Dhakal : Tough nut to crack

27 issue, the leading daily Kantipur published a newsreport saying that the central bank, under pressure from the World Bank, was amending its request for proposal to the leasing parties in this regard.

Moreover, there are also uncertainties over whether such management would cut down jobs and restructure branches. The NRB governor has given assurances that the government will not allow jobs to be cut. However, many wonder how the management is supposed to clear up the mess if it cannot prune "over-staffed" banks.

Bringing a toothless tiger will once again fail to keep the jackals at bay, they say. "Raising politically-motivated slogans to appease employees will not work anymore. Hard decisions are required," said Dr. Pyakurel.

Each of the two banks employs around 6,000 people and has hundreds of branches. Even the board has joined the employees union in opposing the cutting down of jobs. Schemes like golden handshake and voluntary retirement should be introduced. So far as the sacking of employees is concerned, we are opposed to that. The NRB, too, has said that would not happen," said Khetan.

"If they are allowed to cut down the jobs and roll back the branches, what will be the meaning of this whole reform. You cannot say you have improved a bank by bringing down its size. Anybody can do that, you don't need to spend billions of rupees and invite foreigners to do that," said Premal Khanal. "If the country wants to go ahead in industrialization, we need more involvement of the bank, more branches and more employees. The NBL has not opened a single new branch in rural area in the last ten years."

The NBL has 160 branches, which have been serving three million people in the country. "The NBL is still in sound condition. We have 30 billion rupees in total deposit and 27 billion rupees in total lending. We don't need to hand over our management to foreigners," said Khanal.

No Escape :

If everything goes as planned, the government could hand over the management of the two banks to foreign experts before the end of this year. "We will not reverse our decision (to lease the management)," NRB Governor Dhakal said.

Even as the debate is taking on Swadeshi-Vs.-Videshi dimension, everybody is clear about one thing. Two of the country's oldest banks are in a critical condition. They have been subjected to exploitation by politicians and vested interest groups for too long. There is no escape from reforming them.

The only question is whether the proposed management contract will deliver the goods. Experts say it is an international practice to lease bank's management to outsiders for specific period subject to certain conditions, and the same could be justifiable here, too.

As far as the questions of modalities and accountability are concerned, once you have agreed on the basic agenda, the rest, as they say, is mere details. But again, officials at the Finance Ministry, central bank and even donors could do well to clarify these things beforehand to prevent unwarranted controversies to cloud the whole reform process. Any delay on their part to clear the air will lend credence to the views of opponents.

The well-being of the two banks is in the best interest of the country. Curing these ailing institutions will have a healthy effect on the whole national economy. ■

'The Main Problem Is Some Big Houses Are Not Paying Their Dues'

— RAJENDRA KHETAN

RAJENDRA KHETAN, a prominent industrialist, is a board member of the Nepal Bank Limited (NBL), in which the Khetan Group has about 10 percent of shares. He spoke to **SANJAYA DHAKAL** about the problems faced by the country's oldest bank and issues surrounding the proposal to contract foreigners to manage the organization. Excerpts:

There have been many attempts to reform banks in the past. Now comes this management contract proposal. Do you think this will set things right?

In fact, from the institutional and professional perspective, this is the first attempt to actually reform the bank. There are no differences of opinion about the need to reform our banks - all the four: NBL, Rastriya Banijya Bank (RBB), Agriculture Development Bank and Nepal Industrial Development Corporation. The only controversy in the proposed management contract is the decision to introduce foreign expertise. Many have questioned this, maintaining that the expertise is available within the country. There could be many reasons for this. Maybe because funding for the whole process (of awarding the management on lease) is coming from outside, they are bringing the expertise from abroad. This is the only contention. Otherwise, there are no differences. Everybody agrees there is a need to reform the banks.

What were the obstacles to previous attempts at reforming the banks?

I still think that there was no real reform attempt in the past. Some committees did give reports, but there was neither an institutional observation nor an institutional implementation of their recommendations. To a great extent, the board of directors of the two banks, its management and the officials at the Nepal Rastra Bank, and concerned agencies are responsible for this situation. It is sad to note that when, in the past, international agencies had pointed to the problems of the banks and the need to reform them, NRB officials did not take immediate measures.

The government even sold its majority shares in the NBL to induct private sector-led management. Why couldn't this lead to better management?

There is a question now that in the name of privatization the government has betrayed us. While privatizing the bank, the government should have sold majority share and the management to one group. However, it only diluted its controlling share to 41 percent and gave the majority share to the public without clearly specifying under whom the management would be. The situation is such that the majority of the board was able to choose the management. Because the board was not united, the mandate of the management never became clear, leading to poor performance. Therefore, instead of pointing fingers, it would be wiser to

correct the problems.

There is some confusion regarding the accountability of the party that leases the bank's management. Besides, what would be the modus operandi of such management?

The current process of reform has taken speed because international donor agencies have called for its need and have even agreed to fund it. Because the majority of the NBL's share is with the public now, there was indeed confusion regarding the authority of such management. This led to differences in the decisions of the NRB and the NBL board of directors. But as everybody was clear about the need for reforms, in principle, we decided to move on and not haggle about the modalities for long. So, I do think this reform will take place. However, there still are some unanswered questions regarding the modalities.

What is the main problem of the NBL? Why did it slide so much?

There are many problems at the NBL. This is a traditional bank, which lacks many modern facilities. But the main problem today comes from the fact a handful of "big houses" have not paid their loans. Even if the 20 big houses pay back their dues in time, the NBL will, at least, break even. This is clear. I even raised this point at parliament's Public Accounts Committee (PAC), which is asking for details. However, as there is a provision that bars us from providing details of our financial position without the consent of the NRB, I could not do so. I have written to the NRB seeking its approval, but the central bank has not responded. This has led to a suspicion whether the NRB is giving protection to these big houses. This matter must be resolved quickly.

How are the legal provisions for loan recovery?

The legal provisions are weak. We are sitting on laws that were enacted three or four decades back. Better acts governing the financial sector, including the NRB, debt management, commercial banks, agricultural banks and so on, are required. Moreover, there is still no transparency. The central bank does not involve the private sector in the process of reform. We businessmen from the private sector had proposed to the NRB governor to take the private sector into confidence and consider our viewpoints. However, we have not had any positive indications so far.

To what extent is political intervention damaging the NBL?

There is political intervention. Otherwise, there would not have been such big credit flows to these houses. If you talk about the NBL and the RBB, a few officials at the top are fully responsible for these bad debts. These officials enjoy political support. The political parties are also supporting these bad debtors. So there is this



triangular relationship between the top bank officials, politicians and business houses, which is damaging these two banks. This triangle must be broken. Action must be taken against these businessmen and officials. The board of directors and the employees of these two banks will support the NRB and the government in this direction.

There are concerns that once the foreign management takes over it will start pruning the over-staffed institution. On the other hand, NRB officials have indicated that this would not happen. In this situation, how is the management supposed to clear up the mess?

The labor laws of Nepal do not allow such sacking. As the employees union is also against the move, it could even affect the reform process. Schemes like 'golden handshake' and voluntary retirement should be introduced. So far as the sacking of employees is concerned, we are opposed to that. The NRB, too, has clearly said that would not happen.

Previous schemes to downsize the NBL seemed to have backfired, because it got rid of the best employees. What can be done this time?

That is because we should be clear on our reform agenda. Specific programs could be introduced to replace unwanted employees through scientific schemes.

How is the true picture of the NBL at present?

The bank is not in big problem as such. We still have one million customers, 6,000 employees and five thousand to six thousand shareholders. Because of certain top officials and vested interest groups, the bank has landed in the current situation. If action is taken against them individually, the bank will break even.

There are allegations that the latest reform effort is aimed at pushing the real problems under the rug again. What do you say?

This is not true. In fact, the present attempt seems genuinely in the interest of Nepalese people. The only point of contention is whether the management should be given to Nepalis or foreigners. Though we are still clear that Nepalese management, too, could have delivered the goods, now we don't have the time. We must immediately go for some reforms. The vested interest business houses have indeed sought support from officials at the NRB and Finance Ministry regarding loan recovery. In the last one and a half years, there have been four changes in the chairman of the NBL board. This has created instability. Although the majority share is in public hands, we have to welcome the chairman nominated by the government. We really think that if the government nominates capable and honest people, the bank can move ahead. ■

ENVIRONMENT

Under Threat

A new report calls for government commitment to meet the threats the country's environment is facing

By BHAGIRATH YOGI

During his brief visit to Nepal this week, executive director of the Nairobi-based United Nations Environment Program Klaus Topfer was spellbound by the natural vistas of the Himalayan kingdom. But he was equally worried about the fast-degrading environment in this country. "There is a need for protecting the environment and promoting sustainable development without harming the conditions for harmony between people and nature," said Topfer, launching the State of the Environment (SoE) Report for Nepal, 2001, Monday.

Poverty is the most toxic element in the environment and warned of the environmental dangers from western-style consumerism and globalization.

Referring to research data, Mr. Topfer said out of nearly 7,000 spoken languages in the world, a third of them in Asia, and more than 2,500 were in danger of immediate extinction. "Maintaining biological diversity is strongly linked with preservation of indigenous knowledge and language," he said.

The SoE report, prepared by the Nepalese government in association with the UNEP, ICIMOD, SACEP and NORAD, discusses five key environmental issues in Nepal, namely forest depletion, soil degradation, solid waste management, water quality and air pollution.

"Forest depletion is one of the major environmental issues in the country," said the report. It said the forest area of Nepal has declined to 29 percent of the total land area in 1994 from 38 percent of the total land area in 1979. The agricultural area increased by nearly 600,000 hectares over the last one decade ending in 1995, mainly due to the encroachment on forest areas.

In eastern Nepal, the forest area decreased as a result of construction of Bhutanese refugee camps in and around the forests. Nepal has been providing shelter to nearly 100,000 Bhutanese refugees for the last 11 years on humanitarian grounds. The report further said that landslides, soil erosion, and floods have occurred as a result of the clearing of forests, particularly in the hills.

The report quoted studies saying that



A forest : For conservation

60 to 80 percent of the total annual soil loss from cultivated terraces occurs during the pre-monsoon season. The report said urbanization in Nepal is characterized by haphazard and unplanned urban growth, inviting many environmental problems such as air pollution, water pollution, and solid waste.

The report further said major towns and cities in the hills have acute problems of water availability. The water quality of

rivers and lakes flowing through the large urban areas is deteriorated. The rivers are also major places for urban solid waste disposal and industrial effluents.

The report said air quality, particularly in the large urban areas of Nepal, has deteriorated. Due to air pollution, the number of people suffering from respiratory diseases has gone up over the past few years.

Officials do agree. "Sustainable development and preservation of the natural environment have become challenges for today's Nepal," said Dr. Govinda Raj Bhatta, Secretary at the Ministry of Population and Environment.

Though known worldwide for snow-topped and forest-clad mountains, all is not well with Nepal's mountain environment. "The towering ridges are holding in a brown cloud of pollution over South Asia. Many forest area are disappearing. Water is becoming increasingly polluted. In short, this beautiful mountain environment is in danger," said J. Gabriel Campbell, director-general at the Kathmandu-based International Center for Integrated Mountain Development (ICIMOD).

Led by Dr. Bandana Kayastha-Pradhan, the report was prepared by a team of professionals and experts both from Nepal and abroad. The report is the first of seven national reports focusing on two Asia-Pacific subregions, namely South Asia (Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka) and the Greater Mekong subregions (Laos and Vietnam).

The report said that environmental conditions in Nepal are deteriorating, despite several policy measures undertaken by the Nepalese government. The rapid and uncontrolled growth of population and poor management and use of the available resources are the major reasons for the deterioration. The reason for these is the inadequacy of capital and human resources and lack of public awareness. "For sustainable development of the environment, strong commitment on the part of the government to implement programmes that are appropriate and encourage existing programmes is required," the report concluded. ■

'It's Sad To Be Making Fun Of Leaders We Once Respected So Much'

— HARI BANSHA ACHARYA

Comedian **HARI BANSHA ACHARYA** is riding high on the success of the film "Tan Ta Sarai Bigris Ni Badri" and stage drama "Shalik". The chubby half of the MaHa duo - the single most popular comic group of the country - Hari Bansha has appeared in numerous tele-serials and feature films along with his partner Madan Krishna Shrestha. Their films and stage-dramas are known for their biting satire on the political and social establishment. Acharya spoke with **SANJAYA DHAKAL** about his recent successes and plans at his residence in Ghattekulo last week. Excerpts:

How do you reflect on the thumping success of "Tan Ta Sarai Bigris Ni Badri"?

I am quite satisfied with the success of "...Badri" film. It is an experimental film. This film is a mixture of laughter and tears, and it sends a strong message against the prevalent exploitation of women in this male-dominated society. We tried very hard to make it an entertaining film. You can also call this film a commercial one. We have indeed mixed some formula, but not to the extent of compromising with the basic theme. But the film is not free of weaknesses. Even the films made in Bombay or Hollywood are not perfect, so it is only natural that there would be some problems with our film. I did see this film in the theater along with other audiences. I was happy to see them enjoy it. The film does not focus on comedy alone. Some scenes are full of women's sentiments that bring tears to one's eyes, too. I credit the film's success to the support of my colleagues, general audience and the media. Shortly, the film is celebrating the silver jubilee.

Do you plan to come up with more films like "... Badri"?

There are no immediate plans. But I am thinking about this. I am exploring some scripts in my mind right now. Once I decide on a particular script and once I get a favorable environment, I will definitely come up with more films. Besides, this is what I am supposed to do, isn't it?

Your recent stage-drama "Shalik" with Madan Krishna Shrestha has been critically acclaimed. What is this drama about?

The stage-drama "Shalik" is a satirical depiction of the four-decade-long political behavior in the country. During the Panchayat days, we used to

lampoon the then establishment by exposing their dishonesty and fraud. The people rose up, threw out the Panchayat system, and ushered in the present democratic one. In fact, we also had been demanding change in the political establishment through our dramas back then. After nearly 11 years under the present system, we find the very leaders, on whom we had so much faith in the past, failing to deliver goods and responsible for the dire state of the country. It is really unfortunate that in such a short time we were compelled to make fun of the very leaders we respected. We, personally, feel sad to see this day. "Shalik" was first shown on stage for 12 days in August last year. This time, too, we showed it for nine days. Still we find people requesting for more shows, which we will do in the near future.

You have been exposing the prevalent anomalies of the political and social scene for long through your comedy shows and tele-serials. How do you find the present situation of the country?

We have spilled all our feelings through "Shalik". Everybody in the country is concerned about the present situation. The only exception could be the ones who are plundering the country's resources. We are all hoping that the country would improve, it would prosper, and violence would stop so that Nepal will become a peaceful country.

From stage artiste to singer to actor, you have played different roles in life. How could you be successful in all three areas?

These all works are associated with the Nepalese culture, performing art and creativity. When you perform on stage, you have to sing and write the scripts, too. So, I do not find it difficult to be involved in all those roles you mentioned. In fact, I have multiple interests and therefore, I am happy to be doing so many things. Thankfully, I have been successful in these roles till now. If something happens and I fail to satisfy my audience then maybe I will drop doing many things. But I will continue to do all these things as long as I am appreciated.

How would you assess the situation of performing artistes in the country?

The economic situation of the country is very bad. Industries and business are slowing down. But, on the other hand, there are hopeful signs on the sector of film and performing arts. The film industry is moving well. In the beginning when we entered

It is really unfortunate that in such a short time we were compelled to make fun of the very leaders we respected. We, personally, feel sad to see this day.

this sector, the situation was very bad and no one could imagine to make a living out of art. However, the professionalism in the art sector has really flourished in the last few years. For those who work hard, this sector offers a bright future, indeed.

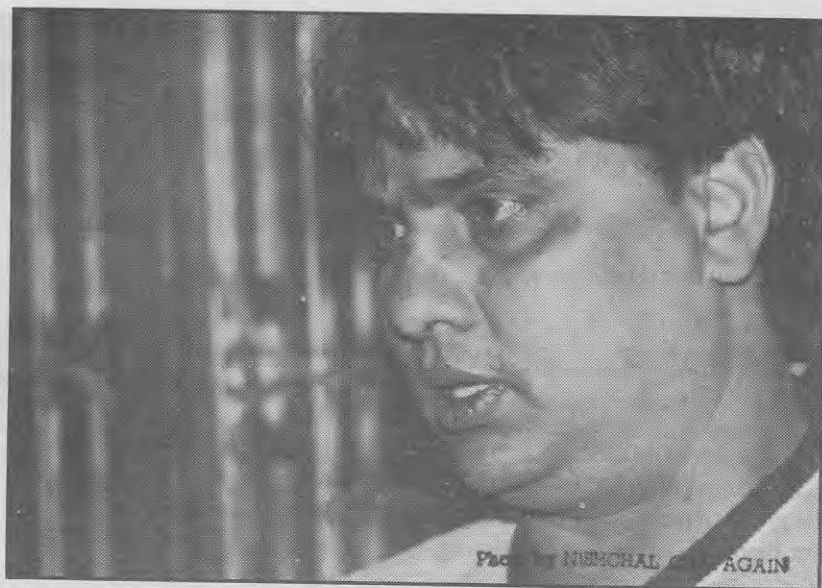
Lately, there has been a string of overseas stage shows by Nepalese artistes. How fruitful are such shows?

We have also done a lot of stage shows abroad. I, myself, have travelled to 22/23 countries around the world in this connection. We generally show our programs to entertain the Nepalese living abroad - the people who have gone there in search of employment. There is an inaccurate view that we make lots of money by showing programs abroad. That is not so. Most of the Nepalese working abroad do not earn so much. The average income of Nepalese, be it here or abroad, is lower than that earned by foreigners. We have to go by air, stay in hotels and there are many other expenses. And we tag our stage-tickets with the average income of our audience. Therefore, it is not for money that we perform abroad. It's because we get the chance to travel. Regarding money, we can make more by staging a program inside Nepal. In fact, there could be the chance of earning more and helping our tourism if Nepalese artistes could come up with programs that would attract foreigners, too.

MaHa tele-serials like "Lalpurja" and "Pandhra Gate" have been very successful. But the group has stopped making tele-serials in the recent past. When are you coming on TV again?

We do make programs for television. I accept there has been a gap at present. This is because we wish that after making big efforts to produce a program, we should like to be compensated reasonably. So far, we could not make any financial gain by producing tele-serials. Take for instance the "Pandhra Gate" serial - we lost Rs 645 in the end- although it was loved by all. Likewise, we gained - after deducting other costs - a mere Rs 1,800 by making "Dashain". Yes, we did make some profit by producing sponsored telefilms like "Raaf" and "Kantipur", but otherwise, it is hard to even recover the investment. Maybe we could gain if we appeared regularly on television. But it is not possible for us to be concentrated in a single medium and we cannot overlook our commitments on stage and in films. Besides, when we make programs, we have to focus on the technical quality as well. In this age of cable television, you have to compete with Zee TV and all. This needs big investment. Despite all this, we do feel that we have to make telefilms time to time as per the wishes of our audience.

You always make films, stage programs and tele-films with your partner Madan Krishna Shrestha. He was conspicuous by his absence in "..Badri". Why is that?



Well, when the script of the '..Badri' was finalized, MaHa Sanchar (the official company of the comedian-duo) expressed unwillingness to produce it. Outsiders produced it and so Madandai did not play in the film. There are no hard feelings on either side. In fact, we believe that each of us should have certain degree of personal freedom. I must also give him the freedom to do as he likes and he, too, has been giving me that. There is no controversy in this.

When and how did you enter the field of comedy?

I joined this field thirty years ago. Ever since my school days, I used to engage in mimicry. I mimicked my teachers and made my friends laugh. I regularly took part in cultural programs where I was appreciated. Later I participated in Gajatra festival programs. I wrote my own scripts and gave a solo performance in the festival for four years in succession - each time I was awarded with the gold medal. As the time passed by, I became increasingly involved and here I am.

How do you spend time when you are not making others laugh?

I read books, write and compose songs. I meet friends and take my family out.

How difficult is it to make somebody laugh?

It is both easy and difficult. If you work hard, you can make people laugh or cry.

How satisfied are you?

I am very satisfied. The biggest property I have is the affection of my audience. I treasure their respect and love. I am sure I could not have been as satisfied as I am now had I not joined this profession.

What would you have become had you not ended up as a comedian?

Really, I don't know. I was involved in this sector so early that I did not have any alternatives. I don't know .. maybe I would have ended up as a hoodlum or even a politician. ■

And we tag our stage-tickets with the average income of our audience. Therefore, it is not for money that we perform abroad. It's because we get the chance to travel. Regarding money, we can make more by staging a program inside Nepal.

NATIONAL POLITICS

Fractured Opposition

RPP's decision to separate itself from the UML-led street agitation brings a new turn in political deadlock

By KESHAB POUDEL

The decision of the Rastriya Prajatantra Party (RPP)—the third largest group in parliament—to walk out of the opposition alliance expressing dis-

agreement over the street agitation against Prime Minister Girija Prasad Koirala announced by the main opposition party has turned a united opposition struggle into an all-communist protest.



PM Koirala (left) with opposition leader: On collision course

GIRIJA PRASAD KOIRALA Man Of Strength

Prime Minister Girija Prasad Koirala knows how to confront the politics of agitation

By KESHAB POUDEL

For Girija Prasad Koirala, responding to political agitation seems come as second nature. From the beginning of his political career, Koirala has passed through a sea of political turmoil.

Prime Minister Koirala has proved that he is a genuine player of Nepalese politics who knows how to outsmart his rivals and break stalemates. This time, too, Koirala has been able to break the RPP's alliance with the communists.

Despite the efforts of his opponents within the party and outside to oust him, Koirala outmaneuvered all his colleagues and rivals in the political survival race.

Koirala himself has set a record in the party by contesting all elections in a party that has traditionally chosen its leadership by consensus. Koirala contested the elections of parliamentary party leadership and party president with his student, former prime minister Sher Bahadur Deuba. He did everything to bring his party to power and his tireless campaigning and whirlwind national tours are still recalled with awe. Although he is 76, Koirala is neither looks tired nor seems to be in need of rest.

His destiny still lies with Congress politics. Discarding his daughter Sujata Koirala's claim to the Koirala mantle, the prime minister has promoted his nephew, Prakash, elder son of the late B.P. Koirala.

After he won the central committee membership in the elections held in Pokhara earlier this year, B.P.'s son was appointed as a minister.

On the last leg of his political career, Prime Minister Koirala is still fighting a political battle with his communist opponents and his intra-party challengers, including former prime minister Krishna Prasad Bhattarai and his supporters.

But a prominent Koirala hallmark has been never allow his opponents to have their way. This time, opposition parties have gone to the extent of stalling the House of Representatives for more than 40 days to press for his resignation. So far, Koirala's insistence on upholding the parliamentary process has worked well for him. ■

The RPP's sudden policy shift has not come as a surprise in political circles, especially at a time when Kathmandu-based western and other diplomats have been pushing a series of steps to bring the political and constitutional process back on track.

The latest turn of events may provide a sigh of relief to beleaguered Prime Minister Girija Prasad Koirala, who is facing the most serious crisis in his five-decade-long political career. But the task of bringing back the communist parties into the parliamentary process remains daunting.

Although the RPP still holds the view that prime minister has no alternative but to resign, its decision not to join the communist-led street agitation shows that the party has "slightly" softened its stand against Koirala.

Interestingly, when the RPP has alienated itself from the communist alliance, the terai-based Nepal Sadbhvana Party, which supported the government for the first 35 days of the winter session of parliament, has finally supported the opposition move to boycott the house.

"We will not support any undemocratic and unconstitutional steps of main opposition CPN-UML including street agitation. Being an alternative democratic party, we cannot go against constitutional process. To launch a street agitation in existing scenario will benefit the extreme left and extreme right," said Rabindra Nath Sharma, one of the prominent leader of the RPP.

Even after distancing itself from the

street agitation, the RPP continues to support opposition moves to stall the proceedings of parliament.

"It was the Nepali Congress that promoted the communists in Nepal by launching a joint agitation with them in 1990 and including them in the last election government," said MP and RPP leader Sharma, countering the charges that his party is promoting the communists.

Withdrawal of the RPP from the opposition alliance seems to have put the main opposition CPN-UML in a dilemma over whether to continue the street agitation. Although CPN-UML leaders assert that the people will support their agitation, there are few signs of imminent popular enthusiasm.

Even western friends of the CPN-UML have already requested party leaders to follow the democratic process and uphold parliamentary norms.

In a situation where it is facing pressure from all quarters, the CPN-UML is said to be considering to withdraw its agitation program if can find a face-saving way of doing that. Publicly, however, CPN-UML leaders are still expressing support for the street agitation.

"We have already requested the main opposition party to play the role of a responsible opposition as we are in no position to support any move that will destabilize the whole political process," a senior western diplomat told SPOTLIGHT on condition of anonymity.

Understanding the importance of western support for their survival, CPN-UML leaders, too, are trying to persuade western friends that they don't want to undermine the constitutional process. "Street agitation is also a part of the democratic process. It is the people who will decide the fate of the government and its leader," said powerful UML leader K.P. Sharma Oli. "How can we support a prime minister who is involved in a corruption scandal."

Oli's ebullience notwithstanding, it is increasingly becoming clear that the opposition leaders are searching for a face-saving formula to end the current political deadlock. ■

WATER RESOURCES STRATEGY

Rhetoric Vs. Reality

The government finally begins a serious debate on ways of utilizing the country's water resources

By KESHAB POUDEL

Does Nepal have the potential to exploit its vast water resources for national development. "Definitely," say water resources experts. Then why are things moving at snail's pace?

Nepal wastes more than 220 billion cubic meters water each year. If the country could tap even a fraction of that, the benefits would be incalculable. But the reality remains sordid. More than 90 percent of agriculture land still depends on the monsoon rain and less than 20 percent of the population has access to safe drinking water. Hydropower generation is meager and barely 15 percent of the population has access to electricity.

Nepal started utilizing its water resources about a century ago. Even before that rivers, lakes and ponds were being used to irrigate land and meet household needs through traditional methods that were sustainable. The country's first hydropower plant was built during the Rana regime.

Why have Nepalese leaders allowed themselves to waste so much time? Simply because they do not have a concrete strategy to utilize the country's water resources.

"Nepal needs to have a strategy that will guide the economic development of the country well into the future. Where do we want to utilize the water?" asked Deputy Prime Minister Ram Chandra Poudel.

Following the restoration of democracy, Nepal realized the need to produce hydroelectricity for export to India, but no export-oriented hydro-power plant has been built. Because of serious policy lapses, US energy giant Enron dropped its proposal to develop the Karnali Chisapani project to sell electricity to India. Although an Australian Company Snow-View has the license to build the West-Seti, the project is yet to take off because of problems related to the market.

Amid this flood of problems in water resources utilization, a discussion was taking place on a comprehensive Water Resources

Strategy.

"Agriculture is one of the major sectors of economic development, and we must develop a plan to utilize the water resources to eradicate poverty," said Rameshananda Vaidya, member of the National Planning Commission.

Everyone is talking about Nepal's immense potential in hydropower development, but no one has seriously pondered how the availability of cheap natural gas in the region



A big dam : Use of water resources

could change Nepal's strengths.

In terms of utilization of water in agriculture, Nepal's performance is equally unsatisfactory. Nepal has dozens of major snow-fed rivers, but agriculture still depends heavily on the monsoon rain.

This is for the first time in the last five decades that the Ministry of Water Resources has realized the need to develop a long-term plan for the utilization of water resources.

Prepared by Water Resources Commission, the Water Resources Strategy covers programs and activities over the short, medium and long-term spread over a 45-year timeframe.

"It is getting too late for Nepal to formulate a water resources strategy for economic development," said Baldev Sharma Majgaiya, Minister of Water Resources.

For any strategy to work, however, Nepal must identify core areas of priority and work on them on a sustained basis. ■

BOOK

District Democracy

The Nepali version of a book on good governance aims at educating a wider population on a key underpinning of the people's polity

By A CORRESPONDENT

Good governance is one of the catch phrases of Nepal's contemporary democratic discourse. Non-governmental organizations in particular have been making efforts to analyze perspectives of good governance to establish whether the fruits of political liberalisation have actually percolated to the people.

With the aim of analyzing good governance at the local level, the Rural Development Fund/Nepal (RDF/Nepal), a non-governmental organization working to promote decentralization, has made a case study of two districts — Panchthar in the

east and Kanchanpur in the west.

The study, among the first of its kind, highlights many important components of good governance and examines its challenges and potentials in the two districts.

Originally published in English, the book has been translated into Nepali with the aim of reaching a wider audience across the country. One of the important parts of the book is that it is based on an exploratory assessment of local-level perspective on the situation of governance in Nepal.

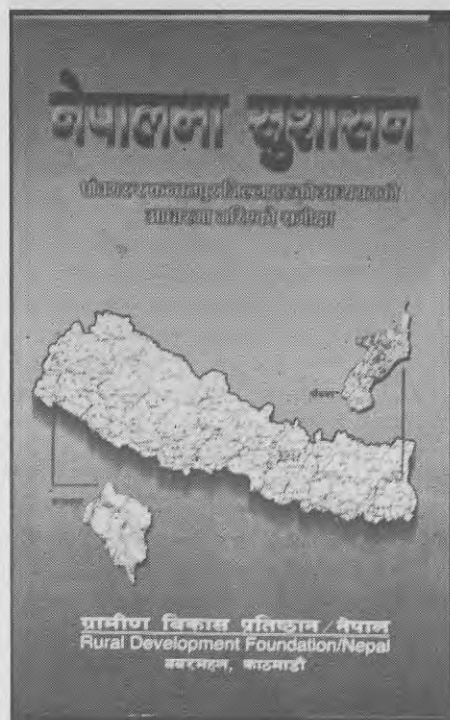
The book can be expected to help Nepali readers to compare the problems of governance in the central and districts level.

In the last decade, various attempts have been made to analyze governance in the central level, but this is the first time a

study deals with core issues in good governance such as state viability and sovereignty, structure of government, transfer of power and electoral arrangements, management of power, government effectiveness, among others.

Sponsored by the Enabling State Programmed of British government's Department for International Development, the assessment was aimed at recording the viewpoints of the a broad cross-section of the people in the district capitals and villages regarding the governance situation at both the national and local levels. As the findings were initially published targeting foreign readers, access to the vital information was limited, RDF/Nepal's commendable effort to translate the book into Nepali would help a large number of people understand issues and achievements in the area of governance at the district level.

"We are proud to say that a large number of organizations have already made requests for the translated version of the book," said Krishna Man Pradhan, president of the RDF/Nepal. "We are planning to send copies to all District Development Committees." ■



Good Governance In Nepal
Perspectives From Panchthar and
Kanchanpur Districts (Nepali Translation)
Edited by Bihari Krishna Shrestha
Published by Rural Development
Foundation/Nepal
Price: Undisclosed, Pages: 123

Affliction Of Abuse

A collection of articles on the prevalence of torture in South Asia makes a strong case for ending the mistreatment of detainees

Based on a report consisting of papers presented at a South Asian seminar on the prevention of torture, this book highlights various aspects of torture and other problems faced by detainees in the region.

Organized by the Nepal Law Society in association with the Center on the Prevention of Torture, Geneva, Switzerland, and in cooperation with the Swiss Agency for Development and Cooperation, and the Royal Norwegian and Australian embassies, the seminar included cogent papers on torture and human rights.

Torture is widely practiced in the region. Suspects are often tortured before they are produced in court. Despite a ban on the use of third-degree methods in interrogation, it is widely practiced in South Asia.

The book does a commendable job in bringing into sharper focus the widespread use of torture in the region and makes a strong case for building public opinion against the phenomenon. Some of the seminar papers highlight the experiences of Sri Lanka, Pakistan, India, Bangladesh and Nepal.

The compilation of opinions expressed during the interactions among lawyer, police officers judges, and medical doctors, public prosecutors, police officers and human rights experts provides an additional perspective of the grim human rights situation in the region.



TRANSITION

APPOINTED: Kashi Raj Dahal, spokesman at the Supreme Court, as secretary at the Judicial Council, by His Majesty the King, on the recommendation of Judicial Council.

ARRIVED: Dr. Klaus Topfer, executive director of the United Nations Environment Program (UNEP) and assistant secretary-general of the United Nations, on a four-day visit to Nepal.

FORMED: The organizing committee for the Fifth National Games, under the chairmanship of Education and Sports Minister Amod Prasad Upadhyaya.

FELICITATED: Bharat Dutta Koirala, senior journalist, by the Federation of Nepalese Journalists (FNJ)/Gorkhapatra Chapter, for his contribution to the sector.

NOMINATED: Ghataraj Bhattarai, Hiranya Bhojpure, Ganesh Rasik, Dr. Bhola Rijal, Rajendra Koirala, Manjari

Ghosh, Shanta Pokhrel and Kanta Poudel as members of the Fund Management Committee of the Himalaya-Princep Scholarship Fund, by the meeting of the committee held by its chairman Subhadra Prasain.

RETURNED: Yagya Nidhi Dahal, the litterateur, after successfully undergoing kidney transplantation at Chennai, India.

HOSPITALIZED: Koili Devi, senior singer, at Tribhuvan University Teaching Hospital, after

suffering a heart attack.

LEFT: A 36-member Nepal Police team led by Superintendent of Police Dr. Megh Bahadur Gurung, for East Timor upon the request of the United Nations.

A two-member investigation team, led by Commissioner at the Commission for Investigation of Abuse of Authority (CIAA) Basudev Lamichhane, for Vienna, last week to probe into alleged irregularities in the Lauda Air deal. ■

The Prospect Of Bowling Alleys In Kathmandu

The hustle and bustle of Kathmandu city has robbed our life of rest and relaxation. Hence, the temptation for the people to explore new sources of entertainment is nothing unusual. People today are looking for leisure activities and any new attraction blended with vigor and energy, helps them to overcome their physical strain and mental distress. With the advent of bowling alleys in Kathmandu, people have started hoping that this sport would help them to ease their restlessness and boredom.

Bowling has a long and rich history and today it is one of the most popular sports in the world. It is one of those games in which one does not have to be an athlete or go on a restricted training program. Nor it is necessary to have stamina to endure vigorous physical exercise. The game of bowling involves the rolling of special kind of balls which weigh from 6 to 16 pounds down a wooden or synthetic lane with the aim of knocking down pins which lie at a distance of 60 ft.

In Kathmandu bowling has started to make its mark in the field of entertainment and recreation. Although the game has taken quite some time to gain popularity, but it has started to roll all over the city. People are thronging the centers to bowl and to know more about the game. There are five bowling alleys in Kathmandu today.

Being a new field of entertainment in the valley, we the MBA 1st semester students of Kathmandu University decided to conduct a research on "Prospects and Scope of Bowling Alleys in Kathmandu" in partial fulfillment of our course of Research Methodology.

The objective of our research was to know the extent of popularity of the game among the people, the willingness of the people to spend on these bowling alleys and whether it would be successful in Nepalese context. In this regard, we have done a literature survey of various magazines, journals and publications. Out of the total 150 respondents, 75 were categorized as visitors and 75 as non-visitors. When the questionnaires were administered it was found that most of the people visiting these centers were in the 18-25 years age group. Most of them preferred to visit regularly with friends and families. The amount spent by them on every visit ranged from a maximum of Rs 2,000 and minimum of Rs 200.

Out of the total 75 visitors, 85.71 percent felt that the purpose of their visit was mainly for fun. 40.25 percent of the people visited these alleys on weekends, 5.19 percent of the people preferred to visit on weekdays while the rest couldn't specify the exact time and period of their visit. Out of the 75 non-visitors, 50.18 percent of the people seemed to have some idea about the game but didn't know the places where there were being offered. Some of the respondents' stated that price

was the major reason for their lack of interest in the game. However, 65 percent of the respondents — both visitors as well as non visitors — felt that the game has good future, 25 percent disagreed and thought that the game wouldn't succeed in Nepalese context while 10 percent had no opinion to express.

During the interview with the managers of bowling alleys, it was stated that the game not only a mere source of entertainment, but it also developed concentration and competitive skills. They also admitted that the advertisement and promotion of the game have been inadequate and a lot more effort was needed to acquaint the people with the game and to popularize it.

The response of the people was also taken through FM station and the Internet. A live program was aired on Radio Sagarmatha 102.4 to analyze their thoughts. Most of the callers felt that the average people couldn't afford to enjoy the game, as the rate per game is very high. Some callers expressed that the time spent in these clubs was a waste and was unproductive. At the same time, some admitted that the future of bowling alleys in Kathmandu is limited due to the lack of awareness amongst the people, whereas the rate per game and the frequency of their visits also seemed to have a very significant relationship.

After a detailed survey, we have come up with certain recommendations to improve upon the existing practices adopted by the managers and owners of these bowling alleys. To make people fully aware of these alleys, more emphasis should be given to the promotional aspect of it. Similarly, as the rate per game is very high, it would be beneficial to, both the owners and the customers, if a new kind of scheme is introduced, which enables the visitors to play the game at a very nominal rate, eg, providing term membership, ID card, nominal package plan, for the visitors. The Nepal Sports Council should also take the initiative for the development of this sport as it has been doing for the other games. Finally, the government should promote the sports by reducing the taxes levied on the import of the equipment in order to make it possible for the owners to reduce the price charged by them.

In the highly stressful world of today, sport seems to be the only medium to get rid of tensions. Bowling, being a new source of entertainment in the valley, can easily draw crowds if people give it a try without any prejudice, and, in fact, the taste only develops after some repeated trials. ■

(Based on joint-research by Anish Dixit, Kuldip Karki, Pragya KC, Shailaja Khadka and Varsha Gyawali, students of Kathmandu University, School of Management)

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(Source : Himalayan Book Center, Bagh Bazar, Kathmandu, Ph : 242085)

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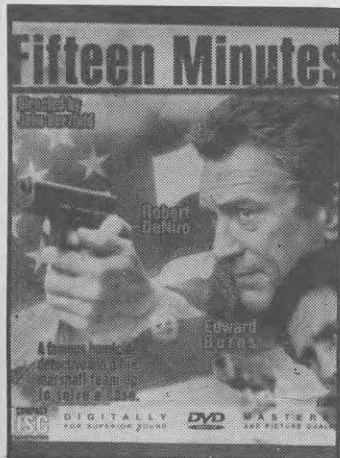
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The Mexican
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Black Friday
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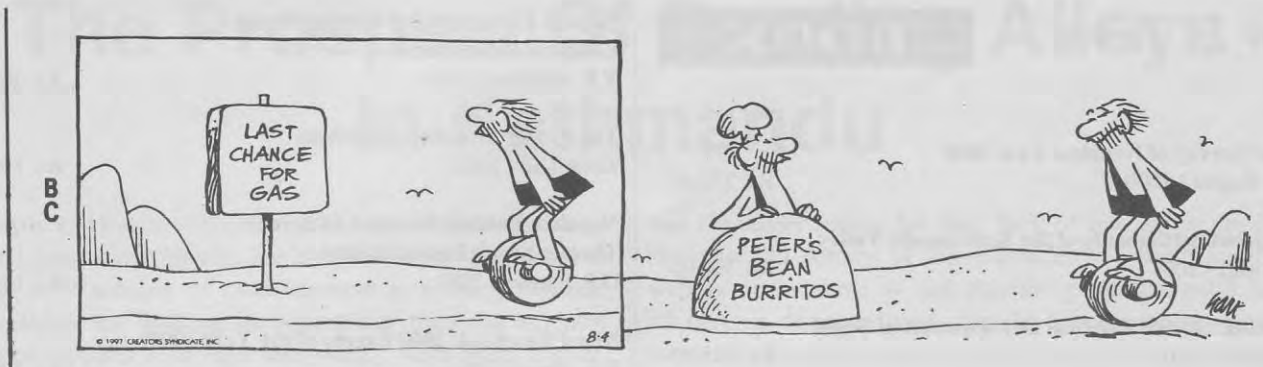
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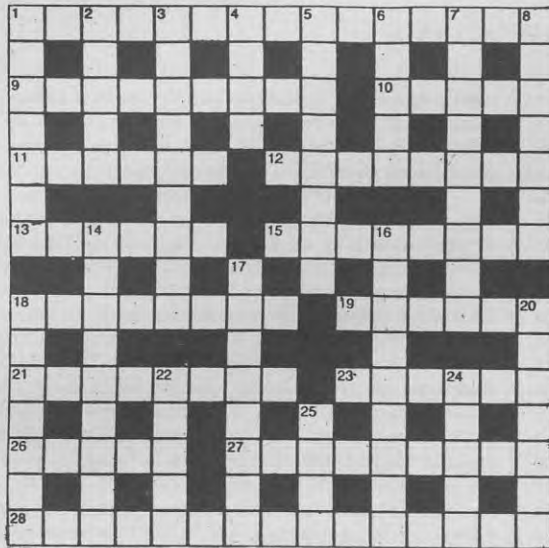
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CROSSWORD



ACROSS

DOWN

- 1. Give up attempt to encourage purchase of bathroom accessories ? (5,2,3,5)
- 9. Male is enthralled by cheap fortune-telling (9)
- 10. Form of words in wedding response keeping one married? (5)
- 11. Useful skills when facing some tennis? (6)
- 12. Light-hearted promise of original NHS? (8)
- 13. Register what's wrong about swilling gin (4,2)
- 15. Make further changes to study of impartiality ? (8)
- 18. Trumpet soloist? (8)
- 26. Sycophant backing ally's party — good (6)
- 21. Left-winger to change measure during recession (3,5)
- 23. Flap or pad in dress (6)
- 26. Rich man pretends to be out? (5)
- 27. Restricted, with article blocking opening — sorry (9)
- 28. Note redesigned vehicle beginning to lead in rightly famous motor-race (5,5,5)

- 1. They're connected with heads and tails (3-4)
- 2. Car moves on wheels (5)
- 3. Showing signs of boiling game and fish (9)
- 4. Cracked? They may be (4)
- 5. Punch satisfying worker in the sun? (8)
- 6. Endless attempts to capture British group such as the Icenii (5)
- 7. Collection will have Government official paying a visit (4-5)
- 8. Composer and essayist turning up on time? (7)
- 14. Protects the front and rear of train (6,3)
- 16. Party manager concealing a split (2,1,6)
- 17. Something to be filled in by academic or graduate (3,5)
- 18. Ennui, to do with onset of depression in period of success? (7)
- 20. Shake a leg and try a lot (7)
- 22. Expedition cheats over odd parts of trek (5)
- 24. Need to catch up? Last few batsmen will bag runs (5)
- 25. Gemstone in ring given by friend (4)

Across : 1. Guillemot 6. Papaw 9. Extra 10. Rainwater 11. Torpedo 12. Estonia 13. Prisoners of war 17. Fifth amendment 21. Luggage 23. Ikebana 25. Plasterer 26. Ived 27. Pushy 28. Demagogue
 Down : 1. Great ape 2. Inger 3. Leave out 4. Marlowe 5. Triceps 6. Pewit 7. Potentate 8. Warsaw 14. Isinglass 15. Fidgeting 16. Straddle 18. Averred 19. Epigram 20. Slap-up 22. Aply 24. Aging

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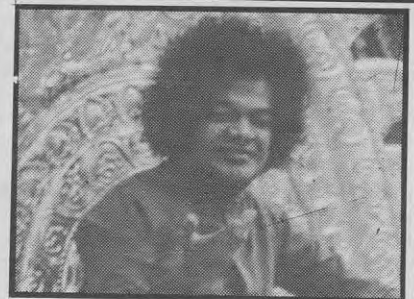
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“Praise the Name of the Lord, the most High who hath created and completely formed His creatures and who determineth them to various ends and driveth them to attain the same.”

SATHYA SAI BABA

Women In Nepal's Socio-Economic Development

By JOHN ADAMS

Much attention has been devoted to the very real problems and challenges faced by Nepal's poor urban and rural women. It is overdue to take a serious look at women in business, finance, and the professions who have succeeded in what is largely a male-dominated world. First, I want to comment on the status of professional women in Nepal's labor force. Second, I want to introduce readers to the government's efforts, with donor assistance, to achieve financial sector reforms and the reconstruction of the legal framework for business. Third, I want to speculate on what these changes in financial and corporate governance will mean for the women who are playing leading roles in Nepal's socio-economic development. Professional Women in Nepal's Labor Force We are fortunate to have several recent studies of women in Nepal's labor force that give us a fairly clear picture. Because Nepal is predominantly an agricultural country, about 90 percent of all women work in farming and in their rural households. Some 9 percent work in shops, food and tourist services, handicrafts and manufacturing, and as clerical workers. The other main feature of Nepal's labor force is that, particularly outside agriculture, women are severely underrepresented in the workplace relative to their numbers; in other words, their participation rate is low, because of historic cultural bias against women working outside the home. In passing, we may note that a poor country can ill-afford to lose the economic contributions one-half its population can make. A rising rate of female participation in the labor force will be a strong signal that Nepal's economy and society are advancing.

The focus of this article is on the remaining 1 percent of the female workforce that is employed in the professions such as medicine, accounting, teachers, law, management, banking, and finance. In urban areas, professional women comprise one out of every 12 female workers. These numbers are small, only some 30,000 in all, mostly in the cities, but are rising slowly. There are very few professional and managerial women in the rural labor force. Overall, there are four times as many men as women in these top-end jobs, which is an indicator of the strength of discrimination. When we look at the social characteristics of professional women in Nepal's labor force, there is some tendency for caste background to play a role, but what seems most important is the closely related level of education. This means that the choices a woman and her family make about education can greatly influence what kind of job and income she obtains when she enters the workforce. At any socio-economic level, a girl will benefit from schooling and have the potential for upward economic mobility. With a literacy rate in Nepal of only about 30 percent for women, clearly there is much room for women to benefit from schooling and on-the-job training.

Pushpa Shrestha has done a study of educated women in urban Nepal. What is interesting is that it shows that how well women succeed in Nepal's labor force is shaped by the same factors that operate in other nations, even rich ones. Education leads to high-wage jobs in trade, commerce, the professions, management, and services. Women with one or two children below the age of five are less likely to be working. The better the education of parents and husbands, the more likely are women to work. When a husband has a positive attitude towards his wife's working, she has a higher likelihood of labor force involvement. Women from wealthier families work mainly for self-expression and independence, while women from poorer families are driven more by economic necessity.

Unfortunately, a bad workplace environment in which men react inappropriately to women who are their equals or superiors in rank is a negative element for professional and managerial women. On the whole, with allowance for Nepal's low-income status and social restraints on women working, Nepal's professional women work in a labor-force environment much like that anywhere. What this means, most critically, is that personal and family choices are capable of shaping a woman's participation in the labor force, the type of work she does, the income she earns, and the satisfaction she derives from being a contributing member of the larger society. Professional women, with family support before and after marriage, have considerable control over their economic lives.

Corporate and Financial Governance in Nepal Nepal's government, with the assistance of the Asian Development Bank, the International Monetary Fund, the World Bank, and other donors, has recently begun a comprehensive program of financial sector reform. Together, Nepal Bank Limited, Rastriya Banijya Bank, the Nepal Industrial Development Corporation, and the Agricultural Development Bank hold well over half of the deposits in the country. Each of these major components of the banking system is publicly owned or dominated; each is insolvent; and if they were private banks, they would have to declare bankruptcy and go out of business, with damage to their depositors and employees.

Nepal needs a strong financial sector to meet the needs of its citizens, farmers, and businesspersons; in addition, with the expansion of the South Asian regional economy, and the spreading forces of globalization, Nepal cannot continue to have

a financial system that is not functioning very well. What financial sector reform seeks to achieve is to stabilize the banking system, to improve its functioning in the economy, and to design the system to serve the needs of the public. The financial sector also includes the stock exchange, insurance companies, finance companies, cooperatives, some NGOs, and even informal moneylenders.

The chief aim of financial sector reform is to change the role of government from one of ownership and management of financial institutions, to one in which the government is the regulator of a largely private financial sector. What are the main components of financial sector reform in Nepal? First, the Nepal Rastra Bank needs to be separated from the Ministry of Finance and given autonomy to manage the money supply and to supervise most financial institutions. In turn, this requires banks and other institutions to prepare transparent and honest financial statements and submit them in a timely manner. The World Bank and IMF have worked with the government to prepare legislation that will create an independent NRB and it is now pending in parliament. Second, other supporting laws will be prepared and pushed through parliament in its next sessions. These include a new law for banks and other financial institutions and a new company law. These laws will set the tone for such things as the responsibility of board members, capital requirements, protection of shareholder rights, and accounting and auditing standards. A bankruptcy law is being prepared as well, as are others. Implementing and enforcing the new laws will require a strong judiciary and wider knowledge among lawyers and judges about contract and commercial law. Thus, the ADB is going to help the Supreme Court, the legal profession create a Judicial Training Academy, and other donors will be providing training for practicing lawyers.

The reform process is complex and depends on many interlocking administrative, ownership, and legal changes. In 3 to 5 years, the ways in which banks and non-bank companies do business will be profoundly changed. Two other parts of the reform process need to be mentioned. These are strengthening the Nepal Stock Exchange and the Securities Board so they can handle increasing numbers of listed firms and ensure compliance with adequate accounting and auditing standards so that the public has adequate information about companies listed on the exchange, or that are offering new shares to the public.

The ADB and other donors are interested in bringing Nepal's accounting and auditing standards in line with international standards. Thus, the Institute of Chartered Accountants of Nepal (ICAN) is to become an autonomous professional society with broad powers of self-governance and responsibility to bring businesses into line with accounting, auditing, and disclosure standards.

Impact of Financial and Corporate Governance Reforms What do these reforms mean for Nepal and women working in the financial and business sectors, and in government or private NGOs? We know from other country experiences that a solid, well-functioning financial system will help people, and Nepal, save more and invest more. With strong financial intermediation, we have estimated that Nepal can add as much as 2 percentage points to its annual growth rate; for example, if Nepal is now growing at 4 percent per year, then Nepal would grow at 6 percent per year, which is a huge increase. This would add no less than \$100,000,000 per year to Nepal's family incomes. In addition there would be strong employment effects which in turn would reduce poverty. Since much of Nepal's poverty centers on rural and working class women, large number of them should find themselves at least a little better off.

With respect to professional women and women in business, there would also be positive benefits. Now, access to credit to start a business or open a professional practice is largely barred for women who lack independent property or collateral and who are not in the male-dominated networks of friendship or reputation. Modern banking practices would help level the playing field. We would expect the overall quality of banking services to expand in such fields as checking accounts, trade finance, pensions, and investments. Ideally, more career paths would be open in finance, accounting, and law. Male patriarchal domination of finance and business will not end overnight, but the impacts of reform should push in the direction of more room and responsibilities for women. Many women have amply demonstrated that even in today's unequal world, it is possible for them to move ahead. Modernizing Nepal's banking system must include speeding up tasks such as clearing checks, opening up credit card services, drawing in reports from bank branches, creating business and individual credit ratings, and streamlining e-commerce. For this reason, the ADB is developing a design for an information and communications superhighway that would rank among the best in the developing world. ■

This article is based on remarks made by John Adams, of the University of Virginia's Center For South Asian Studies, at a workshop last month

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