

The National Newsmagazine

# SPOTLIGHT

24-30 August, 2001

## Where is the Land to DISTRIBUTE?

- JASWANT SINGH'S VISIT
- NEPAL-BHUTAN TALKS
- ENCOUNTER WITH UDDHAV POUDEL

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“लक्स भन्दा उत्कृष्ट कुन?”



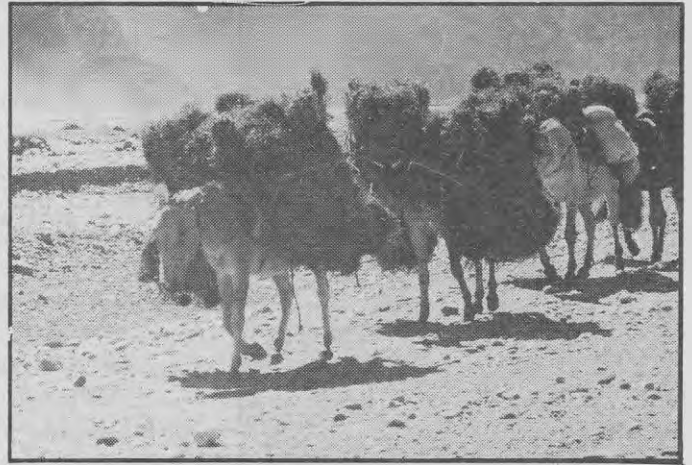
बदाम, दुधमलाई र महयुक्त, नेपालमा बनेको अन्तर्राष्ट्रिय स्तरको नयाँ लक्स । अपूर्व सौन्दर्यको नयाँ राज ।

“नयाँ लक्स, कुनै शंका!”



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# SPOTLIGHT

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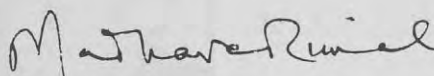
## EDITOR'S NOTE

**P**rime Minister Sher Bahadur Deuba seems to be a man in great hurry. His eight point package to revolutionize the Nepalese society which he recently announced from the floor of the parliament clearly exposes his unbridled ambitions to ride the clouds. Evident lack of home work before the announcement is sure to land him in distress and symptoms are already visible. Since his first stint five years ago had only contributed to manifest his weaknesses rather than merits, he lost no time to mask his true face by resorting to subterfuges. We all know well his real worth and are fully aware of his character. What he urgently needs are men of vision and integrity to advise him. If he cannot rise across party lines to invite hidden talents and falls back upon the stereotyped sycophants, he should know what will happen to him. Taking the dialogues with the Maoists to a successful end could be his top priority. But, there are other issues no less pressing that call for immediate attention need no emphasis. His first choice of men to adorn his cabinet has not been able to meet the approval of overwhelming majority. Even after more than a month he has not been able to unburden himself with the load that could be too heavy for him. The country badly needs a foreign minister who can stand up to the guiles of our giant southern neighbor. We have had too many bitter experiences to swallow their sugar coated pills with our eyes closed. As long actions and rhetorics are poles apart, confidence building measures too prove ineffective. The Prime Minister has to find ways and means to keep the bi-lateral relations on even keel.

Deuba has to bring back the tourism industry to the track without losing anytime. The whole economy of the country is facing disaster. This has to be geared up at the earliest possible time. Festive season is knocking at the door. The common man wants a respite from the soaring prices. The industries are paralyzed and the government is planning a hike again in the electricity tariff. Instead of plugging the leaks that could restore hundreds of millions of lost revenue, the government has chosen the easier course of afflicting the users because they do not protest. Corruption is stalking like Frankenstein. These are only a few problems Deuba has to tackle. The political party he belongs to cannot and will not permit him to embrace the whole nation. And this a time when no person can achieve any success without taking the whole nation in his stride.

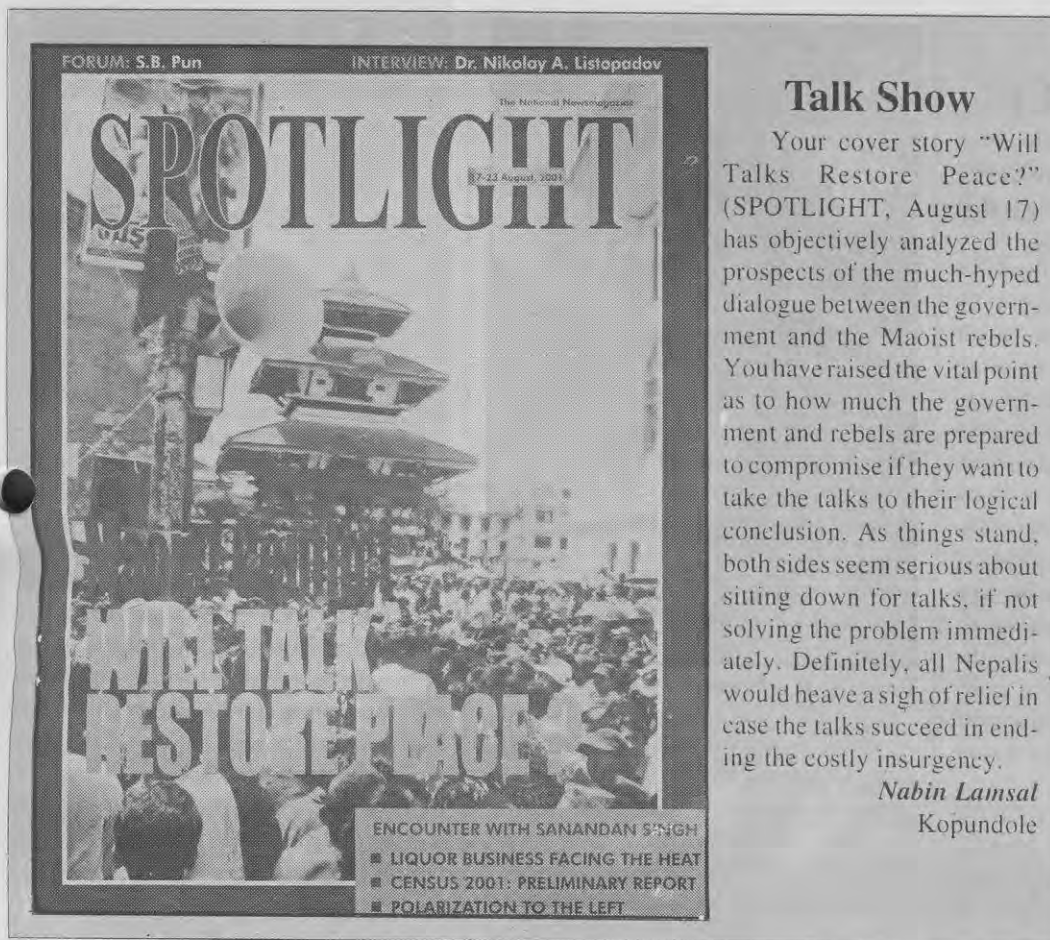
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As expected King Gyanendra has started meeting the aspirations of the Nepalese people. The stunning responsibility thrust upon his broad shoulders have not been able to affect his composure and self confidence. Since time and tide wait for no man, he must not hesitate making even unpleasant decisions. Recent events have clearly demonstrated that men who surround the King must be not only totally dependable but men above all kinds of reproach. Even though a constitutional monarch, the King has to bear the onus of defending the constitution and the sovereignty of the nation. Consequently he needs advisers on whose advice he can fully trust. Choosing men of absolute integrity is his biggest test. We do trust he is very well equipped to spot those talents. ■



**Madhav Kumar Rimal**  
Chief Editor & Publisher





## Talk Show

Your cover story "Will Talks Restore Peace?" (SPOTLIGHT, August 17) has objectively analyzed the prospects of the much-hyped dialogue between the government and the Maoist rebels. You have raised the vital point as to how much the government and rebels are prepared to compromise if they want to take the talks to their logical conclusion. As things stand, both sides seem serious about sitting down for talks, if not solving the problem immediately. Definitely, all Nepalis would heave a sigh of relief in case the talks succeed in ending the costly insurgency.

*Nabin Lamsal*  
Kopundole

lines regain its old glory and fly forward.

*Kirti Joshi*  
Sanepa

## US Support

The support expressed by the visiting US Assistant Secretary of State for South Asia Christina Rocca to Nepal's multiparty democracy and constitution at a time when there are frantic efforts from various quarters to amend the basic law is meaningful ("Super Power Support", SPOTLIGHT, August 10). As the government and the Maoists prepare to sit down for talks with an open mind to change the constitution and the present system of governance, the remarks by the senior US official provide a glimpse of how western countries view recent developments here. It would be interesting to see how the government and the Maoists take Rocca's views.

*Rajiv Shrestha*  
Lagankhel

## Unfair Pressure

The Indian government is unfairly pressing for changes in the Nepal-India Trade Treaty ("Inconclusive Round", SPOTLIGHT, August 10). It does not bfit a huge country like India, which is enjoying a highly favorable balance of trade with a smaller neighbor like Nepal, to behave in the way it is. India should not mind some increase in the exports of goods from Nepal. Rather, it should encourage such increases so that Nepal, too, could enjoy the benefit of its neighbor's increasing strength in the world economy. As India prepares to become a major player in the global economy as well as politics, it is imperative that it shed its bullying nature and become more encompassing, especially in its relations with neighbors. This would be in the greater interest of India, as the international community would welcome India in the big boys' club only if it behaves in a more responsible manner.

*Seema Gautam*  
Maithi Ghar

## Bad Example

By agreeing to sit down for talks with rebels waging a bloody battle, the government has given a very bad message ("Will Talks Restore Peace?" SPOTLIGHT, August 17). This could lead to other groups raising arms in the future, as they would see the opportunity of threatening the state into recognizing them as a political force and granting concessions. Even if the government had to hold talks, it should have done so at an opportune time, particularly when it had the upper hand. Fresh from one victory after the other over the beleaguered police, the Maoists are in a strong position to bring the government down to its knees.

*Kalyan Shrestha*  
Chabathil

## Uneasy Peace

Following the cease-fire between the government and the Maoists, an uneasy peace has pre-

vailed in the country ("Will Talks Restore Peace?" SPOTLIGHT, August 17). Regardless of whether the proposed talks would succeed in bringing a lasting solution to the conflict, it has definitely stopped the gunbattles raging for so long in remote parts of Nepal.

This peace should not be disturbed. The armed wing of the rebels seems to have become restless in the new situation. On the top of the agenda of the proposed talks should be the issue of disarming the rebels.

*Binaya Dahal*  
Chandol

## Will They Come Out?

The talk about the talks is really gaining momentum ("Will Talks Restore Peace?", SPOTLIGHT, August 17). Given their latest behavior, the rebels may want to come out into the open. Six years after going underground

and launching the "people's war", the Maoists may be experiencing what is called battle fatigue. Indeed, there could not be a more appropriate time for them to come out of their jungle shelters. They are in a position to make big gains in the ballot boxes.

*Jit Kumar Subedi*  
Naikap

## Give RNAC Autonomy

It is high time that politicians and bureaucrats stopped playing dirty political and administrative tricks with the national flag carrier ("How Far Justified?" SPOTLIGHT, August 10). They must give autonomy to the airlines in the real sense of the word.

The management of RNAC must be given a free hand in buying/selling or leasing aircraft remaining within the set norms of the business. This is the only way that can help the debilitating air-

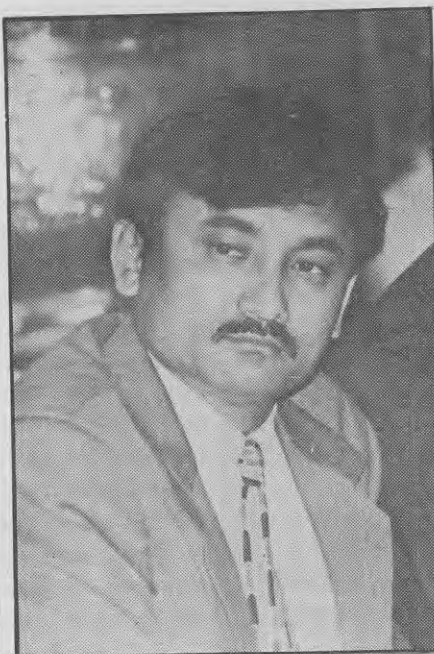


## Foreign Aid Commitments Go Up

Commitment for official development assistance (ODA) went up significantly for Nepal during 2000-01, reports said Thursday. According to the Finance Ministry, bilateral and multilateral agencies committed a total assistance worth Rs 30.24 billion for 33 projects by the end of the last fiscal year, 48 percent up from the previous year. The total inflow of loans for seven development projects during this period soared to Rs 17 billion, whereas the total grant amount for 26 projects amounted to Rs 13.2 billion. The ambitious Melanchi Drinking Water Project alone attracted Rs 12.77 billion as foreign assistance out of which only Rs 634 million in the form of grants. Similarly, the Rural Access Program received a grant assistance worth Rs 3.4 billion from the British government, whereas the Small Town Water Supply project drew a loan assistance worth Rs 2.59 billion from the Asian Development Bank. The Manila-based Bank was the largest lender to Nepal in the last fiscal year by committing a loan worth Rs 13.02 billion for five different projects. Nearly two-thirds of the development expenditure in Nepal is financed through foreign loan and grants. *Kantipur daily reports.*

## Businessmen Urge Renewal Of Trade Treaty

Former Nepalese bureaucrats and businessmen have urged both Nepalese and Indian governments to extend the Trade Treaty between the two countries in its present form. The treaty was first signed in 1991 and later modified in December 1996. A day after India officially notified Nepal that it was seeking review and revision of certain provisions in the treaty, which is to expire in December, former commerce secretary Mohan Dev Pant said the spirit of the treaty would be killed if it is changed. He said the basic objective of the treaty was to accelerate Nepal's process of industrialization and economic growth. "But we should also respect the sensitivities of the Indian side by introducing appropriate domestic measures."



**Pradeep K. Shrestha**

he added. Addressing an interaction program organized by the Society of Economic Journalists (SEJON) here Wednesday, Pant said the issue of 'export surge' should not derail the treaty. President of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) Ravi Bhakta Shrestha urged the Nepalese government to consider the concerns of the Indian side. Former FNCCI President, Pradeep K. Shrestha, said Indian hue and cry on the issue of 'export surge' was not appropriate as Nepalese exports to India was negligible when compared to their total domestic demand. Nepalese officials were absent from the program. *Compiled from reports.*

## Bill To Give Autonomy To Central Bank

The government has introduced Nepal Rastra Bank (NRB) bill 2001 and bill concerning recovery of loans from Banks and Financial Institutions 2001 in the ongoing session of the parliament. The House of Representatives unanimously agreed to discuss both the bills. Replying to questions raised by the members, Finance Minister Dr. Ram Sharan Mahat said the NRB bill aimed at providing autonomy to the NRB to function as a central bank. He said the bill contains a provision to specify

a ceiling as per international standards regarding the provision of overdraft by the government from the NRB. There is also a new provision for improving procedures for the appointment and dismissal of the governor and deputy governors of the bank, he said. The bill also proposes to increase authority of the NRB, strengthen the mechanism for controlling and supervising commercial banks and other financial institutions and has made strict provisions for punishment for any wrongdoing. *RSS news agency reports.*

## Army Hands Over Road To The Govt.

The Royal Nepalese Army has handed over the 26.5 km Hile-Leguwachhat section of the Naradmoni Thulung highway in eastern Nepal after its construction to the government amid a function Tuesday. The road was completed in a little more than four years at the cost of Rs 126 million. The rest of the 83-km long road will be constructed with the help of the DFID, international development assistance arm of the British government. Inaugurating the road, Prime Minister Sher Bahadur Deuba lauded the role of the army in national development and peace-keeping operations overseas. *RSS news agency reports Aug. 15.*

## Dr. Mahat Clarifies On Overdraft

Amid fierce criticism about lack of fiscal discipline on part of the government, Finance Minister Dr. Ram Sharan Mahat told parliament last week that he has constituted a probe body to investigate on the circumstances leading to the government to seek overdraft of Rs 5.57 billion at the end of the last fiscal year ending mid-July this year. The minister said the government had to resort to overdraft, as the estimates of revenue and expenditure were not exact. "The government had to provide nearly Rs 6 billion between mid-June and Mid-July this year for development works as it could not receive money promised by different donor agencies and governments, including the Agriculture Program Loan (APL). Debt





Dr Mahat

Relief Fund and KR," he said. The government could not collect the revenue as targeted in the last fiscal year due to violence, industrial instability and shutdown strikes. *Leading dailies report August 15.*

## Indian Diplomats Deny Media Reports

Indian authorities have denied that the construction of Rassiyawal-Khurda Lutan bund would affect Lumbini — the birthplace of Lor Buddha — along with other places in the Nepalese territory. Addressing a program here Saturday, an official at the Indian Embassy Ms. Nagma Mallick said there are "in-built regulators as high as six meters (at the bund) that allow easy passage of water into the Indian side. Saying that the construction of the embankment had been stopped as requested by the Nepalese government, she said there is no record of damage caused by the Danda River in the Indian territory. Mallick said the bund constructed near the border region of Marchawar in west Nepal was a local issue and should not be internationalized. She went on to say that there was a conspiracy to make the bund a national and international issue. First Secretary at the Indian embassy, Manoj Bharati, urged the media not to exaggerate the issue in a way that could harm bilateral relations. Indian officials' comments have come amid Nepalese media reports that the under-construction bund

in the Indian territory could submerge dozens of villages and affect more than 100,000 people on the Nepalese side. *Compiled from reports Aug. 14.*

## PAC Seeks Details On Arms Purchase

The Public Accounts Committee (PAC) of parliament on Monday decided to request the Defense Ministry to provide to the committee within the next seven days a report concerning the decisions and action taken by the ministry toward the purchase of arms and ammunition and helicopter by the ministry, RSS news agency reported Tuesday. The PAC decision came amid reports that the Defense Ministry was procuring arms and armored helicopters from different countries as part of its drive to modernize the weaponry of Royal Nepalese Army. Nepal Samacharpatra daily reported that the previous G.P. Koirala government had decided to procure two night vision MI-17 helicopters at a cost of not more than Rs 400 million to the army. The daily quoted

PAC chairman Subash Nemwang as saying that the PAC had demanded papers only for study and that it would pursue probe into the deal if the process (for procurement) were found faulty. *Compiled from reports.*

## Deuba Invites Maoists for Talks

Prime Minister Sher Bahadur Deuba has invited the underground Maoist party for talks within ten days. According to a statement issued by the Prime Minister's Office, Minister for Physical Planning Chiranjivi Wagle has been appointed coordinator of the talks on part of the government. Other members of the committee are yet to be nominated. Saying that it had already initiated process to withdraw cases filed against most others in courts in a bid to build a conducive environment for talks, the government has urged rebels to help maintain the conducive atmosphere by refraining from violent protests, among others.

## Library Project For Strengthening Democracy

Thirty-two school teachers and volunteers from Palpa and Kavrepalanchok districts have completed 35-day training on "Library and Information Science" conducted jointly by Nepal-Finland Society and Tribhuvan University Central Library this month. Charge d'affaires at the Finnish embassy, Asko Luukkainen, distributed certificates to the trainees amid a function here Sunday. The training was organized under the "Democratic Education and Library Development Project"

launched by Nepal-Finland Society with the grant assistance from the Finnish embassy. The project, being implemented in 10 high schools in Palpa and Kavre districts, aims at developing awareness about the functioning of multiparty democracy and the rights and responsibilities of a responsible citizen in a democratic environment. The project comprises youth parliamentarian program and establishment of libraries.

Under the library component, a library with nearly 1,000 books with hard cover and all the necessary equipment required for the operation of a proper library shall be established. The project aims to mobilize community support to sustain the operations of library at the local level. Addressing the function chaired by Mrs. Shanti Adhikari, general secretary of the society, Rabindra Rimal, hoped that the project would go a long way in making local people, especially rural youth, aware toward functioning of multiparty democracy, human rights and legal system. On behalf of the society, he expressed sincere thanks to the Finnish embassy, TU central library and schools concerned for their active support in making the project a success.



A scene of the Certificate Distribution ceremony





**King Gyanendra granting audience to visiting Indian Minister for External Affairs Jaswant Singh**

**SOME 154,000 HOUSEHOLDS IN 240-VILLAGE DEVELOPMENT** committees in the country are expected to benefit from the rural electrification project being implemented by the government with the Asian Development Bank (ADB)'s loan assistance, a senior government official said. Minister for Water Resources Bijay Kumar Gachhadar informed parliament Thursday that a feasibility study was carried out in 22 out of 75 districts in the country with the ADB's technical assistance. Out of the total estimated cost of the project amounting to Rs 34.859 billion, the ADB has agreed to provide loan assistance worth Rs 24.251 billion. The Nepalese government will invest Rs 265.18 million and the Nepal Electricity Authority Rs 795.54 million in the project. The loan assistance approved by the ADB is yet to be activated, the minister said.

**THE GOVERNMENT OF SWEDEN HAS ANNOUNCED** that it would extend funds totaling 29 million euros (\$26.7 million) to Nepal for the Melamchi Drinking Water Project to provide safe drinking water to the Nepalese capital. AFP news agency quoted Swedish development aid minister Majinger Klingvall as saying that the project would help provide safe drinking water to people in Kathmandu. A spokeswoman at the Swedish foreign ministry said half of the money would be given as an outright grant, with the rest as a repayable loan. The project includes construction of a 27-km tunnel and has a total cost of \$645 million to be financed mainly through a consortium of international donors led by the Asian Development Bank (ADB).

**HUNDREDS OF SACKS OF SUB-STANDARD CHEMICAL** fertilizer are being brought in mid-western district of Bardiya to be sold within the district and in adjoining Banke district, a newspaper report said. According to Kantipur daily, a sack of Gold brand fertilizer costs Rs 800 in the bordering Indian markets whereas it is sold at Rs 1200 per sack as soon as it enters Nepal. Nepalese importers don't need to pay customs while importing the fertilizer but they are required to get import license

from the concerned authorities. Local people alleged the police being hand in glove in the racket of substandard fertilizer that has resulted into decline in productivity in the fertile land.

**SIX PERSONS WERE KILLED WHEN A LANDSLIDE** swept the house of Sukadev Baral at Sanyasidada of Arba Bijaya VDC in Kaski district last Friday. The landslide was triggered by heavy downpour from early on the same day. A police rescue team visited the site and has recovered all the dead bodies.

**POLICE TOOK INTO CUSTODY FIVE YOUTHS FROM** eastern district of Udaypur on charge of being involved in women trafficking. Police arrested the youths along with three girls after raiding a local house last week.

**A STUDY TEAM HAS OBSERVED EIGHT DOLPHINS** (Sushus) in various rivers and streams in far-western district of Kailali, RSS news agency reported. The study was conducted by a team of experts, led by Dr. Shanta Raj Gyawali, from the Royal Bardiya National Park. These dolphins might have come from the Kailashpuri barrage area in India, some 15 km south of the Nepal-India border, experts said. ■

## Mountains And More

Scores of books on mountains, environment, ecology, biodiversity, natural resources, agriculture and tourism were showcased at a fair organized last week by the International Center for Integrated Mountain Development (ICIMOD).

The three-day open book fair was participated in by such organizations as World Conservation Union (IUCN), World Wildlife Fund (WWF), Park-People Program at the Department for National Parks and Wildlife Conservation, Himal Association and Mountain Study Institute.

The fair provided a special opportunity for scholars and students interested in mountains. Apart from books, the fair also had CDs, videocassettes and posters.

Mayor of the Lalitpur Sub Metropolis Buddhraj Bajracharya opened the fair on August 16 at the ICIMOD office.

ICIMOD has gained international repute in its endeavor for mountain development. The regional office of the organization is based in Kathmandu and it oversees the development efforts in the mountain region ranging from Myanmar to Afghanistan.

Established in 1983, ICIMOD lays great emphasis on documentation and information exchange. The organization was set up out of widespread recognition of the environmental degradation of mountain habitats and the increasing poverty of mountain populations. Although international in its concern, ICIMOD focuses on the specific, complex and practical problems of the Hindu Kush Himalayan region of Afghanistan, Bangladesh, Bhutan, China, India, Myanmar, Nepal and Pakistan. The center aims to promote the development of an economically and environmentally sound mountain ecosystem and to improve the standard of living of mountain populations of the HKH. ■



“Anybody who protests against the revolutionary decision by Prime Minister Sher Bahadur Deuba on land reforms is a feudal.”

*Madhav Kumar Nepal, leader of the main opposition, defending the prime minister's announcement on land reforms.*

\* \* \*

“Madhavji's single house in Kathmandu is worth more than my total property. But he is not a feudal.”

*Gajendra Narayan Singh, president of Nepal Sadbhavana Party (NSP), which is against the land freeze announced by the prime minister, lambasting leader of the opposition Madhav Kumar Nepal for calling opponents of the proposal as feudals, in Kantipur.*

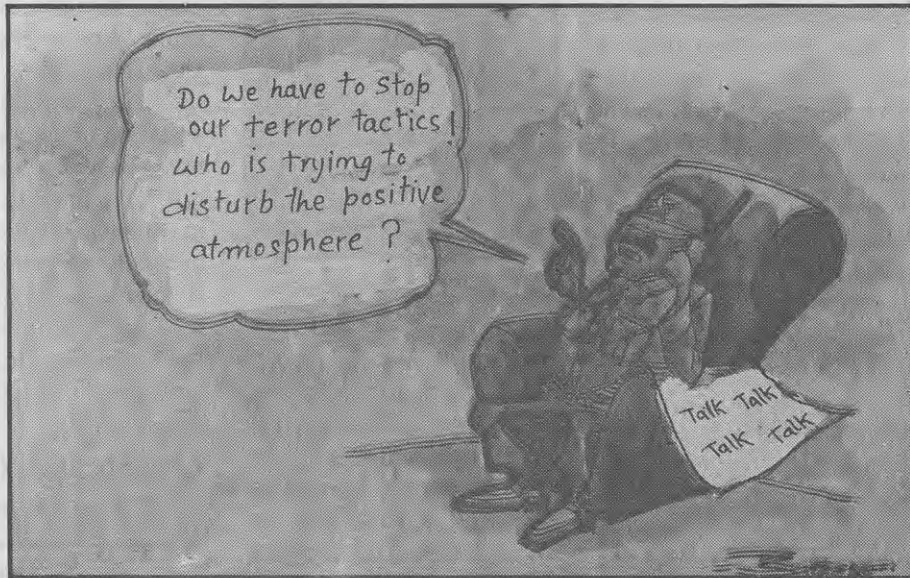
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“If he has the guts, let him first announce the imposition of ceiling on his own property.”

*Renu Yadav, member of parliament belonging to Rastriya Prajatantra Party, denouncing in parliament Prime Minister Sher Bahadur Deuba's move to impose land ceiling.*

\* \* \*

“The Nepali Congress will be finished if it sheds its ideological identity in the name of national consensus. A balanced and equitable society cannot be built by lacking land, which remains the financial foundation of middle and lower middle



class people.”

*Shailaja Acharya, former deputy prime minister and senior leader of ruling Nepali Congress, expressing her discontentment over the Prime Minister Sher Bahadur Deuba's announcement on decreasing the land ceiling, in Gorkhapatra.*

\* \* \*

“My relatives have phoned me to tell that my husband didn't take good decision.”

*Dr. Arzoo Deuba, spouse of Prime Minister Sher Bahadur Deuba who comes from Rana family traditionally known to be big land and property holders, in Samacharpatra.*

\* \* \*

“It is natural that the government's focus was on this issue as non-economic issues were affecting the economy more.”

*Dr. Tilak Rawal, governor of the Nepal Rastra Bank, defending government's decision on freezing the land transaction and adding that the government will not take any surprise move that would affect the financial sector, in Kantipur.*

\* \* \*

“One day I will definitely raise the curtain from the Landa mystery. Just wait.”

*Siddha Raj Joshi, one of the main accused in the Landa scam and then member of RNAC board who is the last among his lot still languishing in jail, in Spacetime daily*

\* \* \*





## Confused Comrades

Top comrades of the CPN-UML and CPN-ML are busy these days settling their differences to pave the way for a merger. The early phases of this unification process have not been problem-free. For instance, when a ML team led by Siddhi Lal Singh and Radha Krishna Mainali arrived at the central committee office of the UML, they hardly found anybody there to greet them. Junior part-time workers at the UML office abandoned the premises when they saw their former leaders arrive. After the ML broke away from UML three and a half years ago, leaders of the parent party instructed cadres not to hobnob with the deserters. As there was no official notification reversing that directive, UML workers found it wise to abide by the standing order. As soon as UML leader Bharat Mohan Adhikary arrived, the frostiness gave way to friendliness.

## Peaceful Coexistence

Prime Minister Sher Bahadur Deuba is making special efforts these days not to ruffle the feathers of any colleague. This may be the reason why he is so eager to shake hands with anybody he comes across. In parliament, Deuba is often seen going that extra mile by extending a hand of friendship to every MP, including those belong to the opposition benches. The effort has not been in vain. When the prime minister announced his 10-point program in parliament, he received louder applause from the opposition benches than from his own party. It looks like Deuba's



Deuba : Shaky relation

charm offensive has worked better on opposition leaders. Or is it a policy of live and let live? After all, opposition leaders understand that Deuba's failure in office may trigger the comeback of their archrival Girija Prasad Koirala or any of his protégés. After the tumult of the last year, Deuba, too, must have realized the importance of keeping the opposition in good humor to keep his own job.

## Teaching Teachers

Former prime minister Krishna Prasad Bhattarai finally seems to have realized



Bhattarai : Lesson, late learnt

why he could not last long in the prime ministerial seat despite having been credited with leading the Nepali Congress to a comfortable parliamentary majority. The septuagenarian was enlightened by none other than his protégé, Prime Minister Sher Bahadur Deuba.

"If we had taken decisions in the way Deubaji has, Girijababu and I would not have had to languish in perpetual conflict," a leading daily newspaper quoted Bhattarai as saying. Amid his busy agenda as premier, Deuba may have to spare time to teach his teachers many things.

## Quietest Koirala

Ever since he was elected

to the House of Representatives, Prakash Koirala, the eldest son of B.P. Koirala, has remained out of sight, barring, of course, that brief stint in his uncle's cabinet.

But why is Koirala so reticent. After all, he is a senior member of a political clan that likes to lay sole claim to the democratic mantle in Nepal.

At a time when anyone even remotely linked to the Koirala family seems to have something to say about current state of affairs, Prakash Koirala wouldn't lose anything by opening up. If he's waiting for a more propitious time, maybe we can wait a little longer. But come on, Prakashbabu, speak up. ■

### Picturesque and Peaceful a Pilgrimage with Pleasure

MAKAMANA, THE WISH FULFILLING GODDESS

Other Attractions:

- ✓ Restaurant
- ✓ Kiddies Games
- ✓ Souvenir Shop

*Nepal's Only Cable Car*

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## JASWANT SINGH'S VISIT

# Exchange Of Goodwill

During his three-day visit, India's foreign minister tries to assuage Nepali sentiments while forwarding his own agenda

By BHAGIRATH YOGI

**T**ermed as a goodwill visit, Indian Foreign Minister Jaswant Singh may have succeeded in his mission to neutralize what is often described as 'anti-Indian sentiments' in Nepal. He also had an opportunity to 'feel the pulse' of new monarch, King Gyanendra, and newly appointed Prime Minister Sher Bahadur Deuba.

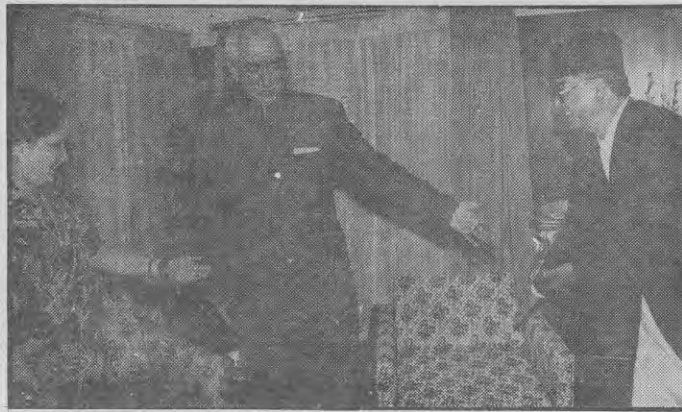
During his three-day visit (August 17-19), Singh discussed a range of outstanding issues with Nepali officials, prominent among them being the renewal of the bilateral trade treaty and inundation of Nepali territory due to Indian constructs across the border. Perhaps the most important statement by the seasoned diplomat was on the Maoist movement in Nepal.

A press statement issued at the end of the three-day visit to Nepal by Indian Foreign and Defense Minister Jaswant Singh Sunday said India has expressed appreciation of the move of the Nepalese government to negotiate with the Maoist.

Without naming Pakistan, the statement said the two sides discussed India's concern with regard to use of Nepalese territory for anti-India activities by elements maneuvered by third countries. India has been complaining that the Pakistani intelligence agency, ISI, has been operating from Nepal to spread terrorism in India. Both Nepal and Pakistan have denied such allegations. Premier Deuba reiterated that Nepal would not allow its territory to be used against friendly countries — a policy professed by Nepal for long.

Responding to the concerns of the Nepalese government and business community on the renewal of bilateral trade treaty later this year, Minister Singh said, "It is being presumed that India does not want the continuation of the treaty. This is factually incorrect." But both Nepali officials and businessmen have understood well that Nepal can no longer expect to enjoy the same privileges as the treaty comes for renewal in the first week of December this year.

Even before Singh's return, India slapped anti-dumping duty on the imports of zinc oxide from Nepal. Though



Deuba (right) with Singh : Renewing ties

Photo : Kantipur

Nepal has formally protested against the Indian decision, saying that it was against the 1996 treaty, there may be little room for easing pressure by the Indian side on the eve of the crucial negotiations.

Responding to Nepal's concerns over the impact of an under-construction Rasiyal-Khurda Lautan bund, Singh said the Indian government had already ordered a halt to the construction of the bund. "India has no intention of inundating the Nepali territory," he said. He, however, did not explain about the lack

of progress in addressing the problem of inundation in several villages in Banke district in mid-western Nepal due to the construction of Laxmanpur barrage by India.

Singh attended a quiet dinner organized by Premier Deuba, who also holds the foreign and defense portfolios, in his honor Saturday at Baluwatar. During his audience with King Gyanendra Sunday morning, Singh conveyed condolence to His Majesty at the sad demise of the Nepalese royal family on June 1. "My visit was to offer to Nepal India's continuing commitment of friendship, support and cooperation," the Indian minister said.

Officials did not say anything about the outcome, if any, regarding deliberations on outstanding issues such as reviewing the 1950 treaty of peace and friendship expediting the Mahakali treaty, withdrawal of Indian troops from Kalapani area and regulating the long common, open border between the two countries. The timing of the Indian foreign minister's visit, on the eve of the 11th SAARC summit expected to take place in Kathmandu later this year, was also significant.

Experts watching the high and lows in Nepal-India relations say both the countries would do well by looking at their relations from a wider perspective. While security perception has remained at the core of Indian policy toward Nepal, Nepal has failed to formulate and articulate its India policy,

over the years. The love-hate relationship that Nepal harbors toward its southern neighbor has often been described as a 'small country syndrome.'

"The most pragmatic approach would be reconciliation between Nepal and India by redefining their political and economic relations in view of the changing economic order to significantly strengthen their ties based on their mutual faith in democracy," said Prof. Dhruba Kumar, in an article in the book "Nepal's India Policy" ■

## BHUTANESE REFUGEES

**Tedious Talkathon**

Despite Nepal's efforts, the refugee problem heads toward becoming perennial

By AKSHAY SHARMA

Nepal initially had expressed its unwillingness to allow Bhutanese asylum seekers into Nepal. Responding the appeals made by activists, then-prime minister Krishna Prasad Bhattarai ordered the Kakarbhitta border opened for Bhutanese refugees from February 1991. Since then, some 90,000 Bhutanese refugees have been languishing in camps in eastern Nepal, while the two governments are finding ways to send them home.

Finance Minister Ram Sharan Mahat is in charge of this Herculean task this week in the Bhutanese capital Thimpu. Again, the discussions focus on four points: the verification, categorization, harmonization and repatriation of the Bhutanese refugees.

After growing pressure from the international community, the process of refugee verification has begun. Slow progress and half-hearted commitment have dashed much of the early optimism of the refugees. As Bhutan and Nepal do not share a border, the dimensions of the problem have grown complex. Efforts to involve India, through which the refugees came into Nepal, have largely failed, with New Delhi urging Kathmandu and Thimpu to resolve the matter bilaterally.

"The 1910 treaty formally gave power to the British over Bhutan's foreign affairs, clearly incorporating Bhutan into the sphere of the British Empire," writes Peter Collister in his book "Bhutan and the British". After India's independence in 1947, New Delhi took charge of the foreign and defence policies of Bhutan.

International attention on the refugees and the Bhutanese dissident movement did not begin until mid-1991. "Previously, only about 10,000 people had actually left Bhutan

because of the tense conditions and government reprisals, and most of these people were in India not Nepal," write D.N.S. Dhakal and Christopher Strawn in their book "Bhutan: A movement in Exile". "But in June of 1991, a campaign of forced evictions began, first confined to the southeastern border area. By December of 1991, there was a mass exodus from Bhutan from most of the southern districts, and thousands were leaving the country complaining of terror campaign," they write.

The refugees traveled through India to enter refugee camps in eastern Nepal in July



FM Mahat leaving for Thimpu : Will he succeed?

and August of 1991. Over the next year the number of refugees swelled by 10,000 a month. United Nations High Commissioner for Refugees and international relief agencies have been providing humanitarian assistance.

In January 1994, Nepal and Bhutan set up a joint ministerial committee to resolve the crisis. Kathmandu agreed to classify the refugees into four groups: (a) bona fide Bhutanese evicted forcibly (b) Bhutanese who migrated (c) non-Bhutanese (d) Bhutanese who have committed criminal acts.

"In early 1993, Nepal threatened to raise the issue first with India, and if that

accomplished nothing, then internationally. India, though, has undercut Nepal's threat by telling Nepal not to internationalize the issue, and refusing to get involved, insisting that the refugee issue should be solved bilaterally by Bhutan and Nepal," write Dhakal and Strawn.

"Unwilling to go against India's dictates, as India is extremely influential in Bhutanese and Nepalese affairs, Nepal has been forced to follow a tedious policy of 'quiet diplomacy' which has observed little effect since the refugees came to Nepal."

"The problem has two sides because Bhutan is dependent on India in security and foreign affairs. The current tactic is to confuse the public and to prolong the crisis," says an expert on condition of anonymity. "It is a well-known fact that the massive exodus of refugees is not the creation of Bhutan."

Adds another expert: "The exodus of the refugees has been a one-way traffic permitted by friendly India. And it has not permitted the refugees to return in the same manner. These refugees can be compared to the Bihari Muslims that have been stranded in Bangladesh."

Dhakal and Strawn write: "Since 1988 many Nepali Bhutanese were compelled to leave Bhutan: some had their citizenship withdrawn or denied; others simply ordered to leave the country; a few were physically forced across the border. Usually implicit and explicit threats of violence backed up the Bhutanese governments orders."

"At first the refugees did not want to leave India for Nepal. But the situation got so bad that they were forced to make their decisions in 1991. Not only were the refugees denied to settle in camps in Indian soil, which were torn down by the Indian police, but also some were abducted from Assam, and the police and the civil administration of Assam visited Bhutan frequently, where they were bribed by the Bhutan police. Likewise, Bhutan police were allowed to come to Assam freely to arrest dissidents," note Dhakal and Strawn.

With the problem growing and elements provoking events behind the scenes, only the future knows when — if at all — they would be able to go back home. ■



RNAC

# Journey To Recovery

Mired in controversy for years, Royal Nepal Airlines Corporation is on a flight to renewal

By A CORRESPONDENT

After years of controversy, disruption of flights and accumulation of huge losses, Royal Nepal Airlines Corporation (RNAC) is on the process of gradual recovery. Although the cancellation of flights to Europe and some Asian destinations have created panic in the tourism and export business sector, the new schedule is expected to help the carrier to improve its financial position.

man Rajesh Raj Dali and his management team, the airline is now gradually injecting a feeling of confidence in the international sector that Nepal's national flag carrier can be reliable and on time.

From the brink of virtual bankruptcy and closedown, RNAC is trying hard to remold itself into an economically sustainable airline. RNAC fell on hard times following the sale of its two Boeing 727 aircraft a decade ago. Since then, the airline has relied mostly on leased aircraft to serve European and other sectors.



RNAC : Backbone of tourism

Regular political intervention and legal troubles generated by the House of Representatives Public Accounts Committee and the Commission of Investigation of Abuse of Authority, have forced RNAC, the country's oldest airline with an experience of more than four decades in the international and domestic sector, to make desperate moves to survive as a regional carrier.

Thanks to the "unfortunate" but bold decision taken by RNAC Executive Chair-

RNAC officials claim that the airline has improved its reliability and punctuality. The carrier's two 757 aircraft may be aging, but they have been able to maintain their schedules.

"We do not have to bear any additional liability as we are operating our own aircraft in the remaining sectors," says Executive Chairman Dali. "Right now we are gradually in the process in achieving economic sustainability. The cancellation of flights on

the European sector has paved the way for the proper utilization of our two aircraft in the proper sectors." According to the RNAC management, the two aircraft are now flying an average of 300 hours, which is considered optimum utilization.

Despite the reduction of the sectors, the number of passengers has increased by several folds in recent days. The occupancy rate on RNAC's aircraft was below 50 percent when it had three aircraft. Now it is more than 70 percent. Since tourist arrivals are gradually increasing, the RNAC management hopes the coming season will be more profitable.

When RNAC has three aircraft, it operated 28 flights a week, including those to Europe. Now the two aircraft are flying 23 flights a week to Mumbai, New Delhi, Osaka, Shanghai, Hong Kong and Bangkok.

RNAC has limited itself to the region. If it is allowed to operate without intervention, the airline may in a position to expand its flights. After the cancellation of the flights to Europe and other routes, the carrier can now concentrate on more traditionally profitable sectors.

RNAC sustained the European sector five years ago when Lufthansa suddenly withdrew its flights to Kathmandu. "Along with the tourism sector, the discontinuation of the flights on the European sector will hamper export business, which is going to be unrecoverable," says Rabindra Man Singh, president of Nepal Freight Forwarders Association. "RNAC's flights to Europe have played a very important role in increasing the export of Nepalese carpet, garments and handicrafts."

As the airline has a pool of competent manpower in the technical, management and marketing fields, what it needs is its own aircraft. "RNAC needs to have a well-equipped and suitable aircraft, if government want us to continue flights in the European sector," says Executive Chairman Dali.

From the verge of collapse and economic bankruptcy, RNAC is desperately making efforts to survive as a sustainable airline. If political leaders learn their lessons correctly and stop intervening in RNAC's management and operations, the national flag carrier may re-emerge soon as a sustainable and economically strong institution. ■

# INDUSTRIAL SECURITY

## Do Or Die

As the government fails to provide security, industrialists are facing their remaining option: closing down their establishments

By A CORRESPONDENT

**I**t seems the command-and-control system of the Maoist party is on the wane even before the insurgent group sits down for talks with the government. Hundreds of Maoist supporters gathered near Shah Distillery Pvt. Ltd at Khajura in the mid-western district of Banke on Saturday and set the factory on fire.

Ironically, the incident took place a day after the All Nepal Women's Association (Revolutionary), sister organiza-

also destroyed machinery, equipment, liquor produced by the distillery and a truck, a jeep, a motorbike and several bicycles. The Maoist broad daylight attack and the failure of the administration to provide security came as a shock to the entire industry and business sector.

"If such conditions and threats prevail, there is no way industries can operate in Nepal," said Ravi Bhakta Shrestha, president of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI). "The government should take

serious step to restore confidence of the business community."

**A d d e d** Surendra Bir Malakar, vice-president of Nepal Chamber of Commerce, "The government must ensure that such incidents don't repeat in future."

What has worried the business community is that the Khajura incident is not an isolated

one. Suspected Maoist rebels have already targeted joint-venture companies, including Colgate-Palmolive and Surya Tobacco. "What has baffled us is the government's indifference toward such attacks," said a foreign investor, on condition of anonymity.

As the government is trying to trade peace with the Maoists, the rebels have launched a campaign of extortion and coercion. Director of Shah Distillery, Kedar Lal Shrestha, admitted that he had paid Rs 25,000 as 'donation' to the Maoist

party as against their demand for Rs 50,000. "Of late, they had not made any demand."

By targeting the alcohol industry in the first phase of their agitation, the rebels seem to be trying to drain out one of the government's major sources of revenue. This would mean that the government would have fewer resources to fight the rebels. "It exposes the real intention of the rebels though they are talking of holding dialogue with the government," said a critic. "The 'fund raising' drive launched by the rebels all over the country also proves the same."

The government, unfortunately, has remained a mute spectator. "The government must tighten security measures keeping in mind long term development of the industries and businesses in the country," said Rajendra Khetan, vice-president of the FNCCI. "Once the business confidence is lost, it's almost impossible to revive it."

Until now, businessmen appear unwilling to fight the rebels on their own. But they should understand well that their turn would come if they keep silent. They must demand adequate security from the government that has proposed to levy 'security tax' from them in this year's budget. ■



**Balaju industrial area : Security conscious**

tion of the underground Maoists, called for stopping all its 'actions' related to its campaign to ban sales and consumption of alcohol. The association said it had taken the decision as the talks with the government were continuing. The organization had earlier called for a nationwide prohibition on the sales and consumption of alcohol beginning August 18.

According to reports, within hours all the seven buildings owned by Shah Distillery were damaged in the fire that

## Alcohol Industry

- 10 billion investment in beverage industry
- Nearly 25,000 workers with 100,000 dependents
- Nearly 30,000 shops and 30,000 food outlets could be affected by a ban
- Direct revenue to the government Rs 7.5 billion, indirect up to Rs 5 billion
- Auxiliary industries like packaging, food stuff business are also suffering
- Agriculture products including maize, sugarcane, barley, rice etc. will suffer
- Impact on transport, transit, warehouse, local taxes

(Source: Industry estimates)



# ST. XAVIER'S SCHOOL

## The Golden Years

As St. Xavier's School completes 50 years of service, two pioneers describe the institution's contributions and their own experiences

By AKSHAY SHARMA

St. Xavier's School recently concluded its golden jubilee celebrations by, among other things, inaugurating a new building. Expressing his feelings at the crossing of an important milestone, Father Cap Miller S.J., rector of the school, said, "The goal of the school is to form a community of persons, which includes the staff, the students and the parents. We have a spiritual motive and we see everything as a gift of God."

Miller told SPOTLIGHT, "I've been lately reading the Gita, which comprises the three elements of *mansa*, *bachana* and *karma*. The Jesuit spirituality is similar to the Gita's. The spirit is everywhere and it never dies. We have to discover that within ourselves and to foster those conditions."

Fr Miller says the school emphasizes the growth of freedom. "Passions or energies can be misused which why discipline is necessary. People come to St Xavier's and say, 'nice building', but many don't understand our motive," he says. "For instance, we now have girls in St Xavier's so that the boys will understand and learn to respect them as human beings."

One school recently invited Fr Miller to give a talk on discipline. "Instead I gave them a talk on freedom. The headmaster had no idea what I was doing. But to me, true freedom would be to choose with the knowledge of the alternatives and the consequences."

Asked to assess the 50 years of education St Xavier's has provided to Nepalis, Fr. Miller says: "The administration of the school has been in very capable hands right from day one. We have had principals who have no other interest except the development of the community. The profit motive is absent."

James J. Donnelly S.J., a former principal, says the school makes a special effort

to prepare students for the challenges of life. "We have to make a serious effort for the SLC exams. We do tell the students to study hard for their own future. But we also tell them that exam results alone are not going to help or hurt them in the long run."

Responding to a question that the school has hardly made it to the list of the SLC



St. Xavier's school : Golden history

toppers, he says: "We don't select the cream of students and pump it into them to reach the top. Our boys understand that we are interested in their total good."

Donnelly says tuition fees are lower than those of other schools similarly ranked. "We run to break even. We don't have to pay rent, which many other schools spend heavily on. The government has been kind enough to allow us to make use of the property without charging any amount."

He then points to a basic difference. "Most of the schools are out there for commercial purposes. But then, what's wrong with that? They want to make a living. If an institution charges good deal of money for good quality education — I don't see that as

bad. They are at least giving the nation good products."

"But the story of St. Xavier's is different. We try to look around for a percentage of very poor. Some come from one-room homes, some don't have electricity. They are very poor and we want to give them a chance."

Fr. Donnelly says, "Before we had a proportionate number of Jesuits\teacher compared to the students. But now there are fewer of them. And we are not looking for any reward or anything and the quality of our service is a little better than our lay staff. Because they are married and they have their families to look after."

"We still are strict about the student-teacher ratio. In Grades 1, 2, and 3 we have

only 30 students in each class. The higher classes have 45. In the 4th grade they are into larger groups. The weeding out process begins at 4th grade. We want the students to feel happy. And the small number are divided into a smaller group. This is the theory of Father Lawrence (the current principal)."

"Father Lawrence Maniyar S.J. studied education at the American Jesuit University at Milwaukee, USA and came here as a teacher. On January 1, 1992 he became the principal and for nine years and he has created an atmosphere here that you couldn't expect anyone to do any better. He is a disciplinarian, he has good ideals and is a perfection driver." ■

## NATIONAL CHILDREN'S DAY

# Usual Formality

Despite repeated official commitments, problems of Nepal's large number of child workers are yet to be addressed properly

By A CORRESPONDENT

As Prime Minister Sher Bahadur Deuba was highlighting the plight and problems of children in Nepal on August 20, Choti Chaudhari (not her real name) was busy with her daily chores. The 10-year-old girl, who works at a five-member household at New Baneshwor, had no time to listen to the pious pledges being made by Nepalese politicians and officials on National Children's Day.

the bathroom to cleaning the house," says Chaudhari. The occupational hazards are severe. "They beat me if I fail to keep the routine or do something wrong," she adds.

Chaudhari begins her work by collecting two packets of milk from the local booth of the Dairy Development Corporation. Then she prepares tea for her masters and gets ready to cook the first meal of the day.

Thousands of children across Nepal are familiar with Chaudhari's rigorous

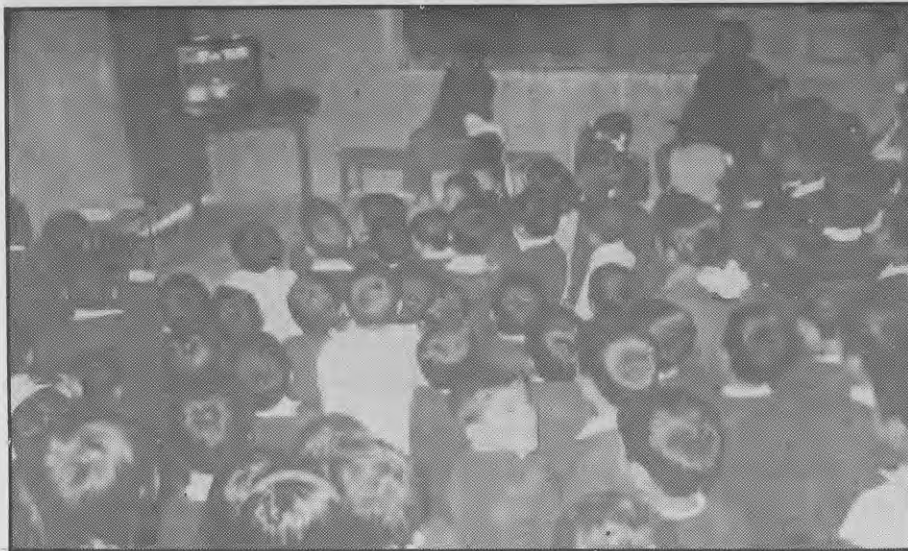
child labor in Nepal. The largest number of working children is found in the agricultural sector, followed by the service, industry, plantations, construction and other informal sectors.

Each year, more than 500,000 children migrate from rural areas to urban centers. According to estimates, there are 5,000 children on the streets, 40,000 are in debt bondage, 100 are in prison and 50,000 are working in the sex industry.

Although the Labor Act of 1992 clearly prohibits the employment of children under the age of 14, child labor remains rampant in both urban and rural areas. According to a study, the household and domestic child labor ratio in Kathmandu is 5:1. Street children, mainly beggars, rag pickers, street vendors and workers in sweet shops, restaurants and bars, are also common in the cities. Chaudhari, who get a monthly salary of Rs 200 (US\$ 3), doesn't get to go to school. But she has to escort the two children to school. The daily walk to and from school has raised her own expectations. "If I get a chance, I would love to read and write," says a determined Chaudhari, one of four daughters.

The suffering and anguish of children like Chaudhari have not been properly addressed yet. However, at the macro-level, Nepal has made some notable progress in the areas of children mortality, under five mortality and school-going children. After the Maoist insurgency began, child labor has taken a new and dangerous manifestation: child soldiers carrying firearms to wage their "people's war".

Nepal celebrated 37th National Children's Day at a time when United Nations Children's Fund (UNICEF) is urging governments to vote to safeguard the rights of the children. Although Prime Minister Sher Bahadur Deuba has voted in the interest of children at the call of UNICEF, whether Nepalese policy makers will act on Deuba's commitment remains to be seen. ■



Children in school : Hoping for bright future

Chaudhari, a resident of Banke district in mid-western Nepal, begins her hectic schedule at 5 in the morning. She does the cooking, washing and cleaning and takes care of the two children. It is also her job to do everything else her masters ask her to do. It's well past 10pm by the time her day is over.

"I have to work like a machine, doing everything from placing towels in

schedule. That's because they are forced to follow it themselves. "A large number of children, who have migrated from rural areas, are working as domestic child labor," says Gauri Pradhan, a child rights activist and president of Child Workers in Nepal Concerned Center.

According to a recent study, more than five million children are directly or indirectly engaged in different forms of



## INSURANCE BUSINESS

# Confined Coverage

The potentials of insurance business remain largely untapped

By SANJAYA DHAKAL

Among the seven SAARC countries, Nepal remains at the bottom as far as insurance business is concerned. Merely 10 percent of the income-generating population in the country have their lives insured, compared to 19 percent in India and five percent in Sri Lanka.

In the non-life insurance sector, too, the prevalent practice here is to buy insurance policies only when it is required compulsorily, such as when seeking bank loans. "Private property is rarely insured," says an insurance official.

Even with such minimum penetration, the total market of insurance in Nepal has reached around Rs 7 billion. "Five billion rupees for the life insurance and the rest for non-life," says the official.

Already there are 17 companies involved in insurance business, with four allowed to operate in life insurance. Recently, the branch of Delaware-based American Life Insurance Company (ALICO) and Life Insurance Company — a joint venture with LIC India — have been granted permission to run life insurance business.

ALICO was the first foreign company allowed to run the lucrative life insurance business by the Insurance Board, the body that regulates the sector. It has started the business with the initial investment of Rs 50 million. Two other companies — state-owned Rastriya Beema Sansthan (RBS) and Nepal General and Life Insurance Company — are involved in this sector.

Some officials argue that the decision by the board to grant permission to foreign companies to run life insurance business in the country is a "revolutionary" one, as even India has not given such permission. The officials see it as "test case".

People involved in the insurance sec-

tor point that there is ample opportunity to widen the insurance market here. At present, most of the people are not even aware about the insurance policies and their benefits.

There are more than four million households in the country. Even if only ten percent of them insured their property, the present business could jump by ten



Rastriya Beema Sansthan : Plagued by problems

fold, estimates one official. Besides, there is no sound insurance policy of the government.

When the insurance board took the initiative a few years ago to get the insurance of the Kaligandaki A project done by domestic companies, the annual premium of the companies increased by Rs 50 million. If all foreign projects are made to have their insurance done by domestic companies through government policy, the business could make a great leap.

One insurance official rues the lack of government policy in using the funds collected by the insurance companies. "The government and the National Plan-

ning Commission should issue insurance bonds to make use of such funds and use them in development works," he says.

Among the insurance companies operating in the country, the RBS is fully owned by the government. But it has been passing through various problems like outstanding premium. Recently, there were reports that it has not been audited for the last five years.

While the situation of the government-owned insurance company is so dismal, the situation of private ones is at best "unknown". Most of the "big houses" or industrialists have their own insurance company. The Chaudhary Group has United Insurance, Khetan Group has Everest Insurance, Golchha Group has Sagarmatha Insurance and so on.

Naturally, the businesses of these "big houses" are channeled to their respective insurance companies. And as both the insurance company as well as the client company is owned by the same group, the transparency of their transaction is often overlooked. As one official puts it, "They are public limited companies run in private culture."

With the insurance sector getting bigger recognition worldwide, the sector here needs some dressing up. Moreover, as the country prepares to enter the World Trade Organization, proper policies are imperative to equip domestic insurance companies with the necessary expertise. ■

LAND REFORMS

# Populist And Unrealistic

With a surprise eight-point special program (borrowed from his predecessor Girija Prasad Koirala's 14-point national consensus agenda), Prime Minister Sher Bahadur Deuba has shown that politics is also an art of populism. By freezing land transactions, Deuba has won supporters in the main opposition party, but his decision has pushed the nation's economic activities to the brink. By issuing *Hukum* (a decree) from parliament that ignores constitutionally guaranteed rights of citizens, Deuba has violated the principles of democracy. At a time when Deuba's priority list is already filled with enormous challenges, including resolving the Maoist insurgency, what prompted him to engage in populism?

By KESHAB POUDEL

**W**hen Prime Minister Sher Bahadur Deuba, who took office a few weeks ago pledging to bring the Maoist rebels to the negotiating table, announced an eight-point special program on Thursday (August 16) from the House of Representatives podium, he landed himself in a constitutional and political con-

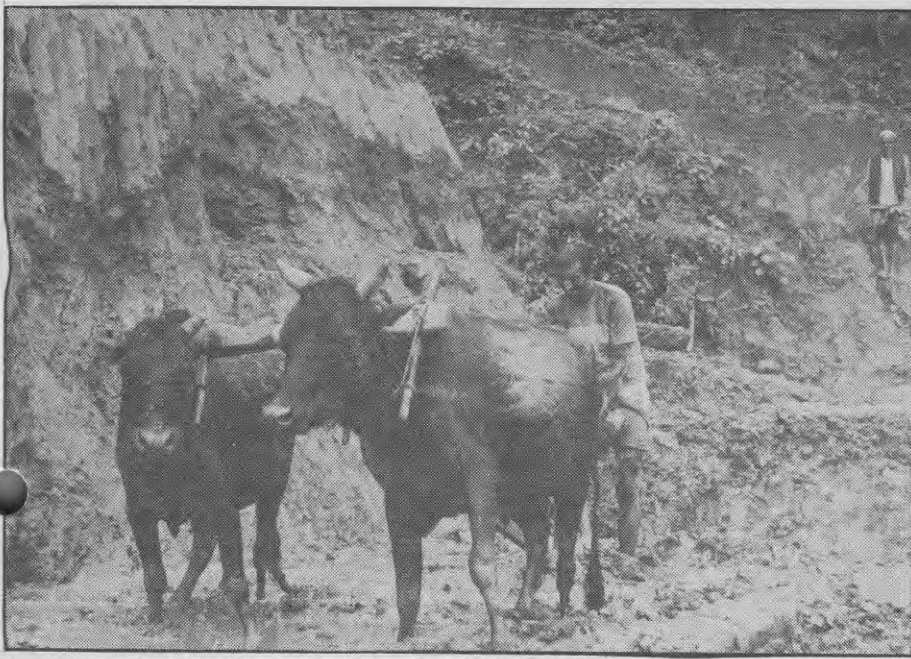
troversy.

Although the main opposition party backed the prime minister, two national parties have announced that they will not let the legislature function until Deuba withdraws the decision. Backed by the Rastriya Prajatantra Party (RPP), Nepal Sadbhavana Party (NSP) has disrupted the proceedings of the house, demanding the withdrawal of the land-reform and land-ceiling components from Deuba's program.

The eight-point national program is not the brainchild of Deuba. It was taken from the 14+3 national consensus agenda tabled by his predecessor, Girija Prasad Koirala, and endorsed by the main opposition CPN-UML.

Even though the agenda makes little economic sense, the land-distribution component seems to have been advanced as a way of popularizing the ruling Nepali Congress party and the Deuba government.





**A farmer ploughs his land :** Will reform improve his condition?

Can the Nepali Congress go to the elections after initiating sweeping land reforms? As a large number of Congress voters are landowners, this decision would reduce its vote bank. For the main opposition, the announcement is going to be a new mantra ahead of the local polls. There is going to be a heated competition for populism between the two major parties.

Until now, the competition has been for the power that comes with the ballot. However, the Maoists have emerged as a strong political force on the basis of the bullet. In a situation when guns have entered the political arena, populism generated through land reform would have little meaning.

After the ruling and main opposition parties agreed to reduce the land ceiling, the party with the guns already started to grab land and distribute it. All political leaders — whether they believe in the ballot or the bullet — are in a race to outstrip each other in terms of populism. But do they understand the economic repercussions of their race?

The populism will create false expectations and eventually destroy peace and harmony in the villages. Such measures would have a negative impact on the productivity of land because people will not allow tenants to work on them. Moreover, the uncertainty generated by the decision

will affect the national economy for the long time.

Following the announcement, expectations among landless peasants have increased. Some farmers even reportedly started to encroach the land of others. Experience has shown that the distribution of small land cannot fulfil the expectations of the landless. Instead, rising expectations will promote discord. In such a situation, the radicals would have nothing to lose.

"Distributing land is not a solution and it will not end the disparities in the society," says Padma Lal Devkota, a professor of sociology and anthropology at Tribhuvan University. "The cost of the rift and tension in the society is much higher than the economic benefit of such reform."

This decision lacks economic justification. Land reform is aimed to encourage farmers to use adequate fertilizer and new technology, not the distribution of land. Distributing land will reduce annual production, as poor farmers can not afford technology and fertilizers.

"It is time to use agriculture as a capital-intensive enterprise rather than a labor-intensive one. Agriculture products are very competitive, as the price of wheat, corn and rice continue to decline compared to the Indian products and the government is in no position to subsidize agriculture. What is the use of redistributing land in such a

situation?" asks an economist.

### How did it Originate

Deuba's announcement seems to be inspired by politics more than economics. In a situation where political leaders are weak, they have no alternative to making compromises with the opposition to continue in power. Koirala and his predecessor, Krishna Prasad Bhattarai, have had to make compromises to remain in office. "Such situation is natural when parliament is stable and the prime minister is unstable," says a constitutional lawyer. "The experiences of the last two parliaments have shown that no prime minister can expect to remain in power without fulfilling the wishes of a stable parliament."

Koirala announced his 14-point national consensus agenda when he was at the weakest point of his career. At the time, Koirala was prepared to pay any price to remain in office. So in mysterious circumstances, his Nepali Congress and the main opposition CPN-UML reached a 14-point agenda of national consensus. In a series of secret meetings, Koirala reached a consensus with the communist. Suddenly, the communists changed their stand and Koirala was toppled.

Deuba announced his eight-point program based on his predecessor's 14-point agenda. "This is not Prime Minister Deuba's program. It is a program agreed to between Girijababu and opposition leader Madhav Kumar Nepal," says a Congress insider.

The opposition of the RPP and the NSP is equally mysterious. They had supported the 14+3 national consensus agenda that Koirala had proposed. The RPP and the NSP seem to have been inspired by extraneous motive to pressure the Deuba government. The actions of both parties have in the past brought opposite results. "The opposition of both parties will help the implementation of land reform," says a political analyst.

A coherent land-reform program is the best way to transform society in a country where a large segment of land is held by a small section of the population. But there is no meaning of land reform in a country like Nepal, where such a land ownership pattern exists.

No one sees the rationale for Deuba's announcement. Those who were led to

believe that the new prime minister was solely focused on his one-point agenda of ending the Maoist insurgency were startled by Deuba's announcement. After the announcement of the program, some have lost hope in the prospects of a fruitful dialogue between the government and rebels.

Nepal has seen several rounds of uncertainty in the land sector. It took decade to stabilize the land after the first round of land reforms in 1964. The second amendment of act in 1998, which ended dual ownership of land, generated another round of uncertainty. This announcement rocked the entire real estate business.

### Land distribution in Nepal

The "Policy Outlook on Land Tenure Situation In Nepal" prepared by Ram P. Yadav in 1999 shows the mode of land holding, farm size, cultivated land and other pattern. The Sample Census of Agriculture taken in 1981 shows extremely skewed land distribution in the country. In 1981, 50.5 percent of households had holdings of less than 9.5 hectares, accounting for only 6.6 percent of the cultivated area. On the other hand, 47.3 percent of the cultivated land was covered by holdings of more than three hectares and owned by only 8.9 percent of households.

Ten years later, in 1991, approximately 43.8 percent of households had holding of less than 0.5 hectares, accounting for 11.3

percent of the cultivated area. Thus over the period of a decade, there was some decline in the proportion of households in this category, but the percentage of land owned by this group increased significantly. Also the actual number of households in this category increased by 8.1 percent over the same period from 1,107,902 to 1,198,123. The positive change over time is that the average size of holdings in this category increased from 0.15 hectares in 1981 to 0.25 hectares in 1991.

A significant change is observed in the group of holdings of more than three hectares in terms of both percentage of households and the percentage of cultivated land between 1981 and 1991. During this period, the percentage of households having land holdings between 0.5 and 1 hectare increased from 16.2 to 26 and the percentage of total cultivated land in this group increased from 10.8 to 19.2. The trend showed that over the period of 1981 and 1991, the larger landholdings were converted into numerous smaller holdings, which may have happened largely due to the selling of landed property by large landlords and division of land among the family members due to the Law of Inheritance.

### History of Land Reform

Nepal has experimented various programs to improve the land tenure situation. The implementation of Land Reforms Act

1962 was one of the comprehensive measures. The act, among others, fixed the ceilings on landholdings in different geographical region in the country. According to the Act, a family can hold cultivated land up to 25 bigha (16.93 hectares) in the Terai and inner Terai, 80 ropani (4.07 hectares) in the hills and mountains and 50 ropani (2.54 hectares) in the Kathmandu valley.

The land reform was introduced over several phases. This was the first act that defined landlords, tenants and their rights to the land. In the process of implementation, society has seen many bad experiences.

"Nepal does not need land reform right now as there are no disparities on the basis of land holdings. Such steps will further encourage fragmentation of the land," says an economist. According to the census of 1991, only 0.3 percent of households (approximately 8,000) in the country owns more than 10 hectares of total cultivated land, with the average size of land holding of 18.44 hectares. Under this category, in Terai, 0.5 percent of the households (about 5,800) owned 7.0 percent of the Terai land and in the hills and mountains 0.1 per cent of households (about 2,400) owned 4.5 percent of the total hill and mountain land. The trend of landholdings in the last two decades shows that the number of households and the amount of cultivated land owned in the category of above 10 hectares continue to decline.

"Their need to be changes in the definition of ceiling and radical land reform programs in the country," says Dr. Mohan Man Sainju, chairman of Institute of Integrated Development System. The recent decision will have long term positive impacts."

Instead of setting land ceilings, a better way would have been progressive increases in taxation. If the taxation in land is reviewed and land tax is set under the land holding, people will start to give away their land. "I don't see such kinds of land reform system will bring any social and economic benefit to the people. It will create more rifts in society," says Sunil Bhandari, former MP and a member of the Nepali Congress Central Committee.

Former deputy prime minister and powerful Congress Central Committee



Farmers busy in planting rice : Concerned about the yield



member Shailaja Acharya called an emergency meeting of the party to discuss the reforms announced by Deuba. "How could Prime Minister Deuba have taken such a drastic decision without consulting the party?" she asks.

The other components of the prime minister's program includes the formation

of commissions on women, backward classes and so-called "untouchables", ethnic groups, specific commitments against corruption, elections reforms and effort to rehabilitate Kamaiyas and the landless, which are positive. However, the decision to freeze the buying and selling of land and other property indefinitely obscured the

other features.

Wreaked by lawlessness and growing Maoist violence, the country's economic progress will face another major setback through the freeze on land. The government, which is going to lose revenue worth billions of rupees after the closure of beverage and alcohol production, would have

## 'The Decision Is Against The People'

— BADRI PRASAD MANDAL

*BADRI PRASAD MANDAL, parliamentary party leader of Nepal Sadbhavana Party sees Prime Minister Sher Bahadur Deuba's land reform policy as a hoax. Mandal has demanded a ceiling on property rather than on land. Mandal's party has declared that it would continue to disrupt the parliamentary proceedings until the government withdraws the decision. Excerpts:*

**At a time when the ruling and main opposition parties are describing Prime Minister Deuba's announcement as a revolutionary step, why is your party opposing it?**

We are not alone in opposing Prime Minister Deuba's announcement. The Rastriya Prajatantra Party has formally decided to join us. MPs representing the Terai and other regions who are in the two largest political parties are also with us. If the main political parties allow their MPs to follow their conscience, more than 95 percent of the legislatures will support us. In the Terai, land fragmentation would further reduce production levels. After all, how much land do the people in the Terai have? The announcement of Prime Minister Deuba is against the interests of Madhesi community. It will turn many people living in the Terai landless.

**But main opposition party leader Madhav Kumar Nepal claims that this is a revolutionary decision. How do you look at it?**

We are demanding ceiling on property but not on land. In the name of land reform, the Nepali Congress and CPN-UML are trying to protect their property. There are wide disparities in the distribution of property. If you evaluate the position of the people in terms of property, you can see

how big these disparities there. The value of Prime Minister Sher Bahadur Deuba's newly built house at Budhanilkantha is worth thousands of bigahas of land in Terai. Likewise, the value of the house of the main opposition party leader is also worth thousand of hectares of land in the Terai. The value of land and property in the Kathmandu valley in other urban areas are much higher than the land in the remote hills and the Terai. If seen in terms of value, it is a hoax to claim such a step as revolutionary. The commission money the ruling party and main opposition parties acquired through the Landa Air and China South-West deals can purchase entire Terai districts like Morang and Rautahat.

**What is your demand then?**

We want a ceiling on property. If country's two major parties are really sincere, they can introduce an act on property ceiling. After Deuba's announcement, the people in the Terai have lost the opportunity to engage in small business by placing their land as a collateral to get money. Since the announcement, all land activities have stopped, small farmers and poor peasants with a small land have nothing left to claim as theirs. This decision is against the poor people and the people of the Terai. Nepal Sadbhavana Party sees the decision is another shock after the citizenship fiasco.

**Your party has five members in parliament and the RPP has 11. How can you stop house proceedings for a long time?**

We will not allow the speaker to enter into regular business. The speaker has to ask his marshals to throw us out.

**If the issue is so serious, why have the ruling and opposition parties supported the move?**

Since the main opposition party is run by a group of people representing the hills, they do not understand the problems of Madhesi. Had they been really sincere to the cause of the people in the Terai, they would not have supported the program.

**But so many top leaders in the Nepali Congress like Krishna Prasad Bhattarai and Girija Prasad Koirala, and Madhav Nepal, K.P. Sharma Oli and Bharat Mohan Adhikary in CPN-UML have been elected from the Terai. Why are they supporting the move?**

All the major political parties seem to realize the drawbacks of the decision. Senior Congress leaders have already demanded the party's central committee meeting. Moreover, there are signs of a revolt in the main opposition party.

**Minister of Information and Culture Jaya Prakash Gupta, who is also the spokesman of the cabinet, has defended the move as constitutional and has expressed confidence that your party would eventually accept it. How do you look at it?**

Regardless of what the government says, the announcement is against the spirit of the constitution and existing law. The announcement curtails the fundamental rights of the people. More than half a dozen of petitions have already been filed in the Supreme Court.

**So you will continue to your opposition?**

We have support from all communities including those in the cities. If the government does not withdraw its decision, it will have to be prepared to face dire consequences. The political leaders must understand that Nepal is not a country of particular group of people representing small urban areas like Kathmandu.

# 'Land Is The Property Of The State'

— JAYA PRAKASH GUPTA

*Minister of Information and Communication JAYA PRAKASH GUPTA is also the spokesman of the cabinet. He holds the views that the state has to take some radical steps in the interest of the larger community. Prime Minister Deuba's announcement on land reform is a part of the process to improve the life of common people, he says. Excerpts from Gupta's comments on Nepal Television's Bahas Program:*

**It is said that the government's land-reform decision is against the spirit of the constitution. How do you defend your decision?**

The government can freeze the land it wants, as land is the property of the state. The government is doing so under the constitution and existing laws. Even in the Pashupati area, the government has put a freeze on the transaction of land for certain period. When I was chairman of Koshi Tappu Wildlife Reserve, I froze the transaction of land and property for certain period in Udayapur, Saptari and Sunsari.

**When will you table the bill in the parliament?**

We will table the bill during this session and hope it will be passed within a month. So the freeze on the land transaction is just temporary. The land is owned by the state. So the freeze is not in violation of the act or constitution.

**Even if this is a revolutionary step, why did you not consult with other parties?**

Had the government not announced the decision, there would have been the possibility of misuse of property and land. So the decision is just temporary. We understand that freezing transactions temporarily would harm small farmers who want to do something by selling their land.

**Don't you think this decision would hit the national economy?**

I don't think it will do any big harm. If we stop interpreting the decision on a personal basis, I don't see anything is going to happen. The government took this decision with a broader national perspective. The state has right to confiscate land. We are not doing it for ourselves.

to part with an additional billions of rupees by blocking land transaction. Most importantly, the decision would disrupt the whole banking process. The need for land reform is hardly in doubt, but the question is how much and through which procedures.

## Revolutionary Leader

Despite strong opposition from other parties, leaders of the main opposition hailed Prime Minister Deuba as a revolutionary. "The announcement of Prime Minister Sher Bahadur Deuba is a revolutionary step, as it paves the way to end the disparities in the agriculture sector," said Keshab Badal, politburo member of the CPN-UML and former chairman of the High Level Land Reform Commission. "In a country where a large number of peasants do not have land, the state can redistribute land by taking it away from the landlords."

The landowners should redistribute their land to tenants. Large areas of land are lying uncultivated. Some portion of the

land is not under the ownership of tenant. There is a problem of ownership of land.

"The sooner Deuba tables the bill in parliament, the better it would be for the land-reform program. If the government does not introduce the act in time, it would create more problems in the future," said an economist. "It is up to Deuba now to defend his title of revolutionary."

Dr. Prakash Sharan Mahat, one of the prominent younger generation economists of the Nepali Congress, backs Deuba's initiative. "I am an advocate of this program because it is necessary for socio-economic change," says Dr Mahat, a close adviser to the prime minister. "Prime Minister Deuba discussed land reform issues with party colleagues. I found the prime minister's arguments convincing," he says.

"You can not see major changes through land reform, but it gives a symbolic meaning. The implementation side of land reform is very complicated but it will

bring socio-economic health. It would be an illusion to expect that land reform will uplift the people overnight, but this step will bring symbolic gestures," says Dr. Mahat, one of the US trained economists in Deuba's team.

Although the announcement has generated some hope in the political sector, it has convulsed the economic sector, forcing banks and financial institutions to stop all transactions. "If the situation continue for another few more months, the country's economy will suffer heavily," says a senior executive of one of the joint venture banks.

Dr. Tilak Rawal, governor of Nepal Rastra Bank (central bank), however, does not see a threat. "The freeze on land transactions will have only a temporary effect on the banking sector, but it will bring more positive results," Dr. Rawal said at a public function.

## The legal tangle

Constitutional lawyers argue that the decision is against the spirit of the constitution. "The announcement is unconstitutional and illegal as the present constitution guarantees the rule of law and the government is not above the law. The government cannot freeze transaction of land without introducing an act," says advocate Harihar Dahal, former president of Nepal Bar Association.

Deuba's announcement to freeze the transaction of land is against the spirit of the Constitution of Kingdom of Nepal 1990. "The announcement to impose the restriction in the property is a clear violation of the constitution. The constitution under Article 17 clearly guarantees the right of property of every citizens," says advocate Sunil Adhikary.

The government can restrict the transaction of land but the law must back it. "The government can restrict the ceiling of the land but it must be in conformity with the law. The recent announcement is not based on any law," says advocate Prakash Wasti.

After Deuba's announcement, more than half a dozen cases have been filed at the Supreme Court demanding that the notification on freezing land transactions be quashed. People are going to the district courts to safeguard their property from government intervention.



**Constitutional provision**

Article 17 under the Right to Property says:

(1) All citizens subject to the existing laws, have the right to acquire, own, sell and otherwise dispose of property.

(2) The state shall not, except in public interest, requisition, acquire or create any encumbrance on, the property of any person.

(3) The basis of compensation and procedure for giving compensation for any property requisitioned, acquired or encumbered by the state in the public interest shall be as prescribed by law.

Others say the directive principles and policies of the state can allow the government to take such steps. The Supreme Court has already defended the right of the state to acquire land through an act when it gave its verdict on Land Reform Amendment Act 1998.

Clause 5 of State Policies of the constitution says the state shall create conditions for economic progress of the majority of the people, who are dependent on agriculture, by introducing measures which will help in raising productivity in the agriculture sector on the principles of industrial growth by launching land reform programs.

The existing law must back every action of the government. Right to property means to acquire, sell, share, transfer, mortgage, rent or dispose of it in any manner at any time. But here the prime ministerial declaration and the government notification explicitly say that the government has decided to freeze all kind of transaction pertaining to land until the new law is made.

Do they not differentiate between existing provisions of the law and future provisions? Are the people such fools to believe them? If the government can do these things without the law, then why do they need laws at all? If everything can be done without law, isn't this akin to Jung Bahadur Rana's 'hukumi system' (rule by decree)?

The Pashupati Area Development Trust and the Koshi Tappu Wildlife Reserve have laws to restrict the use of land. In this case, the freeze covers the whole country and all kinds of land, for which

there is no law. Can the economy be held hostage for an indefinite period? How deeply would transactions be effected? The asset of many Nepalis is land. What will happen to land given as collateral?

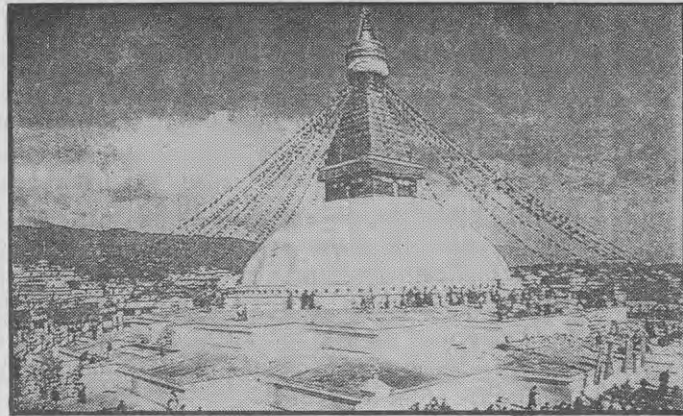
For particular uses of land, the government may put some reasonable restrictions under the relevant laws. In the urban areas, one can not build a house without the approval of the municipality, but this pro-

vision is not required in villages. However, Prime Minister Deuba issued a flat decree in parliament.

Nepal's economic sector has been shaken following the announcement and nothing can undo the tension generated by the decision. The populist statement is slowly losing its impact. Even if the government withdraws its decision, it will take many years for the land sector to stabilize. ■

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# Where Is The Land To Distribute?

By RAM PRAKASH YADAV

Nepal has taken several initiatives to improve the land-tenure situation, the Land Reforms Act of 1962 being the most comprehensive. The act fixed ceilings on landholdings. A family could hold cultivated land up to 25 bigha (16.93 hectares) in the Terai and inner Terai, 80 ropani (4.07 hectares) in the hills and mountains, and 50 ropani (2.54 hectares) in Kathmandu Valley.

Since that act was implemented over several years and because the ceilings were imposed in three installments, large landowners got ample time to sell surplus land or redistribute it among relatives. Thus, the government could acquire only 31,841 hectares and redistribute only 29,123 hectares (1.5 percent of the total land) among the landless and small landholders.

In terms of actual acquisition of land above the ceiling and redistribution to the landless and poor, the land reforms programme does not seem to have been effective. Nevertheless, most large landowners no longer saw an economic future in holding land and began selling. Because of the law of inheritance, land was further divided among sons, which reduced the holding size. Subdivision and fragmentation of holdings have led to uneconomically small farms scattered over different places. This has hurt agricultural production and productivity.

In 1961, in the category of above 3.0 hectares, about 8 percent of households owned 53 percent of the cultivated land, while in 1991, 4.7 percent of households in the same category owned only 26.5 percent of the total cultivated land. Similarly, in the Terai, 23.8 percent of the total households having more than 3.0 hectares owned about 72 percent of the total cultivated land in 1961, whereas in 1991, only 3.5 percent of households in the same category owned 36.7 percent of the total cultivated land.

Would all the hassles of introducing another agrarian reform with a major focus on the reduction of land ceiling bring about substantial gain over the pains and cost of that reform? Even if the purpose is to discourage possession of land above the ceiling, it can be achieved through progressive taxation.

## Where is the land to distribute?

The National Agricultural Sample Census of 1991 shows there is not much agricultural land to be distributed. However, there is still great potentiality to lease degraded forest and wasteland to the poor in hills and mountains.

There are 580,000 hectares of shrub land/degraded land and 705,000 hectares of non-cultivated inclusions in the mid-hills and high mountains (LRMP, 1986), together making up 1.285 million hectares. A recent publication, Forest Resources of the Hilly Areas of Nepal 1994-1998, shows that there is 1.571 million hectares of shrub land in the hills. If we consider households having less than 0.5 hectare of land as eligible to receive lease of such

land, the number of such households in the hills and mountains were 784,000 in 1991. The number of such households must have increased since. If we assume that the rate of increase in this category equaled the rate of increase between the 1981 and 1991 censuses, then there would be an estimated 900,000 such households now.

A rough calculation indicates that each household can lease 1.3 hectares of land if we take the LRMP figure, which is less than the recent figure of 1.571 million hectares. Some of these lands may be too far and inaccessible from settlements. We may assume that 30 percent of the 1.285 million hectares is unsuitable for lease. There would still be about 0.9 million hectares of land to lease to 900,000 households. Each household could have one hectare under the leasehold forestry provisions for the poor. If we lease out 0.5 million hectares of such land to say 500,000 households in the hills at the rate of one hectare per household, this could turn out to be the most revolutionary land reform programme in the country. Since the ownership of this land lies in the state, there would not be any problem for the government to undertake this reform.

Degraded forestland that can be used to grow grass and fodder could provide a good opportunity to the landless, marginal and small farmers in the hills, who are facing severe scarcity of these things. Adoption of improved breeds of cattle along with stall-feeding of animals could be beneficial to both people and forest. Other minor forest products, such as non-timber forest products, could be produced on leased forestland, enhancing their income. A lease time of 40 years would be enough to create

**Table 1: Farm Size and Distribution of Cultivated Landholdings in Nepal in 1981 and 1991 (in percentage).**

Category	Percentage of Total Households		Percentage of Total Cultivated Land		Average Cultivated Area/Holding	
	1981	1991	1981	1991	1981	1991
<0.5 ha	50.5	43.8	6.6	11.3	0.15	0.25
0.5-1 ha	16.2	26.0	10.8	19.2	0.74	0.70
1.0-3 ha	24.4	25.5	35.3	43.0	1.62	1.60
More than 3 ha	8.9	4.7	47.3	26.5	5.96	5.37
3-5 ha	5.5	3.2	18.5	12.6	3.81	3.71
5-10 ha	2.7	1.2	15.8	8.1	6.47	6.55
Above 10 ha	0.7	0.3	13.1	5.8	21.68	18.44
Total	100.0	100.0	100.0	100.0	1.12	0.95

Source: Central Bureau of Statistics, National Agricultural Sample Census, 1981 and 1991.



a sense of secure ownership.

In the Leasehold Forestry Programme, ownership is not transferred to the people as in the Sukumbasi (resettlement) programme. Only the users' right under conditions agreed between the Department of Forestry and the lessee is extended. It is commonly heard that land transferred under the resettlement programme is often sold by the re-settlers, who again become re-settlers. The transfer of ownership to re-settlers has perpetuated the resettlement problem, as there is an incentive to remain a permanent re-settler. A long-term lease should replace the prac-

**Table 7: Average Number of Parcel per Farm and per Hectare in Nepal and in various Ecological Regions in 1991.**

Regions	Average Number of Parcels per Farm	Average Number of Parcels per Hectare
Nepal	3.96	4.2
Terai	3.85	3.1
Hills	3.92	5.1
Mountains	4.63	6.8

Source: CBS: National Sample Censuses of Agriculture, 1991.

tice of handing ownership to re-settlers so that once a re-settler gets land, he or she cannot sell it.

**Tenants and Tenancy**

As against more than 600,000 tenants estimated by the Agricultural Sample Census of 1961, only about 300,000 tillers could be identified and granted tenancy certificates. Over the decades, the number of recorded tenants has declined. Both the proportion of tenants and the area under tenancy declined from 40.4 percent to 9.5 percent and from 25.5 percent to 6.2 percent respectively over the period 1961 to 1981. However, the 1991 census shows increases in both the number and the area, which is not consistent with the past trend.

While the number of formal tenants has substantially declined over the years, the number of informal tenants may have increased, with tenants reaching personal understanding with landlords to not claim tenancy rights. Generally, there has been a reluctance on the part of the landlords to involve tenants due to a fear that they may claim tenancy rights. This fear has even forced the landlords to keep their land fallow or only partially cultivated. This has discouraged landowners and tenants from investing in quality improvement and productivity increases. There are no records on how much land under informal tenancy is available in the country. The legislation on the abolition of dual ownership is expected to solve this problem.

The fragmentation of holdings scattered over several places is another problem. Attractive incentives for consolidating holdings are needed. The abolition of dual ownership and consolidation of holdings are vital for agricultural development in Nepal.

**Land Fragmentation:**

Land Fragmentation is considered to be one of the structural problems inhibiting agricultural modernization. Land fragmenta-

tion has its roots in the traditional Hindu Law of succession whereby all the sons are entitled to parental properties, including land. Because of the scattered nature of farm parcels and, in many instances, due to their economically nonviable sizes, farmers are prevented from adopting and benefiting from productivity enhancing technologies that are otherwise available. While fragmentation of landholding has led to wastes of land in unnecessary bond, it has also posed obstacles for more intensive cultivation.

**Conclusion**

Nepal's real problem is that a lot of cultivable land is kept fallow or is not being intensively used due to a fear among the landlords that if they rent their land on the basis of sharecropping, he may lose full ownership of the land as it is likely to be claimed by the sharecropper as the legal tenant. This regarding land ownership has discouraged both the landowners and the tenants from investing in land for quality improvements and productivity increase. Another problem is the fragmentation of holdings scattered over several places. So, another reform is required that offers attractive incentives for consolidation of holdings. Thus, both abolition of dual ownership and consolidation of holdings are imperative for agricultural development in Nepal. A legislation for the abolition of dual ownership has already been passed and is in the process of implementation. So far there is no legislation to promote the consolidation of landholding in Nepal. They often talked land reform mainly for reducing the ceiling and distributing the surplus land to the landless and poor. It does not remain anymore an important solution for poverty alleviation. There is some scope, however, for leasing the degraded forest and wasteland to the poor in the hills and mountains.

Moreover, it has been empirically proved that agricultural productivity can be increased with technological breakthroughs. Agriculture still holds the key to Nepal's development. Therefore, it is better to create an environment for adoption of improved

**Table 5: Proportion of Tenants and Area under Tenancy (in percentage).**

Description	Year			
	1961	1971	1981	1991
Tenant households as Percentage of total farm households	40.4	19.0	9.5	15.9
Area under tenancy as percentage of total cultivated area	25.5	15.9	6.2	8.5

Source: CBS Agricultural Sample Censuses, 1962, 1971, 1981 and 1991

agricultural technology in Nepal which is what the Agriculture Perspective Plan (APP) attempts to do. ■

*(Excerpts from a research paper "Land Tenure Situation in Nepal: Policy Outlook" published in December 1999 by HMG and winrock international)*

# 'After The Hrithik Roshan Episode, The Hindi Film Market Has Shrunk Further'

—UDDHAV POUDEL

*UDDHAV POUDEL is a well-known personality of Nepal's film industry. A producer and theater owner, Poudel has been involved in the sector for nearly two decades. His film "Kusume Rimal" is still remembered by audiences nearly 15 years after it was released. He owns the Gopi Krishna, the first multiplex theater in the country. Poudel talked to SANJAYA DHAKAL about the past, present and future of Nepalese films. Excerpts:*

**As a major player in the film industry, what do you think of Nepal's film market?**

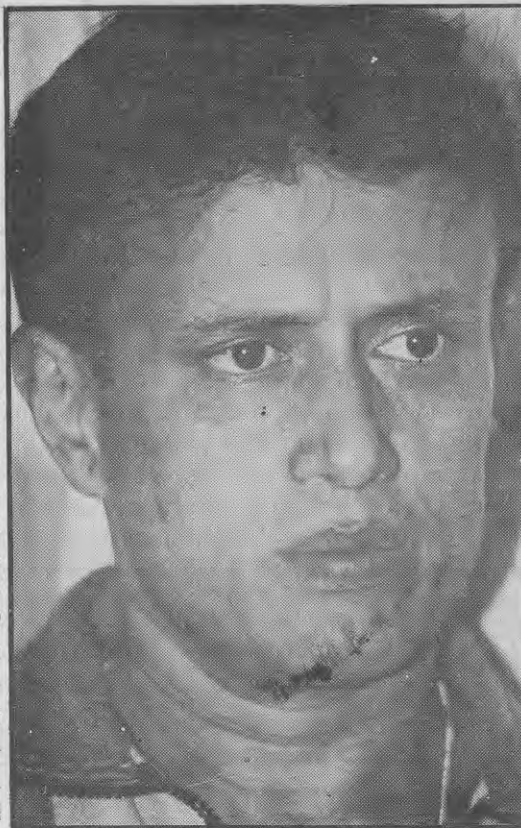
The film market here can be divided into two parts. One is the market for Nepalese films, the other is for Hindi films. For the last two, three years, the market for Nepalese films is increasing rapidly. This happened after the government gave tax rebates to Nepalese film. The government currently imposes film development tax only on foreign films. That led to the expansion of Nepalese films, which have captured nearly 60-70 percent of the total share, with Bollywood films taking up the remainder. In fact, after the Hrithik Roshan episode in December last year, the market of Hindi films has shrunk further. There is no authentic data, but I would guess the market share of Nepalese films has reached about 70-80 percent.

**As you own a major theater in Kathmandu, how do you assess the situation of exhibitors in the country?**

In terms of financial returns, the theaters are getting less compared to previous years. There are around 300 film theaters in the country today. But only 40 to 50 films are produced annually in the country. Therefore, the theaters are not getting enough Nepalese films. On the other hand, 100-150 films come every year from Bollywood. However, the

people's perception of Bollywood films has changed. That's why theaters are not getting enough films to screen.

**Many modern theaters are coming up in the country, particularly in Kathmandu. However, the technology of filmmaking in Nepal remains more**



**or less unchanged. This effectively nullifies the technological jump made by the theaters. How do you look at this?**

This is a very relevant issue. The trend here is that when we shoot a film in 16 mm, it is blown up to 35 mm. Then again, it is blown up to 70 mm for screening in cinemascope theaters. This process of blowing up results in the deterioration of quality. We do not have technical equipment. More importantly, we lack technical expertise. Besides, shooting on a wider screen is expensive. But we are

doing our best. As far as the modern film theaters are concerned, they are built keeping in mind not only Nepalese but also Hindi and English films, whose technical excellence is unmatched. Hindi films, these days, have larger overseas market. They are screened in 50 to 60 countries. They spend more on shooting a single song sequence than we do on an entire film. They make a film with a budget of Rs 600 million whereas we make a film for Rs 6 million. Naturally, we don't have the equipment, technology and manpower to compete with them. Even so, we have been making Nepalese films and producers are thinking of ways to upgrade the technology. One Nepalese film, called "Maili", was made on 35 mm last year. Hopefully, with the expansion of market, we will be able to improve our technology.

**How big is the market for Nepalese films?**

The market of the film sector can be judged when it comes up with movies. When we look at the market, we see what is the highest point of trade/profit. Last year, a few films like "Darpan Chhaya", "Tan Ta Sarai Bigris Ni Badri" did extraordinary business. "Darpan Chhaya" did business worth nearly Rs 30 million all over Nepal. "Tan ta..." grossed an equal amount.

The production cost of "Darpan.." was between Rs 2.5 million and Rs 3 million, whereas that of "Tan ta.." was between Rs 5 million and Rs 6 million. They were big hits. This is the analysis of hall owners. But we also see films produced at a similar cost struggling to recover even a million rupees. This is a public-oriented market. On average, the business of Nepalese films lie in the range of Rs 7 million to Rs 8 million. They collect half the money from Kathmandu valley and rest from around the country. Their aver-



age cost ranges between Rs 4 million and Rs 6 million. While some major hits collect big amounts, most of the films — about half of them — fail to recover even Rs 2 million.

**You mentioned that following the Hrithik Roshan episode last year, the market for Hindi film has shrunk further. Could you elaborate?**

Although I was the main victim of the episode (I lost about Rs 7 million in damage to my theater), it seems that after the event there has been a surge in sentiment among Nepalese people. Though it later appeared that the person in question had not said the things attributed to him, the people developed strong sentiments. This coincided with the time when Nepalese films were developing both in quality as well as quantity. Besides, after that event, the import of films, too, decreased by certain extent. All this made for an environment that helped Nepalese films thrive. In fact, it is not only one reason, but a combination of all the ones I mentioned earlier that helped in expanding the market for Nepalese films.

**There was some conflict among hall-owners and film producers a few years ago regarding the issue of screening Nepalese films. What is going on in this front at present?**

Today theater owners are demanding more Nepalese films, while producers are unable bring out enough films. In the past, producers had to wait in queue to release their films in a particular theater. This is not so today. In fact, Nepalese films are being released simultaneously. But still, the number of Nepalese films is not enough to meet the requirement of halls. The situation has reversed.

**The number of new theaters, too, has increased. How do you look at it?**

This is a natural development. With the increase in the market, these changes are inevitable.

**Recently, two Nepalese television channels, NTV and Channel Nepal, have gone on satellite transmission. How could Nepal's film sector stand to gain in terms of supplying programs?**

We should be able to get benefits. It is up to them to make an analysis on how economical it would be for them to develop their own programs. In fact, they are already buying film rights from producers. I have not sold any of my films yet. But I have found many Nepalese producers selling their films outright for Rs 300,000 and more.

**You recently organized a British Film Festival in your theater. How do you see the market for English films?**

At present, the English films, whether British or from Hollywood, are



not coming to Nepal through official channels. In most cases, the films hit the Nepalese screens illegally. They are mostly bought from Indian distributors who are allowed to distribute only in India. I have found that foreign producers are now thinking of selling English films in Nepal legally. The US and British embassies are also getting active about this. A British Film Festival was organized recently and an American Film Festival is in the pipeline. They are doing their homework. Maybe it is in this very context that I have been invited by the British government to participate in an interaction program in October in London to observe the latest technology in this field and find ways of promoting British films here. I feel that given the expanding market for English and Hindi films, if we, too, had modern technology, we could penetrate that market. In fact, "Caravan" is a clear example of how we can succeed in the category of foreign-language films. It shows we can

make films based on our issues and gain name and fame in the international arena.

**How is the market for Nepalese films among the Nepalese living abroad?**

We are cashing in on the overseas market. Last year, I screened my film "Mato Bolchha" in the United States. Ashok Sharma has done the same and Kiran KC is taking his film soon. It is the Nepalese who see our films so we have a market wherever they are. In India, we have a good market. We have markets not only in Sikkim, West Bengal and Bhutan — where there are large Nepali-speaking communities — but also in big cities like Mumbai and Delhi. Our films are screened for two to three weeks there. We also have a market in Hong Kong. Fifteen years ago, I had sent my film "Kusume Rimal" for screening in Hong Kong and I earned nearly 80,000 HK dollars then. Of late, we are feeling the brunt of piracy. Even before we take our films, pirated cassettes and CDs flood the market. This is becoming a big problem. I heard that

Karishma's "Dhukdhuki" did business worth nearly one million rupees when she took it to the United States last year.

**There are accusations that Nepalese films are replete with vulgar scenes and producers are encouraging such films for quick money. What do you say?**

I will tell you one interesting thing that I have found. Women are the primary audience of our films. Any film that clicks with our female audience has made it big. The ones rejected by them have flopped miserably. As such, you will find that only clean films that can be viewed comfortably by a family have become hits. The ones that give adequate representation to the women's point of view have clicked. I believe that no producers, who have already burnt their fingers by making films with vulgar scenes, will repeat the act. I cannot say what the newcomers will do, but a professional and serious film-maker who makes films only after thoroughly studying the market trend will not engage in such acts. ■

## BOOK

# Anatomy Of Democracy

In weighing the challenges and prospects of democracy, a political science professor rebukes politicians

By KESHAB POUDEL

None pretends that democracy is perfect or all-wise. It has been said that democracy is the worst forms of government, except all those other forms that have been tried from time to time.

That quote from Winston S. Churchill is among the most popular descriptions of democracy. If the expressions of Churchill, one of the prominent politicians of the last century, is adopted as a measure of judging democracy, discussions about the challenges and prospects of democracy becomes a never-ending process.

History has shown conclusively enough that democracy is a political system that needs a long experiment to gain maturity. Discussions and analyses of the challenges and prospects of any democratic set-up thus become an ongoing part of that experiment.

Rabindra Khanal, a professor of political science, has tried his hand at explaining the challenges and prospects of democracy in Nepal. In his evaluation of the process, Khanal discusses such issues as the challenges to democracy, the role of political parties, political institutionalization and political culture, the role of civil society, good governance as the basis of local democracy and the strengthening of civil society through media.

The history of democratic development in Nepal was established about 53 years ago after the Rana regime was overthrown. During this five-decade-long experiment, Nepal has gone on a roller-coaster ride, trying out four constitutions. Nepalese intellectuals always tend to blame the constitution when they see flaws in the political process. There is no dearth of people ready to make such criticisms, but no one really seems to understand their own compulsions. From intellectuals to academicians to constitutional experts, everyone seems obsessed with criticizing the political process without providing much by way of solutions.

As Frederico Mayor, former director-general of the United Nations Educational,

Scientific and Cultural Organization, says, "Success in constructing a democratic civil society depends on the commitment of the population at large to the democratic ideal, on its active involvement and all aspects of political, social and cultural life, on tolerance of differences combined with respect for majority opinion, as well as on the existence of democratic institutions and wise political leadership."

If we view those comments within Nepal's context, the country is far away from a system where everyone plays their own role to push the democratic system forward. Following the restoration of multiparty democ-

*Democracy in Nepal  
Challenges and Prospects*

By Rabindra Khanal

Published by Smriti Khanal, Kupondol

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Pages: 110

racy in 1990, Nepalese scholars and intellectuals have been trying to devise a democratic framework largely based on western models, overlooking their own context and cultural realities.

In his book, Khanal is particularly critical of the role of political parties and political leaders. "The struggle for power among the political parties appears to have dominated every other consideration. As a result, the political process remains uninstitutionalized even after ten years of multiparty democracy," says Khanal.

"The way democracy functions largely depends on the political culture prevalent and the success and failure of democracy in any country is determined by the kind of political culture being practiced," he says.

Khanal has sought to evaluate all aspects of Nepal's democratic political process following the restoration of multiparty democracy. In terms of academic reading, the book provides a perfect description of the role of political institutions and actors and their performance. ■

## New Executive Committee At JYC

Jawalakhel Youth Club (JYC), one of the oldest clubs in the country, has a new executive committee following an election held on August 18, 2001 after a long gap.

Many interim committees headed the club amid a chaotic situation for more than a year before the election could finally take place. More than 490 voters had cast their vote to choose the new leadership.

Kishore KC, a veteran football player who is now working as football instructor at the ANFA Academy, has been elected as the new president. His association with the club dates back to more than one and a half decades. He defeated Philip KC, a long time volleyball player of the club. Sunil Shrestha, Sabin Khadka and Sudarshan Karki were elected vice presidents. Dilip Rajak is the new general secretary.

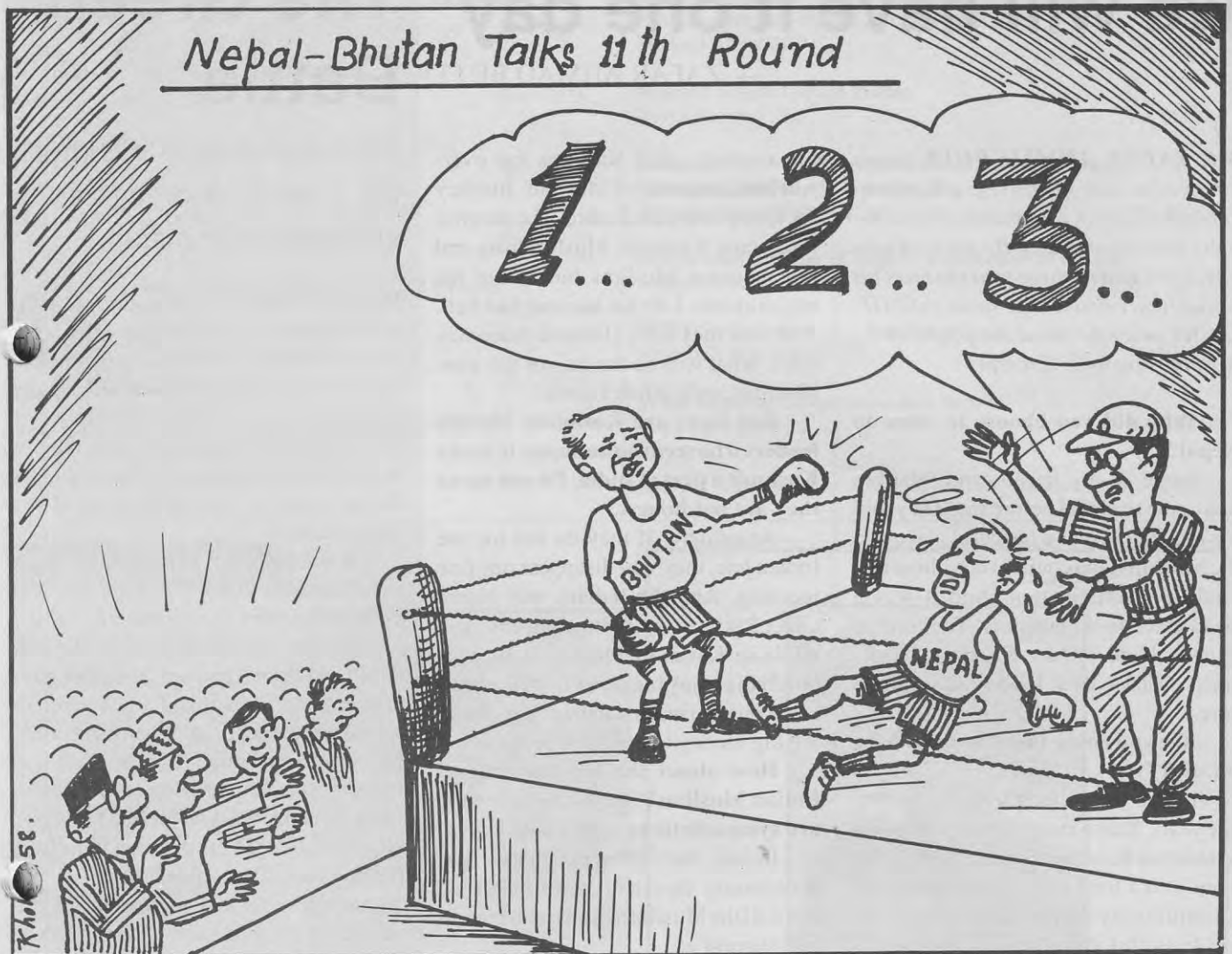
Seven members, including one woman, were also elected. They are Kuber Thapa Magar, Ghanashyam Shrestha, Laxmi Karki, Ujjwal Sherchan, Binod KC, Bijaya Bhakta Shrestha and Keshav Thapa.

Khadga Prasad Thapa and Meghna KC were elected unopposed as treasurer and secretary respectively. The election of the new executive committee, with three years' term, is expected to end the long confusion at the club.

The club has been organizing different sports and cultural programs like quiz contests, football, volleyball, table-tennis and other tournaments regularly.

However, due to the ensuing confusion, it had not held such programs of late. The new executive committee is expected to continue that tradition. The JYC football team has always been able to find a berth in the "A" division club at the national level. Last year, the club even succeeded to find a place in the super six bracket after a successful league play-off. ■





**TRANSITION**

**DIED:** Former Royal Nepalese ambassador to Japan and ex-vice chairman of the National Planning Commission, **Dr. Bharat P. Dhital**, 68, in a road accident along the Hetauda-Narayanghat section of the East-West highway last Tuesday.

**RETURNED:** **Jaswant Singh**, Indian Minister for Ex-

ternal Affairs, after completing a three-day goodwill visit to Nepal.

**APPOINTED:** **Jaya Prakash Prasad Gupta**, Minister for Information and Communication, as the spokesperson of the government, by the cabinet.

**FORMED:** A talk team under the convenorship of Minister **Chiranjivi Prasad Wagle**, by the government, to initiate dia-

logue with the Maoists.

A three-member talk team headed by **Krishna Prasad Mahara**, politburo member and including central members **Agni Prasad Sapkota** and **Top Bahadur Rayamajhi**, by the Maoists, to talk with the government.

**LEFT:** **Sarat Singh Bhandari**, Minister for Health, for Maldives, to take part in the 19th meeting of health ministers

from South Asian countries.

**INDISPOSED:** **Sindhu Nath Pyakurel**, President of Nepal Bar Association, after suffering a heart attack. He is now hospitalised at Escort Heart Research Center, New Delhi

**CONTINUED:** **Badri Bahadur Karki**, Attorney General at his office, upon request from the Prime Minister He had offered to resign after the change in government. ■

# "We want plebiscite and we will have it one day"

— ZAFAR AHMAD BUTT

*MR ZAFAR AHMAD BUTT (name changed to hide identity) is a Kashmiri refugee living in Kathmandu, Nepal for more than two decades. He goes to Kashmir every two or three years to meet his friends and relatives. He spoke to SPOTLIGHT recently about the plight of the Kashmiri people. Excerpts:*

**Why did you choose to come to Nepal?**

Some of my friends and relatives had come to Nepal before me. They told me that Nepal was a peaceful place and the Muslims also could live without any kind of discrimination. And it was a good place to do business. The foreign tourists liked to buy Kashmiri handicrafts. That's why I decided to come here.

**Are you going to settle down here for ever?**

I have been living here for twenty one years. I have many friends and close relatives in Kashmir. Even though I have done well I long to go back. After all, Kashmir is my motherland. And it is no less beautiful than Nepal. I am waiting for the day when she can gain freedom from the Indians.

**The Indians say Kashmir is an integral part of India. How do you think you can be free?**

Some day the Americans will have to make Kashmir free from the Indians.

**Can you describe the actual situation of Kashmiri Muslims?**

In proper Kashmir the Muslim population was more than 90% before 1947. After the Indians grabbed it, the well to do Muslims have fled, either to Pakistan, the U.K., the U.S.A., the middle-east countries and even to Nepal. Those who could not leave had to stay back. The Indian government has settled a large number of Hindus to reduce Mus-

lim majority. Still Kashmir has overwhelming majority of Muslims. But they are living in dreaded scare. The security force rape Kashmiri Muslim girls and kill innocent Muslims but blame the mujahideens. Life has become like hell. And now they have clamped draconian rules, what will be the fate of the poor Muslims, only Allah knows.

**But there are Kashmiri Muslim leaders who seem quite happy to make Kashmir a part of India. Do you mean they are not honest?**

Absolutely. If they do not toe the Indian line, they will disappear one fine morning. And the Indians will blame either Pakistan or the mujahideens. And all those Kashmiri Muslims who support India enjoy big perks from the Indians. You must understand, India is spending big money to buy their loyalty.

**How about the big majority of Indian Muslims? Do you believe they are sympathetic to your cause?**

Indeed, they are sympathetic. And if necessary they will also support us. Even all the Muslim nations of the world will support us.

**India blames Pakistan for training the mujahideens and sending the terrorists into Kashmir. Do you think what they say is true?**

I cannot say it is hundred percent baseless. But what the Indian security forces are doing in Kashmir is hundred fold terrorizing and horrifying. Why the human rights activists are not doing anything to save the poor Kashmiris I cannot understand.

**How long are you going to tolerate?**

As long the United Nations and the Americans do not come to our rescue. We want plebiscite and we will have it one day. We have to have great patience. ■

## ENVIRONMENT The Green Battle

Environmental NGOs knock the court's door against a government decision

Members of three pro-environment NGOs — Pro-public, Clean Energy Nepal and Martin Chautari — filed a writ petition at the Supreme Court last week seeking the cancellation of the Ministry of Environment's decision to allow the import of vehicles produced in Japan, China, Korea based on self-certification of the manufacturers.

When the Nepal Vehicle Mass Emission Standard 2056 was implemented, vehicle importers raised concern over the provision of Conformity of Production (CoP) and Type Approval (TA). The government later constituted a task force to reconsider the decision. When then-Prime Minister Girija Prasad Koirala, in his visit to India, agreed to provide concession to India manufactured vehicles, the same NGOs challenged his decision in the Supreme Court. The Supreme Court issued an interim order not to implement the agreement until the court gave its verdict. The petition is now referred for a full-bench hearing.

During court hearing, the defendants produced a letter that showed that the Ministry of Environment has already allowed imports of vehicles manufactured in Japan, Korea, and China on the basis of self-certification from manufacturers. But the environment regulation is clear: no vehicle should be imported from abroad on the basis of self-certified documents. The NGOs believe that since the law doesn't discriminate among the countries, the rules should equally be applicable to all. The petitioners have sought directives from the Supreme Court to stop the provision of allowing the import of vehicles based on self certified documents, irrespective of the country of manufacturing. ■



*Now In Town*

**BOOK**

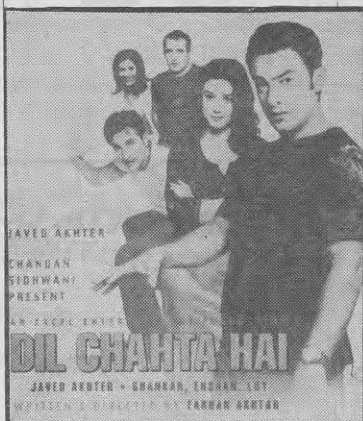
- Dynamics and Development of Highland Ecosystems**  
Ek Raj Ojha/1999 Rs. 995.00
- Hundred and One Poems for New Millennium**  
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- WTO Globalization and Nepal**  
Ananda P. Shrestha/2001 Rs. 160.00
- WTO Regional Cooperation and Nepal**  
Horst Mund/1999 Rs. 160.00

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

**Video (English)**

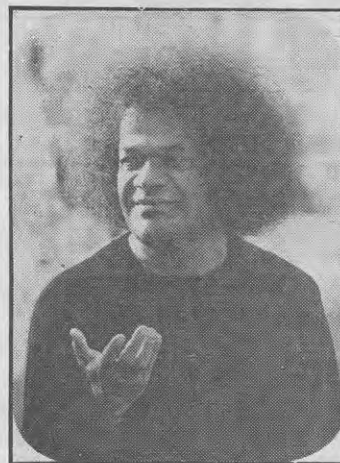
- Americas Sweethearts  
Planet Of The Apes  
Scary Movie 2  
The Score  
Jorassic Park III  
Lmars  
Team 4  
Sword Fish  
Melt Down  
Fast & Furious



**Hindi**

- Yeh Raaste Hai Pyar Ke  
Hum Ho Gaye Aapke  
Ayar Ishq Aur Mohabbat  
Yaaden  
Laagan  
Aks  
Tum Bin  
Gadar  
Love Ke Liya Kuch Bhi Karega  
Pagalpan

(Source : Super Star Video, New Road)



*“The end of  
knowledge is love  
The end of education  
is character.”*

**- SATHYA SAI BABA**

**GASOLINE ALLEY**



**ERNIE**



**MIXED MEDIA**

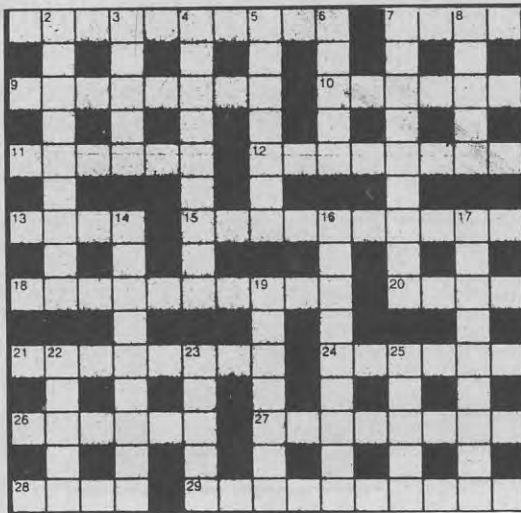


**MARY WORTH**





# CROSSWORD



## ACROSS

1. Make critical comment, with publicity, on a game (10)
7. Robin Hood, for one, was more cunning than this (4)
9. German — like Berlin, for example (8)
10. Unhealthy state? Certainly (3,3)
11. Odd turn of phrase for form master? (6)
12. Food store? True, in a manner of speaking (8)
13. Recommendation to strike (4)
15. Popular protest about despicable person in charge (10)
18. With code reversed, letters misdirected to NY address (4,6)  
I'd heard, but not seen? On the contrary (4)
21. A vessel out on its own? That's a joke (3-5)
24. Fruit couples initially collected from town market together (6)
26. WWI leader misidentified in terms of nationality? (6)
27. Extremely fine transport organization led by Henry (8)
28. For sound, sensible reasons (4)
29. HumoR head before case in which evidences provided (7,3)

## DOWN

2. Sort of love that can never last for long? (9)
3. Finally clear away part of litter after short time (3,2)
4. Cast doubt on record run? Correct (9)
5. It could make me a lord (7)
6. Test pilot (5)
7. Make light of everything I have taken up and consumed (9)
8. Support for one behind university's position (5)
14. Beat up with chain, of course, by the seaside (4-5)
16. Have little spare time to make fettuccini? (3,2,4)
17. Written in Latin, at full length — No. 16 possibly? (2,7)
19. Within which, we hear, corn's heated (7)
22. Statesman, former of a novel partnership (5)
23. Expertise in speaking? Certainly not! (5)
25. Chap as good as misses, it's said (5)

## SOLUTION

**Across :** 1. Animadvert 7. Arch 9. Composer 10. Ill say 11. Shaper 12. Delivery 13. Plug 15. Democratic 18. Wall street 20. Eyed 21. One-liner 24. Tomato 26. French 27. Hairline 28. Whys 29. Witness box

**Down :** 2. Neophilia 3. Mop up 4. Discredit 5. Earldom 6. Trial 7. Alleviate 8. Chair 14. Golf-links 16. Cut it fines 17. In extenso 19. Earshot 22. North 23. Nohow 25. Miles

# BRIDGE

<b>NORTH</b> 3-16	
♠ J 9 4	
♥ J 10 6 5 3	
♦ 10	
♣ A 9 5 3	
<b>WEST</b>	<b>EAST</b>
♠ A Q 3 2	♠ 6 5
♥ 9 4 2	♥ Q 8 7
♦ Q J 8 5 4	♦ 9 7 3
♣ 10	♣ Q 8 7 4 2
<b>SOUTH</b>	
♠ K 10 8 7	
♥ A K	
♦ A K 6 2	
♣ K J 6	
Vulnerable: Both	
Dealer: South	
The bidding:	
South:	West North East
2NT*	Pass 3♦** Pass
3♥	Pass 3NT All pass
*20-21 HCP	
**Transfer	
Opening lead: Diamond queen	

## "I hate it in friends when they come too late to help."

— EURIPIDES

"We beat him if you continue diamonds at trick two," observed East.

"I could have used a little help at trick one," replied West. "Why didn't you encourage me to continue?" With declarer marked with most of the honor cards, West did well to lead his diamond queen. Had he led fourth-best, dummy's 10 would have won, and South would have had an easy time.

Unfortunately, East played his diamond trey at trick one, signaling an odd number of diamonds. Fearing South had the nine, West switched meekly to his club 10, and the defense collapsed. South won his club jack and switched to spades, willing to lose two spade tricks. West won his queen, but the defense could no longer prevail. With his two diamond stopper intact, South developed two spade winners to make his game.

Against no-trump contracts, third-hand play requires partnership agreement. In today's example, most signal attitude, others play second-highest card (Foster Echo), and a few give count. However, given West's lead of the queen, East's nine was an enormous card when the 10 appeared in dummy. Clearly, regardless of partnership agreement, it was time for an encouraging signal at trick one, and East's contribution of his trey was a futile gesture.

After East encourages with his seven (even the nine would work here), West can lead another diamond without risk, and the defenders win the race for five tricks.

# 'Nepal Should Sign Global Convention On Refugees'

—MICHEL JACQUES DUPOIZAT

*MICHEL JACQUES DUPOIZAT, representative of the United Nations High Commissioner For Refugees (UNHCR), has been in Nepal for the last two years. Nepal has a large number of refugees, including those from Tibet and Bhutan, which the UNHCR has been able to serve competently. A French citizen, Dupoizat spoke to KESHAB POUDEL at his office on the eve of the latest ministerial meeting between Nepal and Bhutan. Excerpts:*

## **How do you evaluate the role of UNHCR in Nepal?**

In Nepal and elsewhere, UNHCR, which was created 51 years ago by the General Assembly of the United Nations, is a humanitarian and non-political agency devoted to protecting and assisting refugees worldwide. According to its Statute, UNHCR has two main functions: to provide "international protection" and seek "permanent solutions" to the problem of refugees by assisting governments to facilitate the voluntary repatriation of refugees, or their assimilation within national communities.

## **At a time when the verification process of Bhutanese refugees is going on, what is the position of Bhutanese refugees in Nepal?**

His Majesty's Government of Nepal has provided asylum to Bhutanese refugees who have arrived in Nepal since the early 1990s. In pursuit of a durable solution to this problem, the governments of Nepal and Bhutan have held 10 bilateral meetings. In December 2000, they agreed to establish a Joint Verification Team (JVT). Although the agreement precludes a specific role for UNHCR, both countries have welcomed its expertise and support to facilitate the ongoing verification process.

## **How many people have the status of refugees in Nepal?**

Currently, some 99,000 refugees from Bhutan are accommodated and as-

sisted in seven refugee camps in eastern Nepal. His Majesty's Government of Nepal has also granted refugee status to some 20,000 Tibetans who had arrived in Nepal before January 1, 1990. They are living on their own in settlements in different districts of the country.

## **What programs do you have for Tibetan refugees and what is the rate of arrival?**

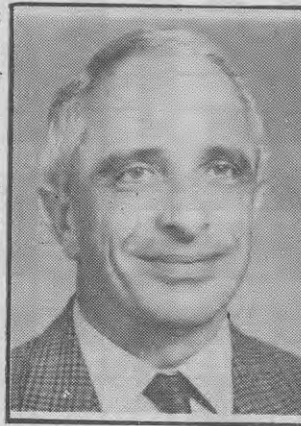
UNHCR facilitates the onward movement of new arrivals to a third country. There is no fixed arrival ratio. Recently, there have been approximately 50 new arrivals per month.

## **How does UNHCR support refugees in Nepal?**

UNHCR provides Bhutanese refugees in the camps with basic assistance such as food, shelter, medical care and education. Since Bhutanese refugees are not allowed to work, they depend on international humanitarian aid provided by UNHCR, World Food Program and other agencies operating in Jhapa and Morang districts. Their active participation in the day-to-day administration of the camps has contributed to making UNHCR's programs more cost effective. While in transit in Nepal, newly arrived Tibetans receive temporary assistance in the form of food, shelter, health care and transportation.

## **What are the main challenges refugees face in Nepal?**

Within its international protection function, UNHCR tries to ensure that no refugee is returned involuntarily to a country where he or she has reasons to fear persecution. It also promotes accession to the basic international instruments on refugees. Nepal is not yet a signatory to the 1951 Convention relating to the Status of Refugees, which has been ratified to date by 140 countries.



UNHCR continues to encourage the government of Nepal to sign that convention or, as an interim measure, adopt national legislation on refugees.

## **How long will UNHCR continue to support Bhutanese refugees?**

Though it is too early at this stage to state any timeframe, UNHCR

will continue its assistance to Bhutanese refugees in the camps until such time as a durable solution (voluntary repatriation or another long-term solution) is found to this longstanding humanitarian issue. However, since the work of UNHCR is financed almost exclusively by voluntary contributions from governments, donor countries expect durable solutions to be agreed upon and implemented by the two governments as soon as possible.

## **Have you seen any change in the Bhutanese government's stand after the visit of the UN High Commissioner for Refugees to Thimphu last year?**

Definitely. The agreement reached in December 2000 by the Nepalese and Bhutanese governments is a positive example. The refugees themselves recognize that the task achieved so far by the JVT is encouraging. Moreover, the work accomplished by JVT during the last 20 weeks will allow the forthcoming 11th Joint Ministerial Committee Meeting in Thimphu to improve the ongoing procedure and accelerate its pace. From the meeting, refugees also expect to be better informed about repatriation modalities for those accepted back in Bhutan once all interviews have been completed in Khudunabari camp. UNHCR will continue to offer to play a facilitator's role and its expertise at any stage of the joint verification process. ■



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# TURN CARDS INTO CASH



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