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Representatives of the 27 parties focus on the task at hand while debating whether to extend the term of the High Level Taskforce, Sunday

Getting down to business

Whatever the motivations of those demanding a parliamentary session, and those in government opposing it, the fact remains that

there's a lot of work pending. In this sense alone, the President's action to call for a session from 19 December cannot really be faulted.

This does not mean the honourable members of the CA will actually achieve much, with decisions largely relegated to the head honchos of the three

political parties. But a caretaker government that doesn't even care for the niceties of parliamentary process is rather less than a government. Let the games begin.

Microfinance is one way to tackle poverty household by household.

p12

In Nepal's energy-starved economy, every little bit counts. Does wind power make the grade?

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Nobel winner Elinor Ostrom in conversation with Kanak Mani Dixit

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WHO'S BAD?

For the optimistic, and without seeking to jeopardise the principle of 'innocent until proven guilty', this could be a landmark week for Nepali law and order. And by some happy coincidence, the accused represent a former member of the legislature and the executive, a member of the judiciary, and a member of the former de facto executive.

Ex-minister Govinda Raj Joshi of the Nepali Congress may have thought he had beat the rap when in 2006, the Special Court quashed the charges of embezzling close to Rs 40 million laid against him by the Commission for the Investigation of Abuse of Authority. The Supreme Court has just ruled that the Special Court erred in absolving Joshi, who will now once more face charges of corruption.

Supreme Court justices have had a torrid time of late. The recently nominated Girish Chandra Lal was lambasted for having used his discretion to limit jail sentences for two rhino poachers to five years. Now it's Justice Rana Bahadur Bam's turn to be accused of improper conduct for having released repeat offenders – later involved in Bhaktaman Shrestha's abduction – on very low bail instead of sending them into custody.

If Chief Justice Ram Prasad Shrestha has his way, Joshi will end up behind bars, and Bam will lose his place in the Supreme Court. Bold moves, indeed, and ones that will set groundbreaking precedents.

But it is perhaps the third case, that of former crown prince Paras Shah, that constitutes the boldest move of all.

Paras Shah's arrest for allegedly firing an illegal



KIRAN PANDAY

pistol following an altercation with Bangladeshi national (and Deputy Prime Minister Sujata Koirala's son-in-law) Rubel Chaudhary is hugely significant. It represents the first time the Nepali state has attempted to hold a Nepali royal to account for his actions. Granted, he will most likely pay a fine at most, and then promptly leave the country under a cloud. But it also demonstrates how far some former royals are removed from the Nepali public and norms of civilised behaviour, and how much slimmer their chances are of being resurrected, even as a ceremonial institution. This, despite the best efforts of former king Gyanendra and Paras' wife, Himani.

Ironically, Shah has received support from the Maoists, who are accusing the government of 'politicising' the issue, and suggest that India might have orchestrated the whole affair. However murky the backgrounds of both protagonists in the incident are, both Shah and Chaudhary initially told the media that the former fired a pistol, though not at the latter, but in the air. This is indisputable. Even if Chaudhary had provoked Shah, which seems unlikely given the erstwhile prince's long-standing reputation for violence, there is no justification whatsoever for the use of firearms. To defend such an action is extremely poor judgment on the part of the Maoists.

The only other people to be protesting the arrest of Shah are of course diehard royalists and RPP-N cadres, whose leader Kamal Thapa met with Maoist Chairman Dahal a few months ago to discuss how to form a 'nationalist alliance'. This is clearly what has prompted the Maoist response, but it only reinforces the fear of the other political parties that the royalists and Maoists share little more than an opportunistic nationalism and a love of authoritarianism. The government, for its part, has already distinguished itself by taking Shah into custody, and should allow due process to be followed rather than give in to political pressure and street protests.

We all know the Maoists have plenty of reasons to criticise Nepali Congress and UML. This doesn't mean they can't agree with them on anything. At the end of the day, we're all on the same flight. When someone starts shooting, you're better off worrying about holes in the fuselage, not who's shooting their mouth off.

ON THE WEB

www.nepalitimes.com

TALKING BUSINESS
Good write up ('Business Reporting', Ashutosh Tiwari, #531). These tips will be of substantial help to people who want to improve the level of journalism focusing on the business environment of Nepal.

As a serial entrepreneur, I would welcome more quality business/economic analyses and reporting in our media rather than political ramblings that go on and on and grab the headlines instead these days. Your points are good advice to any journalism reporter or student who wants to focus on business reporting (and help focus on Nepal's positives rather than negatives)

Ujwal Thapa, <http://whynepal.com>

SOLUTIONS FOR THE SYSTEM
A system is greater than the sum of its parts ('Better, not good', Prashant Jha, #531). Despite the machinations of the multiple actors, the 2006 system has been able to adapt and lock in various group interests. The successes of Madhesi parties are an obvious example. What is necessary now is that missing component: justice.

There are potential methods to manage this contradiction of peace without justice in the 2006 transitional system. The Special Security Plan should have been balanced by either a truth and reconciliation commission or a commission on the disappeared. This policy would have been a combination of both coercion and justice mechanisms.

One of the main causes of instability in the 2006 system are the two armies. I can't provide an answer on how to manage that intractable problem. However, a just peace, and thus a lasting peace, cannot occur without a decision on the final status of the two-army problem.

Yes, the system has failed to provide tangible benefits in the form of unemployment. But all is not lost. Creative policies could be used to reconstruct the relationship between Nepal and the transnational Nepali proletariat. Embassies with a sizable labour attaché that assists the Nepali Workers Abroad (NWA) could be helpful. Giving the NWA a voice by extending voting rights could be an interesting idea. NWA keep our country afloat; they deserve a direct say in its affairs.

The absence of institutional coherence is another problem. Ideally, the parliament should have been the strongest body in the system – the voice of the system. The constituent assembly should have been the venue to discuss the future of the state and not newspaper columns, street demonstrations, or ridiculous speeches. Nepal's most important institutions are relegated to the background in national discourse. They need to be yanked back to the front of the line. Using Prashant's terminology, the organised force to fill the vacuum in the 2006 transitional system is the constituent assembly/parliament itself.

Factors such as geography, ethnic diversity, settlement patterns, wealth inequality, resource scarcity, and geopolitics may mean that no one group will have enough leverage to control the state for quite some time. Therefore, the apt strategy for all actors within the system would be to go back to the constituent assembly and finish that important work.

Battisputali

- The author is right that anarchy seems to be gaining ground in the country especially in the south. The ones who are mostly benefiting from this are the corrupt politicians including those who thrive solely on ethnicity

based vote-bank politics, and criminals.

The leaders, who keep on chanting how things have improved, seem far removed from the reality and hardships that the common people are facing day to day due to the lack of any economic opportunities, the rampant corruption, and the lawlessness that pervades society.

Without any economic opportunities at home, thousands of people are forced to leave the country everyday to look for work abroad, and without their remittances and financial contribution it is difficult to imagine how the country would fare. In this context it is ironic that the writer should still be talking about government largesse. The belief that the government's job is to provide largesse is one of the main causes of corruption in the country and is the remnant of a feudal mentality that plagues our intelligentsia and political leaders. It is the government and the political parties that are dependent on the people's largesse and not the other way around.

The government should instead focus on providing law and order to the people, so that private citizens can operate their businesses in a safe environment; and they can lead the way towards economic development of the country. Similar examples can be seen in many countries including in India in the last decade. If Nepali citizens can successfully work abroad for the development of other countries, there is no reason they cannot do it in their own country provided the right environment can be created.

All that the government has to do, besides ensuring law and order, is make sure it keeps up with the necessary infrastructure and appropriate economic policies necessary for growth.

Blaming others can only take you so far, but unless the political leaders can be held accountable by the people, things can only get worse. For example in many parts of the Madhes, the pahadiyas were blamed by the Madhesi politicians for many of the problems of the region and were driven out. Has that really helped to improve the economic and social plight of the common citizen there? There is more lawlessness now and more corruption. Unless you happen to be a politician or one among the elite few who spends most of his time in Kathmandu, the common man in the Madhes probably does not feel his economic or social condition has changed much.

That some of the Madhesi politicians want to provide voting rights to people without proof of citizenship is another example of flouting the law that can only breed more lawlessness and anarchy in the region.

The intelligentsia, media, and people in general should stop exempting their leaders from accountability based on similar ideology, ethnicity or party affiliations. Doing so will encourage only more lawlessness and anarchy, and the ultimate losers will be the people.

Anil

Times

nepalnews.com

Weekly Internet Poll # 532

Q. How much should the minimum wage be increased by?

Total votes: 1,630

0% for now 23.3%

25% 29.3%

50% 20.7%

117% 26.8%

Weekly Internet Poll # 533. To vote go to: www.nepalitimes.com

Q. Were the police right to arrest Paras Shah?

Hollow loktantra

One does not have to be a Maoist to see the hollowness of Nepal’s liberal democracy

 **PLAIN SPEAKING**
Prashant Jha

Nepal’s national political outcomes are determined by a dozen or so individuals in Kathmandu. A candidate who lost from two constituencies became the PM. A cabinet with most ministers either rejected by the electorate or notorious for their open loot of the exchequer has been at the helm for 20 months. And multiple rounds of voting for a PM have not thrown up a result – primarily because many parties were not allowed to exercise their free will due to extraordinary pressure from forces outside parliament.

A caretaker government prorogued the House and would rather not face parliament again. Policies are formulated to suit different interest groups in the most opaque manner possible. Last year, the government and the speaker ganged up to refuse debate on the presidential action to reinstate the army chief in the House. The main opposition party spent months blocking parliament only to return to it,

and recently indulged in some manhandling of senior ministers, violating basic norms of human conduct and parliamentary ethics. Directives by House committees often go unheeded.

If this is how parliamentary supremacy fares in democratic Nepal, the fate of the rule of law cannot be much better.

Girija Prasad Koirala taught a valuable lesson to most of Nepal’s present-day politicians. Corruption enables you to build a vast patronage network, which is essential for political survival and power. And once you are in power, or even on its periphery, there is little chance of the law catching up.

From Madhav Nepal, who took charge of UML’s institutional finances, to KP Oli, who began investing in private businesses, to PK Dahal, who can smell a business opportunity from a distance – all have internalised this lesson well. Each Nepali politician is way richer than he was in 2006. Some are generous like Koirala was; others are stingy. But none have to end up accounting for the sources of their



wealth, or face any legal liability. This extends to big businesses that have defaulted on loans; the scores of bureaucrats who pay millions to get lucrative postings because they are sure of the dividends; and media owners who have multiple business interests but never reveal conflicts of interests.

In the districts, there are clever mechanisms to bypass any procedures that pose an obstacle to siphoning off public funds. Indeed, expect a surge in violence in the next few months as politicians rush to spend funds before the fiscal year ends and battle it out. The authorities will

remain silent witnesses or be a part of the nexus. It is not merely in cases of corruption, but in enforcing order and implementing welfare schemes that the law is most conspicuous in its absence.

Democracy as it exists in Nepal suits the politicians and businessmen, enmeshed with one another, perfectly. As scholar Deepak Gyawali pointed out recently, it is the trading comprador bourgeoisie class, which thrives on shortages, that calls the shots in Nepal’s new political economy. A weak, discredited state is an asset. The International Crisis Group makes

a similar argument, showing how different private interests benefit from the mess in Nepal’s education, health, public security, and employment situation. It goes so far as to say, “Large sections of Nepal’s economic and political system rest on the solid foundation of state non-delivery.”

When the Maoists expose the infirmities of the ‘so-called democratic system’, they do have a case. But even if their diagnosis is partially correct, they do have quite a prescription – and the one offered by Kiran and company is infinitely worse than the problem itself. Indeed, the abrupt end of the parliamentary session brought home the value for many, especially the Maoists, of how formal institutions are a check against the government. Paras Shah may get away but the state’s action has sent a symbolic message about equality before law, a case about which Maoists have been ambivalent given their partnership with the ‘royalist nationalists’. The success of Nitish Kumar in neighbouring Bihar, on the other hand, is all about how building up a democratic and functioning state is essential to preserving law and order and to creating multiple opportunities for livelihood and growth.

So in its present avatar, do not blame the people if *loktantra* breeds more contempt than hope.



THIS WEEK

Tara Air crash

The remains of an aircraft owned by Tara Air have been found scattered over a mountain in Okhaldhunga along with the bodies of those onboard. The 9N-AFX Twin-Otter plane had gone missing on Wednesday, minutes after it left Lamidanda airport in Khotang. The plane took off at three in the afternoon with 22 people onboard, three of whom were crew members, and lost contact with the traffic control tower five minutes into its flight. There are no survivors. Rescue missions are in the process of bringing back the victim’s bodies to Kathmandu.

Paras Shah arrested

Former crown prince Paras Shah was taken into three days of police custody for ‘terrorising’ Rubel Chaudhary and his family at Tiger Tops Resort in Chitwan. Government attorneys will file a case in the Chitwan’s District Administration Office on Thursday. Police interrogated Shah on Wednesday in the presence of government attorney Gita Prasad Timilsina and Shah’s attorney Ganesh KC.

Power down

Nepal Electricity Authority (NEA) has increased power outage hours from 38 hrs a week to 56 hrs from Wednesday, citing a significant drop in the water levels of major rivers. According to the new schedule, there will be eight hours of daily power cuts from now on. On 28 November, NEA increased power cuts to 38 hours a week after the turbines of Mid-Marsyangdi Hydropower Project had to be shut down for repair and maintenance. NEA officials say power cuts are likely to increase further because of the increasing gap between the demand and supply of power. Daily energy demand amounts to 500MW during the day and 850-880MW in the evenings, while supply is around 680MW.

President summons House

President Ram Baran Yadav has summoned a session of the Legislature-Parliament at 1pm on 19 December, Sunday. “The session has been called as per Article 51 (3) of the Interim Constitution of Nepal and in response to a petition made by 187 members of the Legislature-Parliament to call a session of the Legislature-Parliament but without entering into the subject matters mentioned in the petition,” the Office of the President has said.

The Legislature-Parliament Secretariat has requested all members of the Constituent Assembly to be present at the session. The Secretariat has requested the Chief District Officers of all districts to inform the CA members from the districts about the upcoming House session.

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Helping workers abroad



MIN RATNA BAJRACHARYA

What is the current situation of Nepali migrant workers?

Purna Chandra Bhattarai (Joint Secretary, Ministry of Labour): Only about 2 per cent of those who go abroad to work are skilled manpower, 23 per cent are semi-skilled, and 75 per cent are unskilled labour. Though Nepalis are authorised to work in 108 countries, 95 per cent go to the Gulf and Malaysia, about 90 per cent of this through informal channels. About 400,000 youths enter the labour market every year. Formal and informal annual remittances, which make up about 30 per cent of the GDP, amount to more than the national budget.

Ganesh Gurung (member, National Planning Commission): We are in a post-conflict situation now, but until we address unemployment, we are not addressing one of the root causes of the conflict. Millions work abroad, but even the manpower recruitment sector employs about 350,000 people within Nepal.

Shengjie Li (Director, ILO Nepal): The Second National Labour Force Survey 2008 indicates about 21.1 per cent of households have at least one member living and working abroad. From 1993 to 2007, the volume of remittance increased by 30-fold, with a major impact on reducing poverty. In spite of contributions to family income and GDP, many migrant workers, especially women, face various problems, including abuse and trafficking. Another negative impact is the brain drain. And there is serious difficulty in reintegrating migrants into society when they come back. The skills they learn abroad have not been utilised for productive work.

Som Luitel (lawyer, Safe Migration

Network): The foreign employment sector is fraught with fraud. Over 700 cases of fraud have been filed at the foreign employment department but there is no national policy to address the issues of migrant workers. The government has set up a foreign employment board to compensate returnees duped by recruiting agencies but it lacks a clear strategy. Recruiting agencies are organised, but migrant workers are not, and struggle every step along the way, from finding an agency to securing decent jobs abroad.

Shaktida Singh (UNIFEM): The issues of Nepali women migrant workers – there are 200,000 abroad – don't fall within the formal framework of migrant workers. There is no specific policy for them. They are at high risk as they mostly go through informal channels, rather than formal sectors such as industry and construction where insurance and other facilities are guaranteed. Most women work as domestic help, are undocumented, and aren't affiliated with labour unions. They contribute up to 15 per cent of total remittances, but there is no legal protection available for them.

Keshav Badal (legal advisor, GFONT): Migrant records are confusing. We keep records of those who go abroad but there is no record of returnees. We calculate the remittance they bring in but don't have any account of how much we have spent to go abroad. And we are also sending skilled people abroad, who rich countries have not invested in. It's time to raise the issue of a human resource development fund that rich countries contribute to in exchange for supplying them with skilled manpower.

Hansaraj Wagle (first vice chair, Nepal Association of Foreign Employment Agencies): The manpower

agencies themselves have to look for international openings to send migrant workers. We don't have direct links with employers. Therefore, we have to go through middlemen, whose fee is taken from migrant workers. But we cannot show the details of such deals to the government, so migrant workers are being charged high fees by some agencies. Manpower agencies have to keep a Rs 5 million deposit on hand to compensate workers who have returned because they didn't get the jobs they were promised. But despite contributing so much remittance, manpower agencies are not recognised for their work. Instead they have to face the charge of cheating aspiring migrant workers.

What needs to be done to protect the rights of Nepali migrant workers, and to manage remittances productively?

Keshav Badal: Migrant workers have to cross a number of hurdles and are duped before they fly out. They should be informed about the jobs they are applying for, the salary and benefits, as well as the risks. As far as insurance is concerned, the government has granted manpower agencies a license to cheat. Migrant workers should only have to pay a lump sum rather than installments that amount to much more, and undocumented workers should also be included somehow.

Madan Mahat (former vice chair, Nepal Association of Foreign Employment Agencies): Government should facilitate travel and have labour attachés in destination countries, which could reduce the risk, particularly for women. We should

With formal remittances from the 3 million Nepali migrant workers across the globe reaching Rs 262 billion in 2010, it's no exaggeration to say foreign employment is the backbone of the Nepali economy. **Himalmedia** organised a roundtable discussion on migrant labour last week. Excerpts:

develop an online system of all stakeholders through which we can access information on workers and monitor their situation.

Shaktida Singh: We cannot bar the movement of people. If they see better opportunities abroad we cannot stop them, but if women could earn Rs 5,000-6,000 here they would not leave. The social costs to families are high. Foreign employment should be made an option, not a forced choice.

Purna Chandra Bhattarai: We have decided to send women abroad only after the recommendation of the Nepali embassy. We have also raised the issue of establishing an embassy in Saudi Arabia. We have been lobbying for insurance and the implementation of the ILO convention on migrant workers. The government has been drafting foreign employment regulations and is reviewing migration policy, and is working on a scheme to utilise remittances better. We are also planning to decentralise the foreign employment board, and develop a database of job opportunities.

Shengjie Li: There should be a tripartite mechanism of the government, recruiting agencies, and workers' organisations to implement the ILO convention, which ensures safety of migrant workers. We have been helping in capacity building by training government officers, labour attachés, trade union representatives, and private recruiting agencies. The NAFEA code of conduct should be put in practice, and NAFEA should develop a grading system for recruiting agencies. The government should encourage workers to use legal channels to send remittances and develop an economic mechanism to utilise these funds.

उज्यालो ९० नेटवर्कमा

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“Nepal is a growing market”

Spencer Lo, senior marketing manager at Sony Singapore, was in town recently to launch Sony's next generation of 3D entertainment solutions. *Nepali Times* talked to him about the growing market here for electronic goods:

Nepali Times: How is Sony's market in Nepal, a country with a small economy?

Spencer Lo: Nepal is a rising market. The consumers here are keen to own new and innovative technologies and so the market is expanding. We will introduce new products according to the demands and interests of Nepali consumers.

At what rate is the Nepali market growing?

Our sales volume in Nepal is growing year on year. Sony Singapore is very happy with the market growth here.

Where does Nepal's market stand regionally?

India is the largest market in the region, considering its area, population and its swift economic



growth. After India, the markets in all South Asian countries are growing at a similar rate.

Sony's products seem to be relatively expensive, compared to other electronic goods.

Our prices are based on the quality of our goods. When a consumer purchases a Sony product, he can rest assured that he has a complete guarantee on its utility. Sony may appear expensive in comparison to low-quality electronic goods, but is not over-priced in terms of quality.

International outreach

ParkwayHealth, a private healthcare provider based in Singapore, has opened a new patient assistance centre in Kathmandu. The centre will help patients access specialist medical care in Singapore. There are 39 ParkwayHealth Patient Assistance Centres across the world.

New bank

Civil Bank, the country's 30th commercial bank, opened this week. The bank has paid-up capital of Rs 1.2 billion. It aims to open 15 branches within two years.

Dell's own

Dell has opened an authorised showroom in Maitighar. The store will showcase Dell desktops, laptops and other products.

Candy delight



Kaacho mango, priced at Rs 1.

Jaya Confectionery has launched 'Enjoy the Great taste of Green Mango' for its product CandyMan

Branded wear

Jeanswest, an Australian denim brand, has opened a showroom in Civil Mall, Sundhara. Jeanswest jeans, jackets, sweaters, t-shirts and accessories will be available at the store.

Double cool



Samsung has introduced RF67DEPN, a twin cooling French door refrigerator. Samsung's patented Twin Cooling technology independently cools the refrigerator and the freezer, maintaining proper humidity levels in each compartment and

preventing the mixing of odours between the storage compartments. Samsung now has 24 refrigerators priced between Rs 16,990 to Rs 154,990.

Right answer

Sampurna Tuladhar won the Automobile Quiz organised by GO Automobiles. Tuladhar took home a HP Presario laptop. The quiz was part of a promotion of GO Ford's cost of ownership campaign for Ford Figo.



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New Year's Day Brunch with a live band at Café Terrace on 1 January 2011	NPR 1,800
Rox Restaurant: Christmas Eve dinner with a five-course set menu and a glass of sparkling wine on 24 December 2010	NPR 3,200
Five-course New Year's Eve dinner with a glass of champagne on 31 December 2010	NPR 4,999

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Aiding impunity



MY TAKE

Damakant Jayshi

Insisting that digging up the past will jeopardise the future is dishonest

In this climate of mistrust, you have to wonder if Nepal's high and mighty agree on anything at all.

Surprisingly, there is one such issue: not bringing human rights violators to book.

We have had four governments (including the two headed by the late GP Koirala) since the success of People's Movement II in 2006. But no sincere attempt was made to form an effective Truth and Reconciliation Commission and a Commission on the Disappeared. All we have seen are cosmetic attempts by each of the governments towards setting up the commissions.

Both sides involved in the decade-long Maoist insurgency have found something in the draft bill or its terms of reference (ToR) to object to, thus thwarting the exercise to deliver justice to victims. The most recent activity regarding these two bodies (that



GOPAL GARTOULA

is, bills on them) was in April this year, when parliament was discussing the drafts.

It suits both the Maoists and

the national army to scuttle any move towards the formation of any such body, or to limit it to an ineffectual commission that will

not be able to deal with gross abuses of human rights and crimes against humanity, finding the whereabouts of those forcibly disappeared by the state and the Maoists, and recommending action against the perpetrators.

The stance of the Nepali Congress and CPN-UML is not surprising either. Their fear of the Maoists' not-so-hidden-goal of imposing one-party rule in Nepal has rendered them unable to take concrete steps to punish those who committed human rights abuses by the state. They are under pressure from the army top brass to either ignore or go slow when it comes to addressing human rights violations.

So all we have is lip service.

There are hundreds of families who want to know what happened to their loved ones who never returned home, people who want to know whether any punishment will ever be meted out to those who killed their kith and kin by

terming them either Maoists or spies of the government.

It's a given that anyone who says that we, as a nation, cannot afford to dig up past abuses, let alone prosecute the accused, have not had their loved ones killed, tortured, disappeared or maimed for life. When the heat is on and parties find themselves unable to defend their morally repugnant position on the delay in ensuring justice to victims of the conflict, they point out that any (serious) attempt to book those involved would harm the ongoing peace process. This is a silly notion.

The Comprehensive Peace Accord that spelt out the formal end to the insurgency does have provisions on addressing gross abuses of human rights. It also specifically mentions setting up a high-level Truth and Reconciliation Commission (TRC) and making public, within 60 days of the agreement, the whereabouts of people who were made to disappear or were killed,

conveying the details to family members. The agreement was signed on Nov 21, 2006. To argue that setting up the TRC and the Commission on the Disappeared would rupture the peace process is dishonesty, and only aids impunity.

The government, the army, and the Maoists have got away with it because there has not been enough pressure on them from Nepal's now fractured, biased and partisan civil society, human rights organisations who are afraid to bring attention to atrocities by Maoists, and the international community.

All we have are occasional programs to mark days such as Human Rights Day and International Day of the Disappeared, and then it is business as usual. Impunity remains unaddressed. It warrants repetition, over and over: think about those people and families still waiting to hear the last word on their loved ones.

damakant@gmail.com

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PICS: KIRAN PANDAY

Chain reaction

If Chain has its way, you'll be powering your way in and around the city on a bicycle before too long

RICHARD BULL

Kathmandu sees many cycle rallies and there was yet another last month. This one was special – it marked the launch of the first-ever Nepali bicycle company, Chain.

Behind the giant glass window of the store in Ekantakuna, rows of cycles are lined up dutifully, awaiting new owners. On closer inspection, one sees many have little green 'Sold' stickers on them. Over 125 of the BMX and mountain bikes available have been sold in the last couple of weeks.

Rupesh Man Shrestha of Epic bikes, a partner in Chain, says, "There was an obvious gap in the market between high-priced models and the cheap but low-quality bikes. We're aiming to fill that gap." Imported cycles can set you back a minimum of Rs 38,000, while it's likely the pedals will drop off the Rs 6,000-10,000 Chinese models in a few months.

Shrestha has 13 partners, including outdoor sports instructors, long-time bike enthusiasts, a dental surgeon, an exporter of traditional handicrafts, a socially responsible travel agent, an architect, and a rock star – 1974 AD's Nirakar Yakthumba. The common thread is entrepreneurship, and wanting to make a difference.

The architect, Prabal Thapa, explains how the idea was born. "We often go out cycling and after a number of rides together, we thought we'd try to see if we could make a

living out of this." Like so many good ideas, "it's a way of combining business and pleasure."

The BMX is aimed at kids but it's standard competition size and good for adult kids too. Neson Bajracharya, 16, is considering being Nepal's first BMX bike champion, and approves of Chain's cycles: "They look cool." He's from Gyanodaya School, where Chain's not-for-profit, pro-cyclist sister organisation Chain Inc. has built a pump track. A girl next to Neson says she can do "endos and jumps". When asked if she has ever gone to ground while attempting stunts, she scowls, "No, I don't fall off!"

Chain's 'Jomsom' mountain bike does all it's meant to do; I take it out for a short ride and try my best to break it, and fail. The gears (and other critical components) are all

trustworthy Shimano from Japan and a gear change is just a single click of the trigger. The V-brakes feel solid, something especially necessary in Kathmandu. The bike weighs a total of 14.5kg, just half a kilo more than my much pricier bike – I am resentful. The front suspension is perhaps a bit soft, but if you have never ridden a bike with proper front suspension, you won't complain – it smoothes out the potholes and leaves your eyeballs level in your head. At Rs 22,000, Jomsom is very good value.

Markus Illömaki from Finland rides frequently with one of the many groups of guys who head out to the trails in the valley early every morning. "The frame looks strong. The wheels are ok and if the spokes are kept tight, then you can expect it to last. It's a perfect city bike." Jomsom is not really

designed for tough, rocky trails and is probably not going to win any races (but then bikes don't win races, riders do, and all riders start somewhere.) But that is all immaterial, as having a good bike in Kathmandu opens up a new world of experience.

It means freedom from most jams, from being manhandled into public transport, from petrol shortages, and from paying good money to bad taxi drivers. A personal urban favourite is the fast downhill from Pulchok to Bagmati Pul, and holding on to a tempo for the ride back up, but best is heading beyond the Ring Road onto small tracks and discovering greenery, fresh air, and great views. The Kathmandu Valley has world-class trails in abundance.

But riding in Kathmandu has an obvious dark side. While cycling is environmentally friendly, for the cyclist, the main roads of Kathmandu are far from being a friendly environment. Cyclists here have to tolerate being run off the road by pushy minibuses and impatient motorbikes. Chain Inc. means to push a pro-cycle agenda. "We're trying to get it to schools, encourage going to work by cycle, and be a voice for cyclists and non-motorists," says Prabal Thapa of Chain Inc's mission. And in light of the city's fixation with monstrous looking motorcycles, Raj Gyawali may have a crucial point when he says: "We want to make cycling sexy...that's why we have a rock star in the Chain team!" 🇳🇵



EVENTS



Photo Exhibition by Gemunu Amarsinghe. till 11 January, 11am to 2pm, Tuesdays closed, Peace Museum, Madan Puraskar Pustakalaya, Patan Dhoka

Let's talk about ART baby! a collaborative solo from the series of Artivities by artist Sujana Chitrakar. Starts 17 December, 3.30pm, Siddhartha Art Gallery, Babar Mahal Revisited, 4218048

Winter Art Collection, works by Japanese and Nepali artists. 19 December to 24 January, Kathmandu Contemporary Arts Centre, Jhamsikhel, 5521120

Art exhibition, paintings by the associate students of Kathmandu University, Centre for Art and Design. Inauguration 3pm, Till 19 December, 10.30am to 5.30pm, Saturdays closed, Park Gallery, Pulchok, 5522307

Under One Sun Festival, live music, photo exhibitions and art installations. Till 17 December, 9am to 8pm, Basantapur Darbar Square, www.photocircle.com.np

Nature Hike in Shivapuri National Park, organised by Chandra Gurung Conservation Foundation, guided bird watching and plant

exploration program also included. 18 December, starts 7am, Shivapuri National Park gate, Tickets: Rs 700, Rs 350 for students, 9851041325

Screening of 'The Other Guys', a comedy starring Will Ferrell and Mark Wahlberg. 17 December, 5.30pm, Lazimpat Gallery Cafe, Lazimpat



CHRISTMAS EVENTS

Christmas by the fire place, surprise visit from Santa with gifts for all, turkey with all the trimmings and a free glass of hot mulled wine. Festive Menu from 24 December to 1 January, Kilroy's Restaurant, Thamel, 4250440/41

Christmas Kids Carnival, enjoy a splendid family day with lots of fun, food and entertainment. 18 December, 10am to 4pm, Soaltee Crowne Plaza, Tahachal, Ticket: Rs 800 for adults and Rs 600 for kids (inclusive of five game coupons, welcome drink and one snack)

Pre-Christmas party at New Orleans, complete with turkey, folk and fusion music, and singing on acoustic guitar. 18 December, 6.30pm, New Orleans, Thamel, 4700736

Christmas celebrations at Yak & Yeti, Christmas carol singing, 22 to 24 December, hotel lobby,



Christmas Eve dinner, with lavish food and live music, 24 December, Sunrise Café, Rs 1,600 plus taxes, Exclusive 5-course candlelit dinner, 24 December, Chimney Restaurant, Rs 2500 plus taxes, Christmas brunch, December 25, Sunrise Café, Rs 1,200 plus taxes, Christmas hi-tea, a fun-filled event for the children from Bal Mandir with magic show and gift hampers, 26 December, Poolside Garden, 4248999

Christmas Eve Celebration at Gokarna Forest Resort, one night accommodation with a lavish Christmas Eve Dinner, a glass of sparkling wine, and breakfast the next day. 24 December, Gokarna, Room rate Rs 11,000 Nett, Dinner only Rs 3,500 per person, 4451212, sales1@gokarna.net

MUSIC

Music, Art and Healing Concert: In Memory of Vidhea Shrestha. 18 December, 3pm to 6pm, Moksh, Jhamsikhel

DINING

Boudha Stupa Restaurant & Café, enjoy wood-fired pizza with a superb view of Boudha stupa and free wifi, candlelight dinner options are also available for the romantics every full moon night. Boudha, 2130681



Cosmopolitan Café, located in the heart of Basantapur, this cozy café offers arguably the best chicken sizzlers in town. Basantapur (along Kathmandu Darbar Square), 4225246

Singma Food Court, for the best Singaporean and Malaysian cuisine in town. Pulchok, 5009092 and Bhatbhateni, 4411078, foodcourt@wlink.com.np, www.singma.foodcourt.com

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Lazy Gringo, fail-safe Mexican restaurant. The lemonade with refills is what won us over, but the food is mighty fine. *Jawalakhel, 2110517*

Momotarou, nestled inconspicuously amongst the street shops of Thamel, this restaurant serves Japanese food that is top value for money. Extravagant taste yet humble in presentation. *Thamel, Bhagawatisthan 4417670*



Vesper Café, has quaint outdoor patio good for leisurely weekend brunch. *Jhamel*

Himalayan Java, this Thamel establishment, more known for its coffee, serves excellent sandwiches too. *Tridevi Marg, 4422519*

ANNOUNCEMENTS

Toni Hagen Fellowship 2010, the Toni Hagen Foundation announces post graduate fellowships for students of natural and social sciences. *Application deadline 24 December, commencement of fellowship 15 January, 2011, Toni Hagen Foundation c/o Himal Association, Patan Dhoka, 5542544, www.resourcehimalaya.org*

AmarJyoti Foundation, provides support through scholarships in art and sports, elderly daycare and grief recovery. *9851023958*

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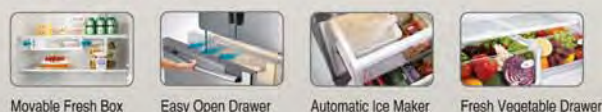
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Game change in Tuberculosis?



DHANVANTARI
Buddha Basnyat, MD

According to the World Health Organization (WHO) there will be 10 million new cases of tuberculosis (TB) this year in the developing world. But the good news is that effective therapy will prevent the deaths of many of these patients. However, by the time the sick patients are diagnosed and treated, they will have infected many others in their community. Indeed, this ‘failure of

interruption’ continues to keep the global epidemic of TB alive and well. Prompt diagnosis is thus key to treating and preventing the spread of TB. Unfortunately, the techniques of TB diagnosis are antiquated. The most widely used method to test sputum (‘khakar’ in Nepali) for the TB bug is called the Ziehl-Neelsen stain, which is a 125-year-old technique. If TB was still prevalent in the Western world, there would surely have been major new breakthroughs in diagnostic techniques, but basically TB is a poor man’s disease. So it was welcome news

when a few days ago, WHO endorsed the GeneXpert device, a rapid test for TB, as “a major milestone for global tuberculosis diagnosis”. Unlike the Ziehl-Neelsen technique, GeneXpert does not need an expert to prepare a sputum slide and look for a bug under the microscope. This new molecular approach is more straightforward. After the patient spits into a cup, the sample is placed in an ‘espresso’ machine that examines the sample’s DNA to see if it contains the genetic signature of TB. A simple, reliable ‘yes’ or ‘no’ answer is available in two hours. Importantly, GeneXpert can also determine within two hours if the bacteria is resistant to rifampicin, the most effective of the four-drug cocktail prescribed for TB. This allows treatment to account from the outset for resistant bacteria, and to tailor therapy accordingly. However, the initial costs of about US\$30,000 for the machine and at least US\$20 for tests are daunting for the developing world. Unskilled workers can carry this test out with minimal training, but electricity is required. From hospitals in Bihar to the well-appointed Hinduja Hospital in Mumbai, great satisfaction has been expressed about the usefulness and accuracy of the device. But the cost continues to be an important issue, regardless of the scientific enormity of the breakthrough.



HI-TECH: A Ministry of Foreign Affairs official displays four categories of machine-readable passports at a function organised Sunday. The ministry will issue the passports 26 December onwards.



IMAGES OF WAR: Sri Lankan war photographer Gemunu Amarasinghe opened his exhibition of photos from the Sri Lankan conflict at Madan Puraskar Pustakalaya on Friday. The exhibition is titled ‘People in Between’ and will run for a month.

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DEEP REFLECTION: Installation art for the 'Under One Sun' festival organised by UNHCR in Basantapur to mark its 60th anniversary. The festival featured music, street drama, photos, and installation art.

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WEEKEND WEATHER

by NGAMINDRA DAHAL

A huge sub-continental high pressure system sits over northern India, side-tracking the westerly jet-stream. This has brought in air from the southwesterly direction, and with it smog from the Indo-Gangetic plains. Combined with Kathmandu Valley's own smog, this has reduced visibility at Kathmandu airport to less than 400m every morning, causing delays in flights. Expect this to continue. Clear skies with hazy sunshine means the ground doesn't warm up enough, leading to a steep drop in night temperatures. The inversion level this year is 2,500m, and this is due to the lack of moisture during the prolonged winter drought.

Delhi, Kanpur, KATHMANDU, Dhaka, Nagpur, Kolkata

FRI	SAT	SUN
18-6	18-5	20-3

Alone in the echo chamber



**POLITICALLY
CRACKED**
Indu Nepal

The initial disparagement that met Pushpa Kamal Dahal's announcement last week that he would turn universities into barracks "if the regressive elements do not stop plotting" against the Maoist Party seems to have swiftly been replaced by the chatter over the shooting incident implicating ex-prince Paras in Chitwan.

Not one to miss a chance to grab the headlines, his party pounced once again on the "regressive elements" by claiming that the shooting incident was engineered by India, and the person who was allegedly shot at should be investigated because "it involves the issue of nationality."

It would seem that resorting to Tea Party extremism, and hoping for things to become true if you repeat them a hundred times, is unbecoming for the largest party in the country. Is this an indication of the immaturity of our politics?

2011 will mark five years since the Maoists left the 'jungle'. In 2006, Dahal was seen in Kathmandu for the first time, and his arrival was greeted with a mix of trepidation and excitement. He had led a war that had cost 13,000 lives, but his party had also fought for the people ignored by the state and the ruling elite in Kathmandu. "Will he be a hero or a villain," a commentator asked at the time. "It will depend on what he can deliver in Nepal's future set-up," was the answer.

Five years is a substantial time if you are among those who like to get things done. That is how long it took to build the atom bomb, the Achilles' heel of modern international relations. It took the same time to build the first space shuttle. Historians say it took even less time to build a pyramid, although admittedly the Pharaohs used thousands of slaves.



KIRAN PANDAY

Like all parties, the Maoists continue to create enough noise to keep the people on top busy without doing anything for those at the bottom

The point is it is possible to lead change that can have lasting effects into the future in five years. Dahal led his party through a comfortable election victory, and led a government with some clear indications of success like a surge in national revenue collection. But he lacked agility in situations that required teamwork. Yet he did something unheard of in Nepali politics, and resigned from the government after losing a tug-of-war over the dismissal of the army chief.

Almost everyone agrees the Maoists won the election because they promised change from the same old politics. But with a lack of vision and an outdated ideology, they seem to have lost their edge through complacency, unable to compete in the realm of realpolitik, and continually resorting to threats of violence.

As with other parties, the Maoists' mode of operation now seems to be to create enough noise to keep the people on top busy without doing anything for those at the bottom. Dahal's contribution in the past five years, especially in the last couple of years, has been to feed the noise in that echo chamber. Of late it is the laughable endorsement of the argument that India staged the shooting incident in Chitwan.

When a party's leader leadership fails to make a government work and starts losing the support of his peers, it is time for him to resign and make way for a new leader. This is an opportunity for Dahal to take the high road, and resign once again. This solution is simpler than the war we have been promised.


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Yeti Airlines in partnership with RAAIKA has launched the pilot Green Dhangadhi Project to plant one tree for every ticket sold in Kathmandu-Dhangadhi-Kathmandu sector for which Rs.20 on every one-way and Rs. 40 on two-way tickets sold in the Kathmandu-Dhangadhi sector will be set aside for the funding of the programme which is in Kailali District, Regional Head Quarter Far-West - Rajpur & Doti, and Kanchanpur area.

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**NEPAL
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Small is beautiful

The success of microfinance in Nepal serves to remind us that poverty needs to be battled household by household

PAAVAN MATHEMA

Twenty-seven-year-old Kamala Pariyar (pictured above) of Lamatar owns a tailor's shop with three sewing machines and a cupboard of cloth for her clients to choose from. Until six years ago, Pariyar would spend her time looking for sewing jobs at other tailors' businesses. With help from DEPROSC, a microfinance institution, she has started out on her own.

"I started with a loan of Rs 10,000," says Pariyar. "Now the earnings from my shop are enough for my household expenditures, my child's school fees, and I have savings as well.

I am much happier."

Pariyar is one of the 1.7 million Nepalis who have benefited from the unique concept of microfinance. Known popularly as 'banking for the poor', the core idea behind microfinance is the provision of collateral-free, small loans that aim to reduce poverty among borrowers.

"Microfinance is an instrument against poverty," says Harihar Dev Pant of Nirdhan Uthan Bank. "And I would say that we in Nepal have been able to successfully replicate the model of microfinance to reach its objectives."

While it was the government that introduced microfinance to Nepal with the


establishment of the Grameen Development Bank in the early 1990s in each of the five development regions, it is the private sector that is now surging ahead with microfinance initiatives. A recent regional conference on microfinance hosted in Kathmandu indicated that Nepal is performing well compared to the rest of South Asia. After Bangladesh and India, Nepal has achieved the most in terms of clients, services provided, and institutional development.

Microfinance services here are provided chiefly through microfinance development banks, NGOs, and cooperatives. These institutions operate in over 55 districts, extending financial services to those who did

not have access to them earlier. Average loan size is Rs 15,000, usually to be paid back over the period of a year. Institutions claim an impressive recovery rate of over 98 per cent.

Cases of default are rare because instead of servicing individual clients, microfinance institutions in Nepal form groups of borrowers. In the absence of collateral against loans, it is the group that acts as the guarantor and a borrower feels morally obliged to pay his or her loans back on time. Microfinance institutions, recognising that financial management is especially difficult for those unused to banks, go step by step with their clients. They first provide prospective clients with financial training, then monitor them closely through monthly meetings. "When a member of a borrowers' group is unable to pay, everyone pitches in," says Lok Hari Koirala, who works with DEPROSC Nepal. "This instills a collective sense of responsibility."

Microfinance institutions have plans for expansion, but the difficulty seems to lie in finding stable sources of funding for loans. While there are regulations in place that require commercial banks to allocate 3 per cent of their total advances to deprived sectors, not all of this money reaches microfinance. Nepal Rastra Bank (NRB) is now seeking to establish a 'Microfinance Development Fund'. "This fund will act as a wholesale lender and create special provisions for this sector," says Gopal Prasad Kaphle, Executive Director of the Micro Finance Promotion and Supervision Department in NRB. The central bank is introducing Microfinance Act that will integrate all microfinance institutions under second-tier institutions for regulation and monitoring. NRB has also open doors for microfinance institutions to collect public funds.

The challenge now is to ensure that the profit motive does not affect the commitment of those investing in microfinance in Nepal. Social responsibility is key to microfinance, and those implementing it should ensure the tragedy of Andhra Pradesh (see box) is not repeated here. 



HANDS FULL: DEPROSC clients in Lamatar meet monthly to pay their installments, check on savings, and share experiences.

Mission drift

Microfinance institutions in India's Andhra Pradesh suffered a huge blow after legislation was passed that prevented them from deploying any agents for the recovery of loans. It was meant to address allegedly coercive actions the institutions had undertaken to recover loans from borrowers.

The legislation followed reports in October this year of over 80 suicides in the state, triggered by high interest rates and aggressive debt collection techniques by microfinance institutions. While it was taken to stop exploitation of poor borrowers, the legislation has in turn meant borrowers have stopped paying loans, crippling the microfinance industry.

Muhammad Yunus, the Bangladeshi economist who won the Nobel Peace Prize in 2006 for his Grameen Bank's pioneering work in microfinance, admitted the reputation of microcredit had been tarnished due to Indian commercial companies that charge high interest rates and allegedly use heavy-handed tactics to collect



repayments. "It's a complete detour and nothing but a quitting of the mission of microfinance," Yunus said, responding to the crisis. "The original microcredit concept cannot be blamed for their faults."

High finance

While microfinance has been very successful in the Tarai, the challenge now is to move to the hills and the mountains. "Institutions are reluctant to go to these areas because of the high cost of operation," says Shankar Man Pradhan of the Rural Microfinance Development Centre (RMDC), a wholesale lender to microfinance institution. Settlements tend to be more scattered in the hills and the options for income-generating activities to be taken up with the help of loans are fewer than in the Tarai.

Nonetheless, microfinance institutions are beginning to acknowledge this service gap and some are now taking the initiative to extend their services into more difficult terrain. RMDC has been trying to incentivise organisations to begin work in the hills by providing loans with interest at only 2 per cent. Co-operatives like Himchuli Krishi, Hatemalo and Kasthuri have already taken up the gauntlet and are now working in the villages of Kalikot, Accham and Jajarkot.



Riding the wind

other hand, is also eyeing urban areas as a potential market. “We are looking into building a wind power plant near the Kathmandu Valley. And unlike the government, we want to go beyond a few kilowatts,” says Thapa. Ram Poudel, lecturer at the Institute of Engineering in Pulchok, says that technically this is not a problem, “In places where wind readings are high, wind power can be more cost effective than other renewable sources. As much as 10MW of electricity can be produced in eight months if all conditions are met, which is of course much quicker than hydropower,” he says.

The private sector says the government should at least create an investment-friendly environment for companies willing to invest. “The national wind policy, the draft of which was prepared months ago, has not been finalised,” says Thapa. Nischal Shrestha of Krishna Grill Engineering Works, Mandikhatar, echoes this concern. “We know that there is an immense possibility for wind power but investors will not move forward unless there are proper policies and provisions in place.” Adhikary concedes: “With the data we have now, it will be very hard to draw in foreign investors.”

investors.”

Wind systems in Nepal

- Solar-wind hybrid system in Pyuthan, 400W, built by Krishna Grills
- Wind power plant in Pyuthan, 1.5KW, built by AEPFC
- 18 wind turbines across the country, 200-600W capacity each, built by Practical Action
- 10 turbines in Nagarkot, 1KW each, built by the Nepal Army
- Wind turbines in Kathmandu Engineering College and Lakhuri Bhanjyang, 2KW and 1.5KW, built by Amrit Singh Thapa and friends

nepaltimes.com
Wind turbine in Lakhuri Bhanjyang

RUBEENA MAHATO

Even advocates of renewable energy gave up on the prospect of wind power in Nepal when the two 10KW wind generators in Kagbeni and Mustang were blown away in 1989. The damage extended beyond that to the generators. In the years to come, no serious efforts were made either to repair the plant or to set up other projects on such a scale. Complications with other wind projects reinforced the idea that wind power was not viable in Nepal.

So it was no less than a breakthrough when in 2009 a group of students from an engineering college in Kathmandu set up a 2KW wind turbine, using their own resources. The turbine that stands tall on the roof of Kathmandu Engineering College in Kallimati (*pic, above*) generates enough electricity to power the computer lab and library of the college and is much more powerful than most wind turbines set up by the government and NGOs across the country, most of which produce 200-600W for lighting purposes only. “It took us little more than a



More than 60 per cent of Nepal’s population has no access to electricity. Only 33 per cent, mostly in urban areas, is supplied power from the grid, and 7 per cent derive electricity from alternative energy sources. For the rest it is perpetual darkness once the sun goes down. Given the power shortages in the capital, remote rural areas have a long wait ahead. Where micro-hydropower plants are not feasible either, the grid could take decades to arrive. But Thanatole, a small Magar settlement, in Nawalparasi, is proving that hydro isn’t the only renewable energy source on the block. Wind and solar power in Hurhure Danda (*pic, left*) is generating 600W of electricity for the 45-household community, which uses this power for lighting and to charge mobile phones. “It would have taken at least another 10 years for this village to be connected to the grid. Projects such as these, albeit small in

Energy village

scale, will at least ease their immediate power needs,” says Surbir Sthapit of HICODEF, which has been implementing this project with the support of Practical Action. The project is not without its problems. The wind turbines have been acting up and for the moment, “Mostly problems arise due to poor manufacturing and the lack of proper repair and maintenance in remote areas,” Pushkar Manandhar of Practical Action says. “But because we have installed a hybrid system, one system can provide continuous supply when there are problems with the other.” Practical Action has built 18 wind turbines across the country. Hurhure Danda is also being developed into a model energy village. There are plans to set up ten biogas plants and provide villagers with improved cooking stoves that minimise indoor pollution and are more energy efficient.

as alternative energy year, the government announced a program to generate 20MW of electricity from wind energy in and around the Kathmandu Valley through public-private partnerships. There are also plans to build a model wind farm of 500KW and provide assistance to small-scale wind turbine manufacturers generating less than 10KW. But though a 20MW wind project is in the pipeline, government officials say the focus for the time being will be on smaller rural projects of a few hundred watts rather than utility-scale projects. Many experts rightly point out that wind or solar power can never be an alternative for hydropower, especially in a country like Nepal. But relatively quick and easy installation can make wind power plants a feasible option for places unconnected to the grid where micro-hydropower plants are not possible. “The government’s policy is to promote wind power in places where wind can be harnesssed and communities can be given some respite before the grid can make it there,” AEPFC’s Narayan Adhikary explains.

With the declaration of 2009 resource. interest in tapping into this government too has shown development organisations, the Along with private firms and generated from a single plant like Kagbeni, 200MW could be days a week, and in some places Nepal gets 18 hours of wind every of producing 70MW. On average, Kathmandu Valley alone capable from wind energy, with the potential to generate 3,000MW Centre (AEPFC), Nepal has the Alternative Energy Promotion According to a study by the wind energy. that promotes Thapa heads a private company Lakhuri Bhanjyang, and now 1.5KW generator at a resort in up the tallest turbine in Nepal, a The same year, they went on to set the junkyard, and built a fully used locally available materials, month to set up the turbine. We

Helping workers abroad



MIN RATNA BAIRACHARYA

With formal remittances from the 3 million Nepali migrant workers across the globe reaching Rs 262 billion in 2010, it's no exaggeration to say foreign employment is the backbone of the Nepali economy. *Himalmedia* organised a roundtable discussion on migrant labour last week. Excerpts:

What is the current situation of Nepali migrant workers?

Purna Chandra Bhattarai (Joint Secretary, Ministry of Labour): Only

Network): The foreign employment sector is fraught with fraud. Over 700 cases of fraud have been filed at the foreign employment department but there is no national policy to address the issues of migrant workers. The government has set up a foreign employment board to compensate refugees duped by recruiting agencies but it lacks a clear strategy. Recruiting agencies are organised, but migrant workers are not, and struggle every step along the way, from finding an agency to securing decent jobs abroad.

Shaktida Singh (UNIFEM): The issues of Nepali women migrant workers – there are 200,000 abroad – don't fall within the formal framework of migrant workers.

There is no specific policy for them. They are at high risk as they mostly go through informal channels, rather than formal sectors such as industry and construction where insurance and other facilities are guaranteed. Most women work as domestic help, are undocumented, and aren't affiliated with labour unions. They contribute up to 15 per cent of total remittances, but there is no legal protection available for them.

Keshav Badal (Legal advisor, GFONT): Migrant records are confusing. We keep records of those who go abroad but there is no record of returnees. We calculate the remittance they bring in but don't have any account of how much we have spent to go abroad. And we are also sending skilled people abroad, who rich countries have not invested in. It's time to raise the issue of a human resource development fund that rich countries contribute to in exchange for supplying them with skilled manpower.

Hansaraj Wagle (first vice chair, Nepal Association of Foreign Employment Agencies): The manpower Nepal Association of Foreign Employment Agencies): The manpower

Keshav Badal: Migrant workers have to cross a number of hurdles and are duped before they fly out. They should be informed about the jobs they are applying for, the salary and benefits, as well as the risks. As far as insurance is concerned, the government has granted manpower agencies a license to cheat. Migrant workers should only have to pay a lump sum rather than installments that amount to much more, and undocumented workers should also be included somehow.

Madan Mahat (former vice chair, Nepal Association of Foreign Employment Agencies): Government should facilitate travel and have labour attaches in destination countries, which could reduce the risk, particularly for women. We should

Shengjie Li (Director, ILO Nepal): The Second National Labour Force Survey 2008 indicates about 21.1 per cent of households have at least one member living and working abroad. From 1993 to 2007, the volume of remittance increased by 30-fold, with a major impact on reducing poverty. In spite of contributions to family income and GDP, many migrant workers, especially women, face various problems, including abuse and trafficking. Another negative impact is the brain drain. And there is serious difficulty in reintegrating migrants into society when they come back. The skills they learn abroad have not been utilised for productive work.

Som Lutel (lawyer, Safe Migration)

Shaktida Singh: We cannot bar the movement of people. If they see better opportunities abroad we cannot stop them, but if women could earn Rs 5,000-6,000 here they would not leave. The social costs to families are high. Foreign employment should be made an option, not a forced choice.

Purna Chandra Bhattarai: We have decided to send women abroad only after the recommendation of the Nepali embassy. We have also raised the issue of establishing an embassy in Saudi Arabia. We have been lobbying for insurance and the implementation of the ILO convention on migrant workers. The government has been drafting foreign employment regulations and is reviewing migration policy, and is working on a scheme to utilise remittances better. We are also planning to decentralise the foreign employment board, and develop a database of job opportunities.

Shengjie Li: There should be a tripartite mechanism of the government, recruiting agencies, and workers' organisations to implement the ILO convention, which ensures safety of migrant workers. We have been helping in capacity building by training government officers, labour attaches, trade union representatives, and private recruiting agencies. The NAFEA code of conduct should be put in practice, and NAFEA should develop a grading system for recruiting agencies. The government should encourage workers to use legal channels to send remittances and develop an economic mechanism to utilise these funds.

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MKN: Hello.
Prakash: Who's this?
MKN: I am Nepal.
Prakash: The country or the person?
MKN: The prime minister.
Prakash: Oh yeah? And I am Vladimir Illyich. Don't you know what time it is in Nepal? You think you can run the country? Go away, Dad's sleeping. (Hangs up noisily).



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Representatives of the 27 parties focus on the task at hand while debating whether to extend the term of the High Level Taskforce, Sunday

Getting down to business

Whatever the motivations of those demanding a parliamentary session, and those in government opposing it, the fact remains that

there's a lot of work pending. In this sense alone, the President's action to call for a session from 19 December cannot really be faulted.

This does not mean the honourable members of the CA will actually achieve much, with decisions largely relegated to the head honchos of the three

political parties. But a caretaker government that doesn't even care for the niceties of parliamentary process is rather less than a government. Let the games begin.

Microfinance is one way to tackle poverty household by household.

p12

In Nepal's energy-starved economy, every little bit counts. Does wind power make the grade?

p13

Nobel winner Elinor Ostrom in conversation with Kanak Mani Dixit

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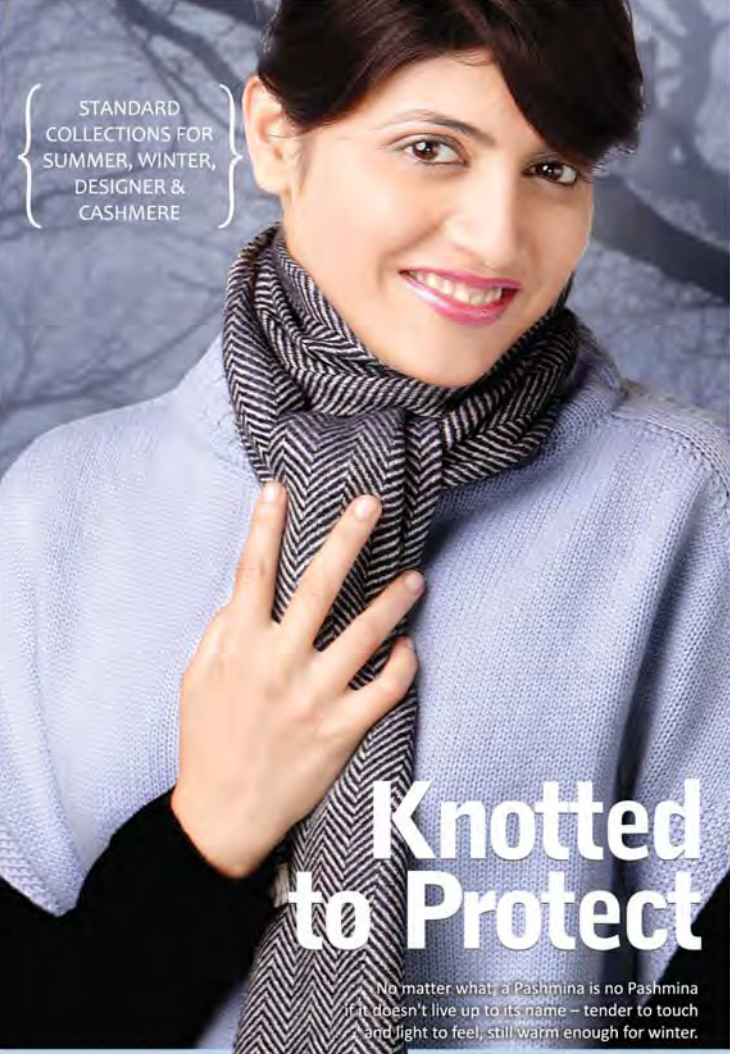
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Price hike woes

Nagarik, 13 December

नागरिक

Student unions of several political parties have demanded that Nepal Oil Corporation (NOC) reverse the recent fuel price hike. In a joint statement, they warned that they would launch a protest program if NOC did not comply.

The statement points out that instead of making internal improvements to eradicate irregularities, corruption and criminal activities, NOC has increased prices at the expense of consumers. It argues that it is not justifiable for NOC to announce a bonus for its employees and on the other hand, increase prices citing losses for the corporation.

NOC has announced an increase of Rs 3 in petrol, diesel, and kerosene, and a Rs 75 increase on LP gas cylinders. Last year, NOC was forced to reverse its decision to grant bonuses worth almost Rs 200 million to its employees, following profits of Rs 3.39 billion.

Although NOC has taken no initiative to make internal improvements, it blames fuel traders for its loss. However, the management of the corporation has been importing less oil from Raxaul, which is



closer and works out cheaper, and more from Barauni. It costs Rs 9.13 extra to transport oil from Barauni and a study by NOC shows that 250 litres of oil per tanker are stolen during the process. But even after employees submitted a file at the Commission of Abuse of Authority, no action has been taken in this regard.

In response to the protests, NOC has released a statement to clarify its decision. It has claimed that because of increase in the international prices of crude oil, the domestic prices had to be increased. The corporation's losses reached a high of Rs 43 million after the international price rose to US\$90 per barrel. However, the statement does not mention the cost price that NOC pays in India. In addition, when the international price had dropped to \$40 per barrel earlier, NOC still maintained the price it had announced when the rate was \$75 per barrel.

The corporation has not invested in improving its technical capability or in quality control mechanisms. When losses occur NOC seeks to transfer costs to the consumers — but it makes no effort to give profits back to consumers when it is in the black.



Pluralism

क्रान्तिपुर Krishna Gopal in Kantipur, 14 December

Road to prosperity

Tapendra Karki in Rajdhani, 13 December

राजधानी

Income levels have increased in Goruchaur in Jumla following the provision of road access under the Karnali highway project. Locals worked on construction of the road, and now they are reaping the benefits: they can take their products to market and also purchase goods at cheaper prices.

Since the Nepal Army (NA) took on responsibility for construction, a 44-km unsurfaced road has been completed from Nagma. Before, animals had to be used to transport goods to Surkhet, and charges were Rs 15 per kg. Now, costs have fallen to Rs 4 per kg. "The road has made our lives much easier. Now we can transport the potatoes, apples, beans and other fruits and vegetables grown here to markets in Surkhet,

Nepalganj and India," says Panna Prasad Upadhaya, a local from Kanaka Sundari. "The army has constructed the road for us, now Karnali has been declared a zone for fruits."

The contractors for the road were unable to work during the conflict years, which was why the NA took on the project. According to NA, all works will be completed within this fiscal year.

Sanjay KC, a technician at NA, says the road will be extended to Gamgadi in Mugu. In addition to the highway, 700m of smaller roads that will link several adjoining villages are also under construction. An investment of Rs 21 million will be required to complete the project but the government has allocated only Rs 8.75 million for it. Completion of the project will grant road access to the residents of Dolpa and Mugu as well, leaving Humla as the only Karnali district without access.

“Rebuild the t-r-u-s-t”

Last week, 2009’s winner of the Nobel Memorial Prize for Economic Sciences, Elinor Ostrom, visited Nepal for a whirlwind four-day tour of the capital. She spoke to Kanak Mani Dixit about Nepal’s historically successful community management of its resources.



KIRAN PANDAY

Kanak Dixit: Though Nepal’s heritage is ancient, including in managing common property resources such as forests and watercourses, we seem always bent on abandoning our successes. We experimented for five years with local governance, drawing on the legacy of participatory management, but now that has been killed off. Community forestry is under fire. One gets the feeling that some of our decision-takers and opinion-makers are blind to our heritage.

Elinor Ostrom: Well, that’s not unusual. Scholars all over the world greeted Garrett Hardin’s 1968 article on ‘the tragedy of the commons’ with enthusiasm because it is very easy to presume that everyday farmers, fisherfolk, and those managing the forests are trapped and cannot break away from overexploiting resources. It’s sad, because in Nepal there is an incredible history of communities doing fabulous work. There are state solutions and market solutions that are talked about, and the options given are either privatisation or government takeover, but you have to look at the Nepali example of local governance. Together with scientific knowledge, you have to respect indigenous knowledge.

KD: For decades in Nepal’s modern era, we have been seeing fields leading up to shrubland, then forests. It was only from the 1990s onward that we began to notice sharp delineation between fields and forests, like, shall we say, in the postcards of Switzerland. Are we seeing proof of the success of community forest management, where the transfer of responsibility also brings about these sharp demarcations?

EO: I think so. I have seen how local communities, when they are given real ownership, have the incentive to try to get as much of the forests planted and productive. When there are harvesting rights, for non-timber products, firewood and timber, you create long-term interests. But when there is conflict or if government takes things away, it is not always easy for forests to recover. When highly degraded forests are handed back, it is difficult for the communities to nurse them back to good health. You have to remember that some of Nepal’s forests were managed by villagers

well into the 1970s and 1980s, and only thereafter came under government control.

KD: While researching the common pool resources of Nepal, I wonder if you have followed our experience with the elected VDCs and DDCs. Today, not only are there no elections, this local government machinery is completely corrupted with a so-called ‘all-party mechanism’ in place. This is the opposite of what elected local bodies are supposed to be, but even the development agencies are quiet as local government is denied.

EO: I know more about the Panchayat years. Back then, the villages had a lot more power and capacity because they had remained outside the reach of government. When I first started doing research in the middle hills, in areas where the central government was not very active, the locals had to do things themselves or they wouldn’t get anything of value. So there was a lot of self-organising going on in irrigation, forestry and other areas.

KD: Your work serves to remind us of a previous reality, which existed in places even during the Panchayat era.

EO: Yes, but of course it was not perfect because one doesn’t find people governing themselves in ways that are always fair and efficient. Community management systems can succeed or fail. If it is for yourself, your children and grandchildren and your friends’ grandchildren, you have an incentive to do something better. But there are problems. Heterogeneity can be a challenge in a forest governing unit, in terms of the existing divisions by caste, wealth or ethnicity, even though this does not automatically guarantee failure. It is true that the caste structure did not make success uniform in the community-managed system.

KD: We are at a point in Nepal where a sense of failure pervades the landscape. The long-standing political confusion has made the public at large despondent.

EO: You have such rich heritage! I started doing research here sometime in the late 1970s and early 1980s and I was really impressed with what I saw out in the

villages. Compared to government-run irrigation systems, the farmer-managed ones were more efficient and equitable. They were generating higher harvests, there was more water getting to the tail-end users. Remember, they do not use fancy systems – these are logs and mud canals that control and divert the water, employed with great ingenuity. In the Rapti Valley, there were 85 irrigation systems giving farmers three crops a year. Engineers came in, disregarded these so-called primitive works, and recommended a huge irrigation system to be funded by the Asian Development Bank. It would have ruined the local communities, but fortunately there were some alert scholars who were able to stop the project. In another place in Rapti, a development agency came in and built over the existing farmer-managed irrigation system. Production went down.

KD: How unique are we in Nepal, in terms of putting in place misconceived infrastructure and ignoring local traditions?

EO: This is not unusual, you see a lot of it in Africa, for example. Development workers come in and often disregard the ingenuity of the local people. The mentality is, “We have the engineering, we have knowledge, we can design, we will tell them what to do, and they can learn.” This really undercuts communities with rich heritage of indigenous knowledge in managing the commons. But in recognising the local communities, you cannot employ one-size-fits all solutions. Uniform decentralisation of forest or water systems through a single piece of legislation frequently does not work. Managing irrigation for 10 farms from a creek is different from the expensive headworks required to serve 300. There will be different design requirements for systems in the Tarai, hills and upper hills. Rules and ways of management must fit individual situations, and we must get the young people to recognise that there is something to learn from college textbooks as well as from their heritage. Development work does require rigorous research and analysis, but sometimes local communities are able to do a lot on their own.

KD: In the public discourse here, we talk a lot about community forestry but not about

farmer-managed irrigation.

EO: (*Showing surprise*) But it is one of the success stories of the world! I have worked with Nepali colleagues, who have studied both irrigation and forestry very seriously. We have a database of over 250 sites both of farmer-managed and ‘agency-managed’ irrigation systems, and the former are more efficient, equitable and productive.

KD: As a researcher focused on rural Nepal, how do you feel about what villagers had to go through during the conflict?

EO: It’s terrible, and the tragedy is that poverty only gets worse when you have a situation in the villages where you fear to go out to do anything. The big finding from our work in this country and around the world, is my favourite five-letter word – ‘t-r-u-s-t’. If you’ve gone through a civil war, that destroys trust, and rebuilding it is very hard.

KD: How do we rebuild that trust?

EO: It’s kind of step-by-step, and a lot can happen in the villages through initiations such as farmer-to-farmer training. Some farmers from Sindhupalchok whose irrigation systems were not working very well were taken to Palpa, where many of the systems are effective. The sharing that the farmers of Palpa did with those from other parts helped build on the social capital and knowledge that was already there.

KD: There are two themes I take away from this conversation – one, that we can use the social capital that exists in rural Nepal to rebuild trust that has evaporated.

EO: It won’t happen fast, but it’s essential.

KD: And the other, that people working together will reduce poverty.

EO: As long as they work together on something manageable, then they can be successful. And as long as we recognise that there are multiple ways of doing things.

KD: One last question: does Nepal have a share in your Nobel Prize in Economics?

EO: Yes, indeed! The villagers of Nepal do!

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royalties.

MKN: Hello.
Prakash: Who's this?
MKN: I am Nepal.
Prakash: The country or the person?
MKN: The prime minister.
Prakash: Oh yeah? And I am Vladimir Illyich. Don't you know what time it is in Nepal? You think you can run the country? Go away, Dad's sleeping. (Hangs up noisily).

Long and short of it is that MKN is not on speaking terms with PKD for the moment. And Makunay has stopped making phone calls himself, and lets his PA call. The quote of the week must be the prime minister admitting on his return from Belgium: "The reason I have been travelling so much is because it doesn't matter whether I am in Nepal or not." What has he been drinking, the truth serum?

So Himlal Sharma has been elected the president of the All Nepal Federation of Student Unions (Revolutionary) during a general convention in which the Chief Guest was the son and successor of the Sendero Luminoso leader, Prof Abimael Guzman, aka Comrade Gonzalo. ("Long live the solidarity of the people of Nepal and Peru"). He may be the boss of **kranticurvy students**, but Himlal is 40 years old, with four grown-up children, one of them in medical school in China. In his campaign speech he proposed all Maoist leaders take their children out of private schools, which didn't make a lot of people happy. And then his boss Comrade Chairman turned up and threatened to turn all schools in Nepal into 'barracks' and all school children into 'gorillas'.

Compared to these buffoons, Dr Baburam's remarks at a book launch this week organised by the Nepal-China Society in the capital actually sound quite logical. BRB said (exact quote): "Buddhism is actually quite close to Marxist ideology. Lord Buddha held very progressive views." Ahem. **Comrade Buddha** didn't go around killing 16,000 people, but that's a minor point.

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