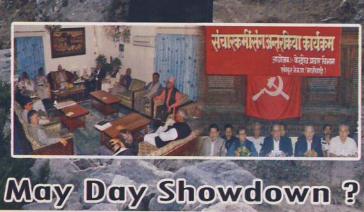
Interview: Mohammad Aftab Alam





Viewpoint: Dr. Tilak Rawal



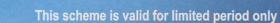


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COVER STORY: LABOUR UNRESTMayday, Mayday



MAOIST RALLY: Muscle-Flexing



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PM Madhav Kumar Nepal in a meeting with US Assistant Secretary of State for South Asia and Central Asian Affairs Robet O Blake Jr (Centre) and US Ambassador to Nepal Scott H Delisin

American Ambassador Presents Credentials

Scott H. DeLisi, the new U.S. Ambassador to Nepal, presented his credentials to President Dr. Ram Baran Yadav on Sunday, April 18.

"I am very happy to be here. I look forward to building on the long-standing friendship between our two countries and strengthening the bonds of goodwill between our two peoples," Ambassador DeLisi said in his brief statement upon his arrival.

Scott H. DeLisi is a career member of the Senior Foreign Service who, during his 28 years as a diplomat, has served as Ambassador to the State of Eritrea and as Deputy Chief of Mission of the American Embassy in Gaborone, Botswana. Ambassador DeLisi was nominated by President Barack Obama in November 2009 to be Ambassador to the Federal Democratic Republic of Nepal and confirmed by the Senate in March 2010.

Most recently, Ambassador DeLisi was the Director of Career Development and Assignments in the State Department's Bureau of Human Resources where he played a key role in efforts to staff U.S. embassies, including Missions in Afghanistan, Iraq and Pakistan, with well-qualified career volunteers.

Previously, as the Director for Entry Level Programs, Ambassador DeLisi helped shape the newest generation of Foreign Service Officers. Among his other domestic assignments, he has served as Director for Southern African Affairs, and overseas he has had postings in India, Madagascar, Pakistan and Sri Lanka.

Ambassador DeLisi has been the recipient of a Presidential Rank Award, the James Clement Dunn Award for Excellence, the DIA Director's Award, four Superior Honor Awards, and two Meritorious Honor Awards. His foreign languages include French and Urdu. A native of Minnesota, Ambassador DeLisi is a graduate of the University of Minnesota, earned the degree of Juris Doctor from the University of Minnesota Law School, and is an alumnus of the Hubert H. Humphrey School of Public Affairs. He and his wife Leija have three children and one grandchild.

Launch of 'Life in the UK'

The Gurkha Settlement Office (GSO) Kathmandu has launched a new "Life in the UK" booklet, which is being given free of charge to visitors to the Office. The booklet contains essential details about living in the UK, for example how to find a home, how to find employment and the how to open a Bank account, amongst other topics.

The booklet, which is supported by the UK Border Agency, also lists lots of useful hints and tips and website addresses where you can find out additional information about Life in the UK.

Dawadi FNCCI Director General

Dr. Hemanta Prasad Dawadi was appointed as the director general of Federation of Nepalese Chamber of Commerce and Industry and out going director general Meghanath Neupane as a senior consultant. Dr. Dawadi joined FNCCI in 1995 and he was executive director of NRN secretariat before appointment to FNCCI.

Dr. Dawadi is Ph.D in economics and he is known as a person who has been closely watching the activities of private sector for a long time.

"We expect that Dr. Dawadi can play his role very effectively," said Kush Kumar Joshi, president of FNCCI.

"I will do my best to uphold the dignity of the FNCCI," said Dr. Dawadi taking the charge of the director general of the FNCCI, the highest administrative position in the organization.

Micro Hydro Regional Excellence Centre

Regional Centre of Excellence in Micro Hydro (RCEMH), launched here recently, is the first such institution in South Asia dedicated to promoting micro hydro development.

An initiative of the U.S. Agency for International Development (USAID)'s South Asia Regional Initiative for Energy (SARI/E) program, this Center was launched in cooperation with the Alternative Energy Promotion Centre (AEPC), and the Ministry of Environment in Nepal.

Micro hydro is a term used for hydropower generation of up to or less than 1000-kilowatt capacity, including both mechanical and electrical power.

Minister of Finance Surendra Pandey and the Minister of Environment, Thakur Sharma, from the Government of Nepal, and the Mission Director of USAID/Nepal, Dr. Kevin A. Rushing opened the ceremony in Kathmandu.

USAID/Nepal's Mission Director, Dr. Kevin A. Rushing said that, "this Centre of Excellence will facilitate access to clean energy technologies throughout the South Asia region. By stimulating new clean energy enterprises, the Center will increase access to energy for thousands of people, thus relieving countries like Nepal from rising energy costs, promoting clean energy and improving economic opportunities."

USAID's SARI/E program promotes energy security in South Asia through three activity areas: cross border energy trade; energy market formation; and clean energy access partnerships.

Indian Aid To Far West Schools

2. 1 ..

In separate public functions held recently in Kailali and Kanchanpur

NEWSNOTES

Districts, Counselor (Economic Cooperation), Embassy of India, Puneet R. Kundal handed over 4 schools built with the Government of India GOI assistance of NRs.6.04 crores to the local community of Kailali and Kanchanpur on behalf of Ambassador of India.

The Counselor (Economic Cooperation) also laid the foundation stone for school at Airy in District Kanchanpur to be built with GOI assistance of NRs. 1.76 crores.

Shree Saraswati Higher Secondary School, Geta in District Kailali received the aid. The school was set up in 1961 as a primary school and upgraded to higher secondary level in 2001. The new school building has replaced an earlier broken and dilapidated building.

Similarly, Shree Nava Durga Secondary School, Mohana, Dhangadhi, District Kailali is another recipient of India's assistance.

HBL New Branch

Manjo Bahadur Shrestha, chairman of Himalayan Bank Limited (HBL) inaugurated Bank's Dillibazar branch recently. This is the 29th branch of the bank.

Addressing the function, chairman Shrestha expressed that opening of the bank's branch in this area was an important milestone from the perspective of valuable business that bank has anticipated to do here.

He opined that it is an opportunity to serve the inhabitants of Dillibazar and its surrounding areas with its technically advanced and globally recognized services.

Shrestha highlighted the current activities and achievements of the bank in the first nine months of the current fiscal year. According to him deposit base of the bank has reached to the size of Rs. 38.11 billion and loan portfolio over Rs.30.68 billion.

Dillibazar branch will provide full fledged customized banking products and services. It will offer special deposit products with attractive interest rate of 11 percent p.a. Besides this, it will also provide different types of loans, issuance of traveler's cheque, bank draft, credit card, debit card, ATM, remittance facility and other banking services.

HBL has planned to extend its branch network to additional 4 locations and ATM network to more locations



within the current fiscal year. ADB Supports Government's Commitment

The Asian Development Bank (ADB) supports the Government of Nepal's strong commitment to develop alternative and renewable energy in a sustainable manner, said ADB Vice President Zhao Xiaoyu.

"I had very fruitful dialogue with senior officials of the Government of Nepal and other key stakeholders. ADB looks forward to working very closely with the Government, and especially the Ministry of Environment, through ADB's 'Energy for All' initiative which aims to support ADB's developing member countries in improving access to energy and reducing poverty in rural communities in remote villages" said Zhao.

In his meetings with senior Government officials, Zhao said that ADB has proposed that Nepal be one of the pilot countries which could explore harnessing the potential of alternative energy sources such as solar, small wind power, biogas, and microhydropower.

Meet Conclude

The Third South Asia Policy Forum on Monday urged SAARC leaders to take urgent actions on food security, warning that due to the shortage of staples, 17 percent and 35 percent of the total population of South Asia may face the worst forms of food insecurity by 2050 and 2100, respectively.

The three-day Forum is being organized by the Imagine a New South Asia Alliance (INSA) in collaboration with Climate Action Network South Asia (CANSA), South Asia Watch on Trade, Economics & Environment (SAWTEE), South Asian Centre for Economic Journalists (SACEJ), NGO Federation of Nepal, ActionAid, Oxfam and WaterAid.

"In 2050, more than 29 million and 15 million population will face rice shortage in Bangladesh and Nepal, respectively, which is equivalent to 10 percent and 25 percent to the expected population in 2050," said Prof. Rashed Al-Mahmud Titumir from Dhaka University.

In his comments, Aftab Alam Khan, Head of ActionAid

International Food and Agriculture Programme, called upon SAARC leaders to commit at least 10 % of their national income for agriculture with 80% of this diverting to smallholder sustainable agriculture to ensure a HungerFree South Asia.

Highlighting the need to operationalize a regional integration fund for the least-developed countries of the region and to focus on the interlinkage among trade, climate change and food security, Puspa Sharma, Programme Coordinator, SAWTEE stated that SAARC should urgently act to implement the commitments on trade, economic and food security agenda.

Keeping in consideration the worsening situation of food insecurity in South Asia and predicted implications of climate change for agriculture production and productivity, Kamalesh Adhikari, Research Director, SAWTEE, said

KOICA Volunteers

KOICA has dispatched eight new KOICA Volunteers, who are the second batch of 2010, to work in Nepal for two years. They arrived in Katmandu on April 26, 2010 and were welcomed by the Resident Representative, Ms. Youngah Doh and other officials of KOICA Nepal Office at the Tribhuwan International Airport. These new KOICA Volunteers will be assigned in different government organizations with in and outside the Valley and will share Korea's knowledge in Lab Technology, Early childhood education, Special education and Computers etc with the Nepalese people. They will be stationed in Nepal Red Cross Society, District Education Office, District Development Committee Kapilvastu, Association for Welfare of Mentally Retarded and other organizations.

Post G P Scenario

The sad demise on March 20, 2010 of G.P. Koirala, president of Nepali Congress and one of the top few leaders that the country has seen in its history, has undoubtedly created a situation of void at a time when nothing looks certain, be it the question of preparing the new constitution or providing economic relief to the common people. People very well knew that the ailing leader had no immediate solution to the burning political problems but they also knew that the feuding political parties/ fractions had someone to turn to for settlement.Koirala on several occasions succeeded in calming the warring leaders down but fell short of providing a lasting solution. Now that he is no more with us, chances of temporary solutions, provided by him on peace meal basis, aggregating into lasting solution are almost nonexistent.

This is all the more exacerbated by the fact that the only surviving founding leader of NC, K. P. Bhattari, has isolated himself since long from active politics citing some fundamental differences with the party and its leadership and the so called trio in the party are still desperately trying to fit into Koirala's shoes, jacket and trousers, despite temporary settlement of seniority issue with number one slot given to K P Bhattari(did he want it?) followed by Deuba and Sushil Koirala.Further, failure of the major three parties to find late Koirala's replacement as chair of the high level political mechanism has highlighted the existing inter-party feud and lack of an undisputed leader to perform the role of a guardian.

Despite serious charges of nepotism, favoritisms and lust for power leveled against him P's unparallel contribution in the on going peace process outweighed his shortcomings and was befittingly paid tribute to on the first as well as 13th day of his death. Even his bitter critics both within NC and outside who left no stone unturned to castigate him whenever and wherever possible, are all praise for GP probably in keeping with the human tradition of being soft on the dead. The octogenarian leader very well deserved the tribute that was paid to and will be missed all the more in the continuing situation of political confusion and instability. While continuing to pay respect to GP, those concerned, mainly NC leaders and cadres, should not forget to be respectful to late BP, Ganesh Man and still surviving Bhattari for their heroic deeds at different points of time, adhering to the established norms of their party. Great people are remembered much during difficult times as is the case with the builder of this nation late king Prithivi Narayan Saha, who despite efforts of some to negate and even condemn his heroic act, is being remembered and loved by many many Nepalis.

Despite Maoist's threat to dislodge the current dispensation soon after its creation, the government led by M K Nepal has entered into the 10th month, surpassing the tenure of preceding Maoist led government, which is an achievement in itself. Mr. Nepal's ability in keeping intact for this long the heterogeneous cabinet, whose senior members' act and observations have adequately demonstrated indiscipline, insubordination and lack of coordination in the government, is really laudable. Looks like there is no one to control the ministers who make observations that sometimes do not match with the spirit of the interim constitution and pronounced policies of the government.PM Nepal has no choice but to console himself by labeling these public observations of his subordinates as individual opinion /thinking. As if these were not enough, the government has suffered another debacle in regard to Machine Readable Passport (mrp) deal with India, which had to be shelved following intense pressure from different corners. Prolonged period of indecision on the part of government is deemed responsible for the controversy and embarrassment caused to different parties involved including government of India. Deputy PM Sujata has made

Dr. Tilak Rawal

her disgruntlement public over this, terming it a decision taken in haste. Notwithstanding these debacles on several fronts, it will be unfair if due credit is not given to Mr. Nepal for being able to be on the chair for ten months in these convulsing times. He should be happy that he has at least one loyal subordinate in Mr.Gachhedar, senior DPM and chairperson of MJF (democratic), who not only played a vital role in government formation but also in its continuity till date.Indeed, the ability of Mr. Nepal is matched by only one leader, Mr.Deuba, who has demonstrated more than once his adaptability and flexibility to lead and keep the government intact in varying circumstances.

Following Koirala's death, founding leader of NC K P Bhattari and former king Gyanendra drew the nation's attention for their views on religion, monarchy and federalism. Branding federalism, secularismand republicanism as unnecessary concept imported in a hurry, the saint leader with an untarnished image went to the extent of demanding revival of the 1990constitution of which he was one of the main architects along with Justice Bishwo Nath Upadhyay. Major political parties, irritated by the remarks, have vowed to protect the historic achievements at any cost. While the parties can not be blamed for promptly reacting to these remarks, it should not be forgotten that Mr. Bhattari, who completed in one year the twin task of preparing the1990 constitution and holding parliamentary elections, has the

NATIONAL

moral authority to speak his mind in the present situation of failure, uncertainty and confusion on all fronts. It may be mentioned that party leaders instead of jointly admitting failure and asking people to give them some more time to bring the new constitution, are seemingly engaged in mud slinging activities.

Even when there is less than a month now for the promulgation of new constitution, which is very difficult, leaders do not want to admit their failure and have not come up with a solution for the post May 29 situation Despite some Inter-party differences, Khanal-led UML looks in favour of extension of the term and formation of a unity government, which the Maoists want to lead but R C Poudyal of NC and stalwarts of UMI are in no mood for unconditional hand over of power, more specifically to Maoist supreme Parchanda. People are disillusioned and angry with their leaders and have been expressing their resentments whenever there is an opportunity to do so, There is therefore, no reason to vilify the selfless leader and also the monarch who in very general terms spoke about ups and downs experienced by monarchy all over the world.Further, let us not forget that more than 25 million Nepalis are the supreme authority and they are very unhappy about the lost opportunity of a decade- and- a- half and the current mess that the nation is put into by us. The economy is in an unprecedented mess with huge trade and balance of payment deficit and double digit inflation, mainly soaring food inflation, making the life of poor Nepalis miserable. Needless to say, accommodative monetary and fiscal policy does work in such a situation. Does any one have the time for these?

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Students Hit

By ABIJIT SHARMA

ust a few days after the UN released a new report presenting a grim picture of children in Nepal, the Maoist-affiliated All Nepal National Independent Students' Union -

Revolutionary (ANNISU-R) began a nationwide indefinite strike from Sunday, protesting against the fee hikes of private schools, and once again, hitting students hard.

"This closure is a crime against children," said Minister for Educaton Sharbendranath Shukla. "All parties should come to the negotiation table."

The National Human Rights Commission urged the ANNISU-R to allow schools to run. "Nobody can deny the rights of the children to acquire education," the commission said.

The UN general secretary Ban Ki Moon, presenting the report, had expressed his concerns over students being caught up amidst political controversy and mounting strikes. Referring to the report, he had said, "Increasing tendency of political parties and their sister organizations to impose strikes for political purpose has had a negative impact on students."

However, just a day after the release of the report, private schools had to suffer yet another strike.

The protest by ANNISU-R has come at a time when new sessions are beginning in schools, with the strike forcing 8000 schools to shut down and 1.5 million students out of classes. Similar protests happened in 2009, registering 120 separate instances of school closures and losses of 80 cumulative school days as a result of strikes and political turbulence.

"Our schools are closed down for no reasons. We are helpless in the situation when our school's property is unsafe," said Dr. Baburam Pokharel, founder principle of VS Niketan School. "We are running the schools with an aim to contribute something for the society but our contribution is undermined."

As the situation gets even more tense with the Maoists' newly called revolution, more conflicts, closures and strikes can definitely be expected. One can only wonder how much the educational sectors have to suffer from this commotion and what the future of students will be.

CONSTITUTIONAL DEBATE May 28: What Next?

Nepal's geo-political reality overtakes political and constitutional process all the time

By KESHABPOUDEL



For the last five decades, Nepal's all five constitutions faced similar fate. Like all previous constitution, Nepal's present constitution also is heading to become

the victim of Nepal's geo-political reality. "As long as Nepal's geostrategic situation unstable, no constitution and political process will give stability.

political process will give stability. Nepal's geo-strategy is a hard reality which will override constitutions. The present instability is also a reflection of this," said a political analyst. "Of course, constitutions will be replaced one after another due to country's hard reality but this is not going to make Nepal like Afghanistan or Iraq."

"Nepal has a unique position as no country in the world lies between such two big powers, India and China. "Surviving as an independent nation for such a long time is itself a pride. Although monarchy has gone, even Maoists are harping now the slogan of nationalism," said analyst, a renowned constitutional lawyer on condition of anonymity.

This is the hard reality of the country. One cannot turn Nepal into a mess just by saying something. Everyone needs to live in the hard reality of Nepal.

As the day May 28 is approaching with Constituent Assembly's failure to produce the new constitution, there seem to be more uncertainties and debates over the future of the political process. As per the Interim Constitution, the two years' tenure of CA will complete on mid-night of May 28 creating a political and constitutional vacuum.

"The sky will not fall after May 28. There are political ways out for that situation," said UCPN-Maoist leader Pushpa Kamal Dahal Prachanda. "If Nepali Congress and CPN-UML agree with us, we can still write a new constitution within a month."

According to a prominent constitutional lawyer, Interim Constitution will be there even after May 28. The debate is what happens to the tenure of CA.

In this context what UCPN-Maoist leader Prachanda said has certain justification. Since the last five decades, Nepal's constitutional process is determined by the political decision rather than constitution. From restoration of House of Representatives to the proclamation to revive house and abrogation of Constitution of Kingdom of Nepal 1990 by Interim Constitution, all are taken by Seven Party Alliance and UCPN-Maoist which came to exist following 12 points agreement signed in Indian capital New Delhi.

Nepal has long history of geostrategic hear reality overtaking the constitutional process. The constitution of 1962 was promulgated by exercising inherent rights of the King not through the constitutional process of 1959. Similarly, the constitution of 1962 was replaced by the constitution of 1990 through the People's Movement I. The constitution of 1990 was abrogated through the People's II movement by Interim constitution.

The constitutional process has been guided by geo-political reality. Although Constitution is the law of land and it is supreme, constitutionalism is always violated.

"The nation is guided by the politics and the constitution is often used as a cover up," said advocate Ganesh Dutta Bhatta. "In the name of political consensus, the values of constitutionalism have already destroyed," said Bhatta, who is associate professor of Constitutional law at Nepal Law Campus. "Even though extending the tenure of CA is not a healthy exercise but major political parties can extend the tenure. But they must agree to complete the integration of Maoist combatants and fundamental provisions of the future constitution including the forms of government and structure of the state."

Constitutional Provision

According to article 64 of the Interim Constitution, unless otherwise dissolved by a resolution passed by the Constituent Assembly, the term of Constituent Assembly shall be two years from the date of its first meeting. The first meeting was held on 28 May, 2008.

Provided that the term of the Constituent Assembly may be extended for up to six months by a resolution of the Constituent Assembly, in the event that the task of drafting the constitution is not completed due to the proclamation of a state of emergency in the country.

Article 82 says on the day of the commencement of the Constitution promulgated by the Constituent Assembly, the task given to the Constituent Assembly shall come to an end. Provided that, until the election of the Legislature Parliament held in accordance with the Constitution promulgated by the Constituent Assembly, the proceedings of the Legislature Parliament shall be conducted as specified in the constitution promulgated by the Constituent Assembly.

According to legal expert Dr. Surya Dunged, the power of extension of CA's term is, however, given to only CA by the interim constitution. The Legislature Parliament has no power to extend the CA's term through constitutional amendment of article 63. Dr. Dhungel argues that after May 28, the president is torch bearer of the nation during crisis and remains to be the ultimate savior and device that automatically becomes active to diffuse a crisis in the interest of people and nation."



SAARC Storm Cloud

Bilateral issues holding the regional climate agenda hostage will mean more perils for South Asia

By NAVIN SINGH KHADKA in London

 ndian Prime Minister
 Manmohan Singh and his
 Pakistani counterpart Yousuf
 Raja Gilani had not even arrived in the South Asian Association for Regional Cooperation

(SAARC) summit host city Thimpu earlier this week. And yet the otherwise chilly Bhutanese capital had begun to heat up with talks about their possible meeting.

"I am not ruling it out," Indian Foreign Minister SM Krishna told reporters.

"Let's wait and watch how things are going to work out, all bilateral issues between India and Pakistan will be discussed as and when the prime ministers meet," South Asian Media Net quoted him as saying. Indo-Pak bilateral tensions overshadowing the multilateral platform of SAARC is nothing new.

The trouble is even then the regional forum has not been of any help to make the bickering two patch-up.

It has rather mostly staged style – how the two quarrelsome neighbours behave with each other – than substance in the last 25 years.

By the time you read this, it will in all probability have become the same story this time as well.

In that case, the only difference will be that the summit's agenda, climate change, will remain unaddressed and that will make the two sides even more hostile.

And by extension, that would mean the entire region would be even more unstable.

NEW SPOTLIGHT NEWSMAGAZINE April 30, 2010 7

It's a vicious cycle.

Climate refugees from Bangladesh are a classic case.

Border issues involving unwanted immigrants from Bangladesh into Indian territories have left New Delhi and Dhaka at loggerheads keeping both sides from discussing, for instance, how to deal with sea level rise.

Whereas it is the Bangladeshis from coastal areas who become climate immigrants desperate to earn livelihood across the border.

The deepening dispute between India and Pakistan on sharing of the Indus river waters also mirrors the viciousness.

If water sharing remains hostage to other bilateral issues including terrorism, experts say, it will become the serious most issue between the two South Asian rivals in the wake of climate change.

At least both sides have not yet blamed climate for the water dispute so far.

But some scientists in the region believe days are not far when climatic changes will further intensify bilateral tensions over water.

They say increasing temperature has meant that glaciers don't get enough snowfall during winter and therefore river flow during summer is dwindling.

"We have seen the decline in the flow of the Indus, Chenab and Jhelum rivers," says Professor Mohammad Sultan Bhat of the Kashmir University, who has conducted field studies together with India's flood and irrigation department.

"We have recorded a decrease of 40 percent in the flow of Jhelum's tributary river that is fed by the receding Kolahi glacier."

For the regional grouping that has made one after another unimplemented declarations over the years, whether the climate treaty it is expected to bring out in this summit will address such problems is anyone's guess.

Officials can always argue that bilateral matters cannot be brought up and dealt with in SAARC.

While it is the Indo-Pak bilateral issue that has largely held the multilateral forum hostage all these years.

Khadka is a BBC journalist



MAOIST RALLY MUSCle-Flexing

The belligerence of the former revolutionaries in the peace time could backfire on their attempted evolution into a credible legitimate entity

By SUSHIL SHARMA with SAROJ DAHAL



day before he went on air on TV channels to brief the media about the May Day rally and the threat of a subsequent indefinite general strike, Maoist

chairman Prachanda received an invitation from president Ram Baran Yadav for a Tuesday dinner with leaders of all parties represented in the constituent assembly.

Accepting the invite, Prachanda told the president's personal secretary Lalit Basnet, at his Naya Bazar residence, "Sure, I will be there (at Shital Niwas)." Later, he called the president to reconfirm his attendance at the dinner.

Two days later, Prachanda changed his mind.

As president Yadav began receiving leaders of the 23 parties, he received a regret call from the Maoist boss.

"Since we have decided to go for agitation, my attending the dinner will send a wrong message," Prachanda told the president.

Under pressure from within the party, the supposedly all-powerful chairman had backed down at the last minute.

The other invitees, vice chairmen

Baburam Bhattarai and Mohan Vaidya, understandably did not make it too.

Whether the non-invited vice chairman Narayan Kaji Shrestha played a spoilsport or the party smelled a rat is not clear.

What became clear without doubt was that the Maoists do still revel in being consistently inconsistent.

It has cost them dearly in recent months. Their credibility has hit rock bottom among the "thinking class", although they may still retain their glamour among the "action mass".

More erosion could follow the much publicized May Day showdown to topple "the puppet government."

A politburo meeting earlier this month had concluded that capturing power through the streets is too difficult. And impossible to retain it even if the power came their way.

"What we want right now is a change of the government, not the power-grab," confided a standing committee member.

The Maoists know violent demonstrations will not pay hence their extra pains to assure of a peaceful protest.

But by sidelining the constituent assembly in achieving the stated goal – the government change – the largest CA party is risking further erosion in its credibility as a peaceful entity.

Already, international community has begun questioning their intent. A blow to an ultra-left party that struggled hard to gain international legitimacy in the present-day pluralistic world.

Those who gave the Maoists a benefit of doubt and pleaded in their favor vis-à-vis the other "discredited" parliamentary parties are having second thoughts.

They conveyed as much to the Maoist leaders in their meeting ahead of the May 1 rally.

Reading, perhaps, the writing on the wall some Maoist leaders insist all they want is to ensure that the dissolution of the CA does not take place after its tenure ends on May 28.

The non-existence of the CA will deprive the Maoists of the present status and privilege of being the single largest legitimate political party.

The party to benefit the most from the extension of the CA will be the UCPNM.

The party to lose the most from the street agitation will also, ironically, be the Maoists.

It may have "mobilized" its cadres across the country.

But the general mass especially the decisive middle class feel they have been "terrorized" over indiscriminate extortion, intimidation and muscle-show.

The international community is "disturbed."

Maoist leaders are no less worried notwithstanding their belligerent postures in public.

Said senior leader Baburam Bhattarai,"do expect a breakthrough ahead of May 1 to clear way for a political solution at a later date."

It is not clear how many top leaders share Bhattarai's optimism. He has little hold in the party.

International Concerns

In their meeting with Prachanda and other top leaders Kathmandubased western diplomats were diplomatic enough to convey their message. So was the visiting US assistant secretary of state, Robert Blake.

They cautioned against violence and extracted assurance of a peaceful protest.

The message between the line was not as ambiguous. "We are not with vou."

The resumption of extortion and intimidation has angered the international community.

With India turning it back on the former occupants of the Noida shelters, the Maoists have been caught on the wrong foot since last year.

The former rebels have now forced the 'sympathetic' west to follow Delhi. Inviting further isolation from the international community.

Critics pointed out a striking parallel in the paths followed by the ousted king Gyanendra and the Maoist party that claims to have played a key role in his ouster.



Gyanendra Path

February 1: royal takeover 2. Had to take power to protect the constitution

3. People are fed up with the old reactionary parties

4. Huge mass 'mobilized' across the country. The other parties seem helpless.

5. Did not heed the international community's advice to work with the parties

6. My critics are anti-nationals. They are hand in gloves with 'terrorists' and driven by foreign forces

Critics wonder if the Maoists' path would be as suicidal as that of the former king's.

After prime minister Madhav Kumar Nepal challenged Prachanda to give up claim on the top executive office and leave it to someone else, Bhattarai has found himself even more defensive.

Prachanda has already tasted the power and is in mood to let another chance go.

Probably he thought it was not propitious right now to accept the dinner invite of the man he called "the constitutional guardian" only the other day.

A classic case of being consistently inconsistent. This may not prove as propitious. For him, his party and the nation



Prachanda Path

May 1: red 'takeover' warning 1. May Day muscle-flexing not a choice but a compulsion

2. Had to hit the street to protect the constituent assembly

3. People are fed up with the old reactionary parties

4. Huge mass 'mobilized' across the country. The other parties seem helpless.

5. Does not seem to care about the international community's concerns.

6. Anti-Maoists are not patriotic. They are hand in gloves with 'regressive' forces and dictated to by 'foreign masters'.

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COVER STORY

LABOUR UNREST Mayday, Mayday

Studies have shown that labour unrest is one of the top three reasons for the severe decline in the industrial productivity of Nepal. Of the 365 days in a year, the bandhs, shutdowns, workers' strikes take up to one-third leaving the factories bleeding and rendering the economy hamstrung. As the political parties continue to exploit the vulnerabilities of workers, the militant trade unionism has struck a daunting blow to the national economy. Despite the onset of peace process, the situation has worsened. One example may be the hot political atmosphere that has enveloped the celebrations of this year's May Day

By SANJAYA DHAKAL

he International Day of Workers or the May Day celebrations, this year, have been hijacked by the confrontation between the government and the

opposition.

The opposition Maoists have threatened to launch a decisive street agitation from May 1.

In preparing for their agitation, the Maoists have started mobilizing their cadres everywhere – not least their trade union members.

Just last week, Maoist chairman Prachanda held a big meeting with the pro-Maoist workers at Hotel Yak and Yeti. Immediately afterwards, he had a round of discussions with private business leaders where he warned that the agitation could turn into indefinite strike if the government didn't pay heed to Maoist demands.

Factories and businesses across the country have started reporting the increase in the 'donation-drive' and 'seeking of shelters' by the pro-Maoists.

Even in the capital, businessmen privately report that they have been asked to make room in their factories and workplaces to allow the stay of Maoist supporters during the agitation.

Dismal Environment

"The huge mobilization of the factory workers by the political parties for the

political purposes have led to the evolution of militant brand of trade unionism," said a private industrialist not wanting to be named.

"The age of reasoning and collective bargaining has been replaced by forced closures, pressures, shutdowns and even physical assaults to management," he added.

In such an atmosphere, it is not surprising to find that Nepal, today, is one of the least attractive places in the world for doing business.

A study titled 'Doing Business 2010' carried out by the World Bank group has given a huge thumbs down to Nepal.

Of the total 183 countries, Nepal stands at 123rd position in terms of 'ease of doing business.'

COVER STORY



May Day: Fight for right?

Nepal's rank in 2010 remains unchanged from 2009 - a clear indication of the toll the protracted political transition is exacting.

More telling is the fact that the job of employing people and managing them has been becoming more difficult.

According to the study, in 2009 Nepal ranked 147th in terms of difficulty of employing people. In 2010, it slipped to 148th rank.

In Nepal, the difficulties that employers face in hiring and firing workers are much more than the South Asian average.

The World Bank study showed that in the index values between 0 and 100, the level of difficulty of hiring workers in Nepal is 67 while the South Asian average in 27.8 and the average for rich OECD countries is 26.5. The difficulty of redundancy (firing) in Nepal is 70, while the South Asian and OECD average are 41.3 and 22.6 respectively.

Huge Toll

The umbrella body of the private sector enterprises in Nepal, the Federation of Nepalese Chamber of Commerce and Industry (FNCCI), has concluded that the industrial productivity of Nepal has come down by as much as 40 percent due to the combination of three main problems.

"First, the never-ending political instability, the extreme energy deficiency leading to long hours of load shedding and the militant trade unionism or labour unrest are the three biggest problems that have dragged down the industrial productivity," said Megh Nath Neupane, advisor and former executive director of the FNCCI.

Dogged by the unending strikes, the FNCCI has asked for the imposition of 'No Work, No Pay' rule.

"The private sector has continuously asked the government to give top priority to economic agenda; totally end the culture of bandh, and control the industrial unrest. But due to partisan interests, our demands have been ignored. That is why the country is witnessing economic crisis," said Kush Kumar Joshi, president of FNCCI.

Joshi said that due to industrial unrest, the environment in domestic productions and investments have deteriorated.

"Without strengthening domestic productions and attracting more investments, we cannot build a sustainable economy. Relying on the revenue growth bolstered by increase in imports and the remittances are not going to help the health of economy in the long term," he said.

Agrees, industrialist Rajendra Khetan, chairman of Khetan Group.

"I see that the root of the current liquidity crisis lies in the industrial unrest," he said.

"Due to the labour unrest, the

"Labour Unrest Has Led To Liquidity Crunch"

Rajendra Kumar Khetan

Rajendra Kumar Khetan is a leading industrialist, the chairman of the Khetan Group, and a member of Constituent Assembly (CA). He spoke to New Spotlight on the impact of continued labour unrest in the country. Excerpts:

How is the labour unrest affecting

Nepali industries?

This problem is gradually evolving into a major crisis. In fact, the current liquidity crunch seen in the economy has its roots in the industrial unrest.

How can you say that?

Due to the labour unrest, the industries are forced to shut down. This has led to severe decline in our productions and exports.

industries are forced to shut down. This has led to severe decline in our productions and exports. Consequently, the country has witnessed the crisis in Balance of Payment. This, in turn, has created liquidity crunch," Khetan clarified.

The problem is becoming more and more ominous by the day.

Currently, the Balance of Payment

Consequently, the country has witnessed the crisis in Balance of Payment. This, in turn, has created liquidity crunch.

Where, do you see, this problem leading the economy to?

From the debates about political colonialism, we are entering into the actual phase of colonialism as can be seen by the increasing dependence of our economy on India, with which we now have huge trade deficit. Starting with the liquidity crunch, the problem can burgeon into financial crisis leading to a failed state, if proper corrective measures are not taken.

Who are to blame for these problems?

loss has crossed Rs 21 billion. The trade deficit, this year, has increased by almost 50 percent to reach Rs 96 billion. The deficit in service trade has crossed Rs 5 billion. In total, the trade deficit has crossed Rs 100 billion. The exports, on the other hand, have declined by almost one-third.

Because of the total lack of business environment in the country, the exports

Right To Defend? Salikram Jammarkattel

SALIKRAM JAMMARKATTEL, president of All Nepal Trade Union Federation (Revolutionary), a Maoist affiliated, largest trade union, is a CA member representing UCPN-Maoist. Jammarkattel's organization has created a kind of havoc in the industrial sector. Jammarkatel spoke to NEW SPOTLIGHT on various issues regarding the role of workers. Excerpts:

Your organization is said to be creating a havoc in industries by locking their doors, physically assaulting the managers and industrialists. What do you say?

All these are false and fabricated charges against us by some capitalist and feudal forces who don't respect the rights of the workers and labors. We locked the doors only after the socalled industrialists wanted to exploit and suppress the voices of workers. So far as the charges of physically assaulting industrialists and managers are concerned, they are completely baseless.

What do you say about locking out a number of industries by your workers?

As a worker, everybody's priority is to work. When management denies the genuine demands of workers, the workers have no option other than to lock out the industry.

Do you think threatening industrialists and locking out the industry will solve the problems?

I have already told you that our organization does not go for lock up as long as the demands of workers are met amicably and through negotiations. Without any doubt, it is the political parties who have to shoulder this blame. Instead of resolving their d i f f e r e n c e s through talks or



discussions in the parliament, they resort to bandhs and shutdowns.

What can be the solutions then?

The political parties must realize that they have to end these bandhs and shutdowns. The industrial unrest must be brought to an end. Environment for business and industry must be restored.

and domestic productions lie in tatters. Without improving them, the BoP crisis cannot be sustainaby addressed. And to improve them, maintaining the industrial peace has no alternative.

Otherwise, whether anybody pays attention or not, the business sector of Nepal will be left alone to sound the ageold distress call – Mayday, Mayday...

When industrialists deny our rights, we have no choice other than to lock up.

Your organization is said to have resorted to all kinds of pressures, including physical assault, on other trade union groups. What do you say?

We always want unity among all trade union workers. Since ours is a revolutionary organization always siding with the rights of workers, workers support us. When we do good things including fight to restore the rights of workers, it is natural for workers to side with us.

What will the May Day program be like?

We want to use the May 1 as a day to institutionalize the achievements like federal, republic Nepal. At a time when there is a conspiracy against the new constitution, we want to put pressure on the conspirators. This year's May 1 is important in all aspects.

Social Protection and its challenges in Nepali Context -By Chandra D. Bhatta

Social protection is the broader concept which includes number of areas where intervention of the state is required to protect its citizens. In the context of Nepal social protection is required in the areas like health, education, housing, food, water, energy, sanitation, old age benefits, service delivery, unemployment benefits, maternity benefits, poverty alleviation and many more. Interestingly, all these issues have taken a centre stage in recent years. The Interim Constitution emphasises on social protection and makes provision for new rights-right to work, education, health, food, social security, social justice, etc. However the major bone of contention is whether Nepali state will be able to fulfil them or not. Equally important is who are we going to protect, that is, are we going to protect those who live inside the ringroad of Kathmandu or those who live outside of it as well, are we going to protect those who have both jobs and houses or those who do not have anything at all. These are some of the important issues to be addressed primarily because there is a great deal of lapses in policy formulation which are directly related with the material and institutional framework of the state which is too weak to implement these rights. For example, the total contribution of tax to national GDP is only 12 percent which is not sufficient to maintain even the administration of the state let alone catering demands generated by different societal forces. Another important question is whether we want social protection or social security as both are two different terminologies and have different meanings as well as approaches. In the context of Nepal, where large numbers of people are working in the informal sector, social protection becomes most important.

The biggest dilemma stems from the fact that Nepalese political leaders and interest groups are busy in rights into incorporating the constitution but not developing mechanism to ensure these rights. The ambitious agenda of welfare state floated by political parties cannot be accomplished unless country's tax base is expanded. The tax base can only be expanded when we move towards

industrialisation, modernisation of agriculture and other productive sectors of economy where the country has both competitive and comparative advantage. But this has not been the case, we are simply promoting financial capitalism which does not produce anything but consumes everything. Those who work in the financial market and who operate it make hefty amounts of money but the lack of Corporate Social Responsibility (CSR) culture in this sector has meagrely contributed towards the welfare of the broader citizenry. It contributes four to five percent to national GDP. The current process of capital formation has made us a consumer state. By and large, it looks that political leaders are caught up by what noted political scientist Dev Raj Dahal calls the "populist" trap as political leaders are promising everything available under the sun without realising the fact that political rights can only be fulfilled through economic and social prosperity.

In terms of basic facilities like health and education, we have taken the reverse gear. This is so because we are operating media, schools and hospitals in the economic model of competition and this has created huge gap between private and public and haves and have nots. The classic example to this end is, we are systematically dismantling public institutions (like public hospitals, public schools, public enterprises etc) but promoting private ones. Again, the reality is that majority of Nepalese live in the rural areas who cannot afford to go either to private schools or to the private hospitals - who offer facilities of the five star hotels. These private organisations are creating hegemonic ideology to weaken freedom and dignity of workers thereby undermining their contribution in society. In the context of Nepal the important indicator of state inefficiency is the presence and extent of political patronage in administration. The phenomenon of patronage politics has resulted in the numerical expansion of employment in bureaucracy (administration) but this bureaucracy (including police administration) has paid little role in social protection let alone state-building owing to their party bias. By contrast, to our dismay, this process has created new classes in society as the gap between poor and

rich continue to galore which, in turn, will directly hit into the heart of democracy.

The government data tells that poverty has declined from 42 percent to 25 percent. Is it really so? If the poverty has really declined how come we are hearing in TV/Radio and reading in the newspapers about people dying of hunger. This generates some fundamental questions how do we measure poverty and who do we include. Is it also Kathmandu centric like politics, power and opportunities?

The government does have some social protection programs - including civil service pension system, cash transfers to senior citizens and widows, food-for-work, micro-credit, microinsurance, etc., however, overall reach of the programs, as measured by the number of beneficiaries and budget is small. The key social protection issues are primarily that government expenditures on social protection is low as it thought investment in the social sector is unproductive. Whatever the package of social safety net we have got, it covers only those who work in the formal sector which is only 10 percent and there is very little (except some cash transfer programs) for those who are in the informal sector or who don't work at all. The Ministry of Finance (MOF) in collaboration with Trade Unions and Chamber of Commerce is developing new social security scheme that would cover 2 million people. The facilities will be funded by a separate Social Security Fund (SSF). The government had made a start on social security by imposing one pert tax up to the first slab of taxable income. This would be the good start if it is really implemented. But this will alone not address the problem. We have to create jobs, open-up small scale industries and enterprises and make them accountable to the state and citizens. Develop some sort of economic nationalism among business community which is completely lacking in Nepal. Rather than giving priority to "aid" that merely serves the interests of Kathmandu's political elites, we have to give priority to "development" that can alone contribute significantly to this end.

The author can be contacted at chandra.bhatta@fesnepal.org

"The Rights Come With Responsibilities"

- MOHAMMAD AFTAB ALAM

In less than a year after assuming office, Minister for Labor and Transport MOHAMMAD AFTAB ALAM has taken some drastic decisions to make foreign employment more reliable. Minister Alam, who is elected to Constituent Assembly from Rautahat district, a town in southern Nepal bordering India, won elections twice in his constituency. Alam, a graduate in science, spoke to KESHAB POUDEL on various issues. Excerpts:

How is Nepal's labor market abroad affected by global economic recession?

It was badly affected last year. However, the situation has improved now and the number of Nepalese workers leaving for foreign countries is gradually increasing.

What is the number of Nepalese workers currently As the number of working abroad?

According to official records, legally there are 1.5 million unemployed Nepalese workers abroad now. If we include all, there are around population 3 million Nepalese working abroad. If you add the number of Nepalese migrant workers in India, it will cross half a million. continues Nepal has opened 114 countries for employment. However,

to Nepalese have been legally working in 24 countries around the increase world.

and the

What is the state of foreign employment now? It is gradually increasing now. Compared to a year ago, the government situation has now come to normal. In the months of February,

is unable March and April, the number has gradually improved. When I to joined the ministry, the growth was negative. However, it is now going to be positive. For instance, From July-August to generate December-January 2009-2010, some 2703 women and 94,082 employment men went to various countries under institutional arrangements

to all of and 27,744 men and 4,255 women went abroad individually. What is the status of migrant women labor?

them, we

are There is now a ban for women to go abroad for this purpose but **encouraging** there are a number of women going for domestic work illegally. We cannot take action if women go illegally abroad in case they Nepalese become victims of violent activities. The ministry is now workers to seriously considering stopping the violence against women. go abroad for

There is news about some manpower companies sending people abroad illegally. How do look at this? We have already taken a number of actions against those

We are not allowing women to go as domestic workers.

employment. manpower agencies which send workers illegally. Because of this, the number of incidents of cheating drastically declined over time. I am very strict about manpower agencies involved in sending people illegally.

Along with the increasing number of migrant workers, there is also an increase in the number of casualties. What has the ministry been doing to guarantee the security of Nepalese migrant workers?

As the number of unemployed population continues to increase and the government is unable to generate employment to all of them, we are encouraging Nepalese workers to go abroad for employment. The government is seriously considering the question of safety of Nepalese workers. We have signed labor agreements with a number of countries by stressing the provisions for the safety of workers. Along with this, we are also opening the offices of Nepalese Labor Representatives in different parts of the world.

Yet the number of cases of mistreatment of Nepalese

workers abroad continues to increase. What do you say on this?

Of course, there are such incidents but the number of such incidents is gradually declining. If a person goes to a foreign country through the registered manpower agencies to a country with which Nepal has labor agreement, there is less possibility of such incidents happening.

You mean people are still going through illegal channels?

Yes, there are a large number of Nepalese who are also going illegally to work abroad. When people leave the country for new destinations without knowing the legal and other provisions of the destination, they have to face the troubles.

Recently the Amnesty International raised the question of safety of Nepalese workers in Malaysia. How do you look at this?

We have already asked our labor representative to look into the issue. If there is a lack of security for Nepalese workers, we will ask the concerned government to take necessary measures.

What is the status of Nepalese migrant workers in the Gulf countries?

The Gulf is one of the largest destinations for Nepalese workers.

How many countries will have the Nepalese Labor Representative offices?

We have signed labor agreements with most of the countries where large numbers of Nepalese have been working. We have bilateral labor agreements with all the Gulf countries. This kind of arrangement drastically reduces the number of incidents.

What is the stage of labor agreement with Japan?

After signing the agreement with Japan, the process of sending workers to Japan has already begun. Recently, we have also renewed the labor agreement with South Korea. We are also working to make similar kinds of arrangement with Israel. Since we have already made progress, we are expecting that Israel will also open its labor market to Nepalese workers as in the past. When I visited Israel, I also discussed the matter with the Israeli Labor minister and he was very positive to reopen labor market to Nepalese.

There are rumors that manpower agencies are charging high prices with people going to Japan?

We have got a guideline to send manpower to Japan. This guideline is developed by the ministry with support from various manpower agencies. I am very strict about not allowing any violation of the guideline.

Have you made any agreements with European countries?

We don't have any agreement signed with European countries. Europe will be a good destination for Nepalese workers. We have been working to open the market in Europe for Nepalese workers.

It was reported a few months ago that your ministry did not seriously consider a proposal of Poland. What is the reality?



Some agencies had brought proposals but we found that they were fake proposals. The ministry also took actions against manpower agencies which tried to cheat Nepalese workers. We are doing homework now which countries in Europe are safe and secure for Nepalese workers.

Do you see foreign employment as permanent solution?

Foreign employment is not a permanent solution but this can help us temporarily. Our efforts should be to generate employment in the country by creating favorable environment for industrialization. Due to our own circumstances, we are now not in a position to generate a lot of employment in the country. This is the reason we are opening new ventures for Nepalese workers abroad.

As an overwhelming number of Nepalese workers are now unskilled, do you have any plan to provide skills training to Nepalese workers going abroad?

When I met labor ministers of foreign countries, they also asked me to give some sort of vocational training to Nepalese workers. The ministry is now working to establish at least a couple of vocational training centers so that Nepalese can acquire certain training before going abroad. It will be opened in Rautahat, Kathmandu and one of the districts of the Far West. It is very appropriate to send skilled manpower to abroad.

Since you have already traveled some of the countries, how do you see the demands of Nepalese workers there?

There is a huge demand of Nepalese workers abroad. When I visited Israel, I met deputy prime minister, labor minister and MPs. I found they had positive impressions about Nepalese workers as a disciplined, honest and hard working people. When I was appointed the minister, the number of foreign workers going abroad was declining by two digits. I am proud to say that the situation has now changed a lot and the number of workers going abroad has increased tremendously.

What about other countries?

There are similar views. I have traveled to more than a dozen countries in the last nine months and everybody said that Nepalese are honest, dedicated and hard working people.

What special efforts have you made as the minister of labor?

I have done a lot of work. I have made it clear to all manpower agencies that Nepalese manpower should not be cheated. We have to respect workers. I have also given some concession to manpower agencies also.

What plans do you have to increase the security of Nepalese workers?

The government has decided to send four more labor officials in four countries. The four countries include Dubai, Saudi Arabia, Qatar and Malaysia. I am also planning to open labor offices in Japan, Israel, Kuwait, Oman and Korea. Since there was nobody to take care of the issue of workers, opening of labor offices will provide much needed support to Nepalese workers. I have also made a provision to arrange a safe house for women who are stranded.

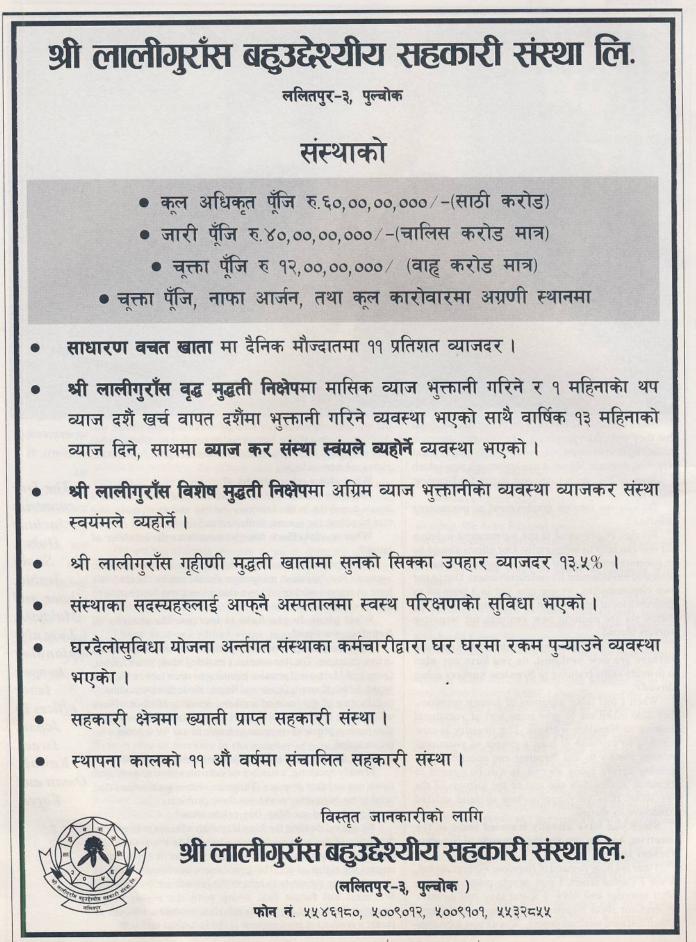
How do you look at the labor problems in Nepal?

Frankly speaking, a number of industries have already shut down due to labor disputes. There are certain weaknesses that need to be overcome to sort out these problems.

How do you see May Day celebration?

We are celebrating the May Day with a message to protect the rights of the workers but we also need to think about the rights of industrialists. In a democracy, there is the need to respect the rights of all. The government has already made it clear that they are ready to reform the present act if necessary. We must not forget that along with the rights come responsibilities also. As a labor minister, my role is to work to create a conducive environment in the industrial sector.

The four countries include Dubai. Saudi Arabia, **Oatar** and Malaysia. I am also planning to open labor offices in Japan, Israel, Kuwait. **Oman** and Korea.



ECONOMY Harsh Crunch

With political instability, Nepal's economic situation is worsening

By ADITI PANDEY

deteriorating political instability and dying hope for a timely constitution have given Nepal very little chance to augment its economy. For most obvious

reasons, Nepal is ranked the 130th in economic freedom, according to the 2010 Index published by Heritage Foundation and Wall Street Journal.

With a score of only 52.7 Nepal falls under the category of 'most unfree economy' caused mainly by rapid population growth and inadequate economic growth. Peace and rule of law are the prerequisites for economic development. With these basic ingredients currently absent in Nepal, no Nepali can deem to see an economic utopia any time soon.

"In order to improve and expand the banking sector, the entire economy of the country should be strong," says Rajan Singh Bhandari, chief executive officer of Citizens Bank International. On the contrary, the macroeconomic analysis published by Nepal Rastra Bank (first seven months data-2009/10) shows that the amount of money circulated has declined by 7.5 percent and time deposits have declined by 6.1 percent compared to the same data last year. The report also shows a decline in 'Nepal's merchandise export during the first seven months of 2009/10 by 9.8 percent in contrast to a growth of 18.3 percent in the corresponding period of 2008/09' and growth of merchandise imports by 42.2 percent. Furthermore, decline in remittance starting around 'Dashain' of last year brought down the liquidity injected from NRB to 40 percent.

Macroeconomic analysis of the NRB shows very little cash inflow and maximum outflow as a result of which banks and other financial organizations have been facing liquidity crisis. One of the major reasons behind the current liquidity crunch is increase in import, particularly gold imports. To compliment this, the workers' remittances decreased by 45 percent since FY 2008/09. As a result of trade deficit and low remittance inflow, there has been an overall BOP deficit of Rs. 21.83 billion. This has steered the entire economy of the country and added more pressure on NRB to find a long term solution to the problem.

Other reasons for the present cash crunch remain. Political instability deteriorates investment friendly environment. Furthermore, last year has

seen maximum investment on real estate. With maximum expenditure over gold imports and real estate, there is lack of cash circulation in the banks. With finance cooperatives emerging like wild mushrooms, real estate dealers are attracted to such organizations to hold their cash. There is no record of the activities of such cooperatives. This is leading to the decline in money transaction in Banks. Furthermore, without a stable government body and high market values, investors and economists have lower certainty rates. Lack of real date and time on economic indicators has also decreased reliability and effectiveness of investment in Nepal.

There is very little that can be done. "We face a 'wait and watch' situation until the deadline of the constitution drafting date. The NRB has taken steps and implemented restrictions to narrow the difference in loan to deposit ratio. This has caused stagnancy in real estate but downturn of the real estate is yet to be seen," said governor of Nepal Rastra Bank Dr.Yubaraj Khatiwada.

The Ministry of Finance has already allocated the next annual budget to be released on the 15th of June. However, as we witness the controversies within and among political parties, there is no certainty of efficient implementation of the budget. "We can only hope that despite instabilities, the political parties of our country come to a consensus over the national economic agenda. New Nepal's envisaged economic growth should be achieved irrespective of any political parties coming to power," said Suman Rayamajhi, co-founder of Beed Investments.

We Lack Deposits

RAJAN SINGH BHANDARI, Chief Executive Officer, Citizens Bank International Limited, is a well known person. Bhandari spoke to **ADITI PANDEY** about the present state of banking sector.

What do you believe is the reason behind the current cash crunch?

One of the major reasons behind the present cash crunch is the lack of investment friendly environment. At present we lack deposits-both national and international. Furthermore capital -Rajan Singh Bhandari

flight and informal 'hundi' deficit have locked cash flow in the banks causing cash crunch. Another reason behind cash crunch is misbalance in loan to deposit ratio. There is very little deposit compared to the amount of loan granted, which also causes liquidity crunch.

What do you think is the long term solution for this current economic downfall?

First and foremost the government immediate solution, I think NRB should be able to in the most efficient way possible.



attract national and international investors and ensure safety of both the investor and his investment. In order to accomplish this, there needs to be a stable government body and the people should support the government in its endeavor to stabilize politically. As an immediate solution, I think NRB should refinance the running financial bodies in the most efficient way possible.

Synopsis of Macroeconomic Situation for the first seven months of FY 2009/10 as published by Nepal Rastra Bank

Money Supply and Domestic Credit

Broad money (M2) expanded by 6.1 percent in the first seven months of the FY 2009/10 as compared to the 11.6 percent in the corresponding period last year. Narrow money (M1) grew by 6.5 percent as compared to 10.5 percent the previous year. Of the components of narrow money, currency in circulation increased by 10.9 percent, time deposits increased by 5.9 percent and demand deposits declined by 1.5 percent in the review period. Net Foreign Assets (NFA) declined by 9.9 percent (Rs. 21.8 billion) after the adjustment of foreign exchange valuation gain/loss.

During the review period the domestic credit expanded by 11.4 percent, this increased can be accounted to a significant increase in the credit to private sector. Claims on government declined by 11.2 percent (Rs. 11.8 billion) in the review period, an increase in resource mobilization relative to government expenditure can be contributed for such a decline. The government deposits as of mid-Feb 2010 stands at Rs. 3.4 billion. Similarly, claims of non-governmental financial enterprises declined by 26.1 percent, where as claims on nonfinancial government enterprises increased by 10.8 percent. Loans taken by institutions such as Gorkhapatra Sansthan and NEA contributed to such an increase.

Deposits Mobilization, Credit Flow and Liquidity position of Commercial Banks

Deposits mobilization of commercial banks increased by 3.9 percent (Rs. 21.6 billion) amounting to Rs. 571.4 billion as at mid-Feb 2010. Likewise, private sector credit of commercial banks grew by 18.2 percent (Rs. 73.4 billion). Among this, credit to production sector increased by 11.3 percent (Rs. 9.9 billion), credit to agriculture sector increased by Rs. 2.1 billion, credit to wholesale and retail business as well as finance, insurance and fixed assets; and service sectors increased by 25 percent (Rs. 17.2 billion), 41.1 percent (Rs. 16 billion), and 19.8 percent (Rs. 4.6 billion) respectively and finally the credit to real estate sector increased to Rs. 15 billion.

Liquid assets of the commercial banks declined substantially by 10.4 percent to Rs. 168.5 billion during the review period. Among the components of liquid assets, liquid fun declined by 11.6 percent, decline in commercial banks' balance with the NRB and balance held abroad accounted for such a contraction of liquid funds of commercial banks. The credit deposit ratio increased by 91.3 percent in mid-Feb 2010, where as the liquidity- deposit ratio declined to 29.5 percent in the same period.

Private Sectors	Amount	Share (%)
Production sector	Rs. 9.9 billion	11.3
Agriculture sector	Rs. 2.1 billion	
Wholesale and Retail business	Rs. 17.2 billion	25
Finance, insurance and fixed assets	Rs. 16 billion	41.1
Service sectors	Rs. 4.6 billion	19.8
Real Estate sector	Rs. 15 billion	

Liquidity Management

Nepal Rastra Bank injected net liquidity amounting to Rs. 53.9 billion during the first seven months of the FY 2009/10, of which , Rs. 7.4 billion and Rs. 1.0 were mopped up through outright sale auction and reverse repo auction respectively. Rs. 58.9 billion and Rs. 3.4 billion were injected through repo and outright purchase auction respectively. Rs. 46.2 billion was injected through the net purchase of USD 611.5 million from commercial banks. NRB also purchased Indian Currency equal to 58.1 billion through the sale of USD 1.2 billion in the Indian currency market.

Standing Liquidity Facility and Inter Bank Transactions

The inter-bank transactions of commercial banks stood at Rs. 175.5 billion. Commercial banks used the standing liquidity facility (SLF) amounting to Rs. 83.8 billion.

Interest Rates

The weighted average 91-day Treasury bill rate stood at 9.01 percent during the review period, likewise, the weighted average inter-bank rate increased to 11.64 percent. During the review period, the maximum limit of one month, three month, six month, one year and two year and above time deposit annual rates increased respectively to 7.25, 9.5, 9.75, 11 and 11.5 percents respectively.

Securities Market

The y-o-y NEPSE index declined by 25.1 percent to 497.24 points during the first seven months of the FY 2009/10, the index was at 663.52 points during the same period last year. The total number of companies listed at NEPSE increased to 167 in mid-Feb 2010 as compared to 149 last year, among which the highest is banks and financial institutions with 135 of them listed. Of the total market capitalization, banks and financial institutions constituted the highest share of 72.4 percent.

Companies	Market Capitalization Share (%)
Banking and financial institutes	72.4
Manufacturing and Processing Companies	2.0
Hotels	1.3
Business Entities	0.4
Hydropower	4.7
Other economic sectors	19.2
TOTAL	100

Fig 2: Market capitalization of the listed companies for 2009/10

Companies	Total Number	
Banks and Financial Institutes	135	
Production and Processing Industries	18	
Hotels	4	
Business Entities	4	
Hydropower	4	
Companies in other groups	2	
TOTAL	167	

Fig 1: Private sector credit flow

Fig 3: Total number of the listed companies for 2009/10

Consumer Price Inflation

The year on year inflation as measured by the consumer price index moderated to 12.0 percent in mid- February 2010 as compared to 13.7 percent increase in the same period last year. The average price index of food and beverages group rose by 17.8 percent, whereas the index of non-food and services rose by only 5.3 percent. Within non-food and services group, the index of tobacco and related products and education, reading and recreation both increased by 11.1 percent.

During the review period, the region-wise price index of Hills, Terai and Kathmandu rose by 13.0, 12.3 and 10.8 percent respectively; and the y-o-y core inflation rose to 12.9 percent which is moderation from 13.1 percent a year ago.

Wholesale Price Inflation

The y-o-y wholesale price inflation increased by 14.2 percent as of the first seven months of FY 2009/10; the y-o-y WPI was at 15.0 percent a year ago. The indices of agricultural commodities and domestic manufactured commodities increased by 25.0 percent and 11.2 percent respectively whereas the price index of imported commodities declined by 0.5 percent.

National Salary and Wage Rate

The overall y-o-y salary and wage rate index rose by 16.7 percent in the review period as compared to a rise of 16.5 percent a year ago. The salary index rose by 13.8 percent during the review period as compared to the rise of 16.8 percent last year. This increase in the salary index can be attributed to the increase in basic salary and allowance by the government of Nepal for civil servants and its simultaneous effect on salary of the private sector. Similarly, the wage rate index rose by 17.6 percent as compared to the rise of 16.4 percent in the same period last year.

Government Revenue and Foreign Cash Loans and Grants

During the review period, the revenue mobilization of the government grew by 30.5 percent to Rs. 94.28 billion as compared to the 32.5 percent in the corresponding period last year. The VAT revenue grew by 42.6 percent to Rs. 29.22 billion, Customs revenue increased by 42.8 percent to Rs. 19.17 billion, Excise revenue increased by 66.9 percent to Rs. 12.92 billion, income tax revenue increased by 25.2 percent to Rs. 16.59 billion and the non- tax revenue decreased by 14.0 percent to Rs. 11.22 billion. Also, during the review period the government received foreign cash loans amounting to Rs. 2.18 billion and foreign cash grants amounting to Rs. 13.24 billion.

Budget Deficit/ Surplus and Government Expenditure

For the first seven months of FY 2009/10, government budget surplus on cash basis stood at Rs. 8.42 compared to a surplus of Rs. 8.79 billion the previous year.

The government expenditure increased by 31.9 percent to Rs. 103.8 billion as compared to an increase of 15.1 percent in the corresponding period of the previous year. The main reason for increase in government expenditure is due to high growth in recurrent as well as capital expenditure. The recurrent expenditure increased by 36.4 percent to Rs. 70.95 billion and the capital expenditure increased by 40.9 percent to Rs. 15.69 billion. The principal repayment expenditure declined by 32.0 percent to Rs. 6.55 billion.

Foreign Trade

Exports declined by 9.8 percent to Rs. 35.80 billion during the first seven months of the FY 2009/10. Exports to India dropped by 4.6 percent and similarly exports to other countries declined by 17.7 percent during the review period. Exports to India include: readymade garments, zinc sheets, shoes etc and to other countries includes herbs, jewelries woolen carpets etc.

Imports, during the review period increased by 42.2 percent to Rs. 222.07 billion. Imports from India grew by 36.1 percent and imports from other countries increased by 50.0 percent. **Balance of Payments**

In the first seven months of FY 2009/10, the overall BOP recorded a deficit of Rs. 21.83 billion; the current account also registered a deficit of Rs. 30.76 billion as against a surplus of Rs. 20.32 billion in the corresponding period of the previous year. The increase in trade deficit and the slowdown in the growth of remittance inflows resulted in the huge current account deficit.

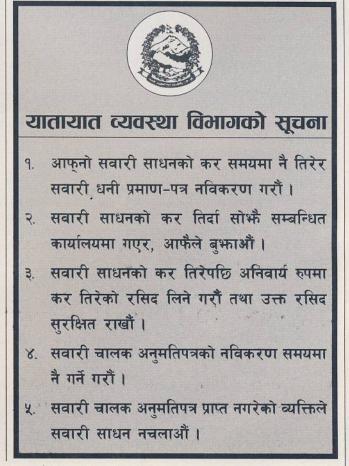
Foreign Exchange Reserves

The gross foreign exchange reserves stood at Rs. 242.22 billion which is a decrease of 13.5 percent (Rs. 37.77 billion) in mid-February 2010. In terms of dollar, the reserves declined by 8.7 percent to USD 3.27 billion. This current level of reserves is sufficient for financing merchandise imports of 7.8 months and merchandise and service imports of 6.7 months.

Prices of Oil and Gold and Exchange Rate Movement

In the international market, the price of crude oil increase by 64.2 percent to USD 72.22 per barrel in mid-Feb 2010, the price of gold also surged by 15.7 percent to USD 1082 per ounce in mid-Feb 2010. NPR appreciated by 5.49 percent against USD in mid-Feb 2010. The exchange rate of one USD stood at Rs. 73.99 in mid-Feb 2010.

> Prepared by Shivanth Pande', shivanth@nibl.com.np Kanchan Pandey, kanchan@nibl.com.np Nepal Investment Bank Limited Research and Development Department



Long Political Innings

Former prime minister Kirtinidhi Bista makes a modest assessment of himself despite his experience of a long process of social and political transformation

By SHRADHA GYAWALI

nly a few people have such a long experience of social and political transformation as that of Kirti Nidhi Bista, a name that needs no introduction.

Bista is known as an outspoken, honest and hard working politician with a passion for getting development activities succeed.

He is one such person who has served the mother land not once but several times as the prime minister of Nepal. An amazingly social and friendly individual, Bista may be the only politician who has refused to enjoy the government facilities provided to a former prime minister.

Education has proved to be a tool for his wider vision. Bista holds a Master's degree in political science from Lucknow University.

His keen interest in learning and exploring new things always took him towards excellence. He started his education at home and was later enrolled into the Durbar school. He was then sent to Lucknow for higher education.

He is not only academically qualified but is also well versed with the Hindu scripts like Mahabharata and the Ramayana. He also wrote several poems under the influence of King Mahendra and enjoys reading even now.

At the age of 84, despite the fact he went through a major surgery, he is still very active in his social life giving a lot of time to his family and enjoying every second of life. Blessed with a wonderful family, the former prime minister is spending his time with his family and spending a lot of his time reading.

Kriti Nidhi Bista has held the office of the prime minister not once or twice but thrice during his political career. This itself proves his contribution and dedication to the motherland - Nepal. He was also the member of BOAO Forum of Asia, Education Forum of Asia and the Interaction Council. He was one of the seven members of the Education Forum of Asia which was established in China - the country with which Bista is said to have very good relations. This former prime minister of Nepal is blessed with all the jewels which are essential for happy living: education, position, wealth as well as respect.

"I don't think I have done anything"

Kirtinidhi Bista also spoke to SHRADHA on various issues regarding his experiences. Excepts:

As a politician what are the successes you remember in your political career?

On being asked this question Bista admitted," I don't think I have done anything that can be considered beneficial for the people but all these years that I was in the field of politics I have tried doing something good both for the people as well as the country in my own humble way and this is the only aspiration I have. I have always tried my best to contribute through my behavior and feelings towards others."

How do you see the social and political transformation of Nepal in the past 40 years?

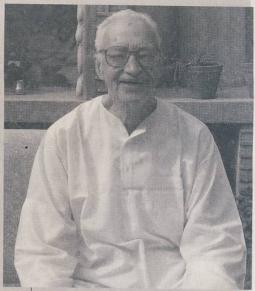
"Bista felt really happy in sharing both his past as well as present experience with the fellow citizens of his country-Nepal and on being asked this question he said," Well, I think

- Kirtinidhi Bista

people always have high aspirations from the political leaders who promise them a rosy future. People here are still deprived of basic requirements such as education and something should be done really quickly in order to fulfill people's aspirations. I see Nepal in a difficult situation in the sense that there are no necessary infrastructures such as roads, hospitals, airports, etc. I personally think there is a lot to achieve. There are people here who only promise big things but do nothing to drive the country towards the path of development. Though effort is being made but I don't think anything has yet been

achieved. Maybe the younger generations will have to shoulder the responsibilities in order to take Nepal as well as Nepalese to a brighter side."

What would you suggest our foreign policy be with the changes we have embraced in the past few years?



Bista: "The reality of this country is that Nepal is a sandwich between two giant Asian nations China and India. Prithvi Narayan Shah said it is like a yam between two boulders. How it should be preserved is upto Nepal. Thus Nepal should always have good terms with both the countries.

Due to globalization each country is dependent on another, therefore only good relations are not necessary but Nepal should also cultivate other relations with its neighbors and should act with maturity. Nepal should not swing from one extreme to the other rather it should remain stable. We, the Nepalese, should realize the reality and be practical. The foreign policies should be based on reality and the first and foremost thing is that Nepal should make efforts to stay in good relationship with its neighbors but on the other hand its neighbors should also understand what Nepal's interests are and should not treat Nepal in an undignified way, after all, countries big or small, developed or underdeveloped should be treated equally with respect. No country would like interference from other countries in their internal affairs. Thus Nepal should have good terms, mutual understanding as well as mutual accommodation with the neighbors but the things like national integrity and independence should always be preserved."

How do you look at Nepal now that it has been declared a republic and how do you see Nepal 5 years from now?

"Well I think now that there is a declaration that Nepal is a republic but only the process has started and no one knows how long will it take to take this idea to a real form for the benefit of the people and the country thus I don't think we can ascertain how Nepal will be after five years. I think first the process should be completed.

How would you like the Nepalese population and the world to remember you?

I don't expect anything as I said earlier, I have done nothing. The leaders claim big achievements but I am not one of those, I am in a different category, I do not feel satisfied. I have done very insignificant work for the country and the people so I don't think the world can visualize my efforts. In the field of politics I have done insignificant amount of work as compared to what people can do, so I don't think people will remember me."

Clean Expedition

NIBL supports Everest clean up campaign

By ABIJIT SHARMA

he increasing number of people climbing Mount Everest is taking an ugly toll on the beauty of the tallest peak. Almost 4000 people have scaled the Everest since Tenzing Norgay and Edmund

Hillary became the first to do so in 1953. However, the main problem is not with the growing number, but the heaps of garbage being produced by the mountaineers who nonchalantly leave them behind.

The tallest peak in the world has been a huge dump, with mountaineers who ascend it carelessly leaving behind their ropes, oxygen bottles, old prayer flags, tents and other waste materials. It is estimated that Mt. Everest carries around 50 tons of trash. is being carried out in the most dangerous part of the Everest. The team has expected to clear more than 2000-3000 kgs of garbage from the "Death Zone". A single person is capable of bringing down 20kg of trash.

The team will first climb up the peak and start the clean up campaign as they descend. The team will be staying at the South Col for a week and making several trips to the death zone to clear out the trash.

The task will not be an easy one. Along with the freezing temperature and risky conditions, picking up garbage becomes even more difficult due to the frozen state of the garbage which automatically increases the weight, revealed the Sherpas. "The weight of a 50 kg object can reach upto 150 kgs," explained Ang Chiri Sherpa, President of



Moreover, dead bodies of 300 mountaineers, who have died since 1953 are lying everywhere.

Climate change is also playing its role with more glaciers and snow disappearing. This has caused the previously-buried garbage to rise up. One can only imagine the effect of this mess on mountain tourism, which creates \$500 million of revenues annually for Nepal and creates thousands of employment for the locals.

Concerned by all this, 31 Sherpas, consisting of 20 mountaineers and 11 porters, have taken the initiation of bringing back the long standing beauty of the Mt.Everest. The team left on 24th April, to carry out a clean up expedition, and expects to reach the South Col by 1st of May. The Sherpas, however, will be carrying out the clean up above 8000 metres, which is famously referred to as the death zone because of its treacherous conditions and low presence of oxygen, which have contributed to the death toll. Nepal Mountaineering Association, one of the supporters of the expedition.

Namgyal Sherpa, a seven time Everest climber and leader of the Extreme Everest Expedition 2010 said that the increasing trash in the Everest is creating difficulties for mountaineers scaling the Everest. "The Everest is losing its beauty" he said adding, "Although it is a high- risk expedition, we are determined to rise to the challenge."

The expedition is being sponsored by Nepal Investment Bank Limited (NIBL). Prithivi Bahadur Pandey of NIBL expressed his happiness for being a part of the expedition and praised the Sherpas for their courage and determination to carry out highrisk expedition.

"It is really laudable that the team is carrying out the expedition voluntarily, without caring about any monetary gain," he said. "The initiative of Sherpas to clean up their 'backyard' is a great encouragement and lesson to us reminding us of our responsibility of keeping our backyard clean," he added.

This is the first time a clean up expedition

Securing Nepal's Legal History

By Mohan Banjade, secretary Nepal Law Commission,

Nepal is not a new nation. It has a long legal history of more than two thousand years.

Despite this, some foreign legal consultants and advisors, who visited Nepal only recently, tend to project this country as if it never had any legal system.

During the Constituent Assembly elections, I met a number of foreigners who did not know Nepal's overall legal system and elections procedures. I have very bitter experiences with them. This is one reason I made great efforts to develop a web-site that will have collections of all legal documents of Nepal. From elections to governance, Nepal had passed through several stages until the holding of the crucial Constituent Assembly elections two years ago.

Nepal has held more than a dozen elections following the establishment of democracy in 1951 and there are a number of acts related to elections. Soon after I was posted to the Law Commission, I decided to do something to make all Nepal's laws, regulations, orders, and constitutions available to all the people living in different parts of the world.

In terms of legal history, Nepal has always remained within the laws. Of course, in some periods of time, some rulers might have made efforts to run the country under a decree. There might have been some ups and downs. Every ruler has done both good and bad. I am not concerned about their social, cultural and political roles but what I am concerned about is their role in formulating the laws.

Instead of remaining idle during the course of constitution making, the Law Commission decided to launch this website. Till a year ago, one needed to see Rajpatra, which published the laws on backdate, but no one could find the laws even in a matter of days even through our website. In many cases, it took months to reach the laws to the remote parts of Nepal. After launching of the website, all the officials, judges, lawyers and common people will find the laws once they are ready. The site gives easy access to law to the common people. Although it was not implemented, the government act of 1948 was a very progressive constitution. We practiced so many fundamentals of the 21st century's modern democracy long time before. For this, we need to be proud of our forefathers. It is another matter that we were not able to implement it fully.

I do not agree with the tendencies to denounce our history. Unfortunately, citizens of other countries are proud of their history but we are denouncing all the history. We must respect the historically important persons and their contribution. If there were discriminations and oppression in the past against any community, we can regret them but we cannot denounce the history all the time. There are tendencies to delete the history in Nepal. Every country has good rulers and bad rulers. But, countries around the world keep them as the assets. I am not a history student but history is our past. No country can stand on its own without its history.

The commission has started to put our laws in the website from the beginning of April 2009. We have placed all the laws and acts written in Nepali, except five acts related to financial matters since these financial acts changed annually on the basis of economic policies and programs of the government.

From this year, we are making efforts to get the copy of that act from the Ministry of Finance. We are asking for software from the Ministry of Finance. Financial acts are also lengthy because they include the expenditure of the government and other issues like annual revenues and taxes. The Commission has put all the acts in the website. There is a list of the acts so far implemented in Nepal. If we expect justice from our new generation, we also need to give justice to our past. Condemnation to the history will invite another phase of condemnation.

The Commission is now making efforts to put all the copies of the act listed in our web site. There are several acts which were formulated even before the revolution of 1951. Nepal is a country with full of legal history and social history. Many indigenous groups have their own rules a n d regulations w h i c h guides the society. If w e incorporate t h e s e ingredients



in the laws, people will abide by it. There is the need to evolve indigenous laws. The state needs to identify certain sectors where only the government needs to do be present. Our effort is purely government initiative. This is purely a work performed spending by tax payers money. We can write the constitution by your own.

We placed 296 acts in our website. Every people can log on to our website to study acts, constitutions and regulations. We will place all the constitutions within a short span of time. We are already in the process to place the regulations. There are 22 English versions of the regulations. We are doing our work just by using one typist. Within this year, we will place all the regulations. We are stressing to place the translated version of the act related to productive sector. We want translation of industry related, tax related and investment related legal documents.

In the English version, the commission focused its attention to put the acts related to productivity sector since viewers downloaded the act related to productivity sector. It shows that foreigners are interested in these laws. The second preference of the visitors is the laws related to nongovernmental organizations. I want to give the message that Nepal is governed under the rule of law. We don't need an expert who can say what kind of ballot boxes we require. If we are able to put the laws in one web site, everyone can read it. In many cases, Nepalese laws were more advanced than other countries. This is the way we want to share our knowledge with others. This is the pride for all.

(As told to New Spotlight)

NEPALESE LAW The Law Web

Nepal Law Commission has put all the Nepalese laws in its website

By A CORRESSONDENT

herever one lives, he/ she has easy access to Nepal's legal and c o n s t i t u t i o n a l documents. Thanks to the Nepal Law

Commission's website, everyone can log on to Nepal's legal system and its history. Although it was established just a year ago, the average number of visitors to the website is about 2000 per day.

With the establishment of the website by Nepal Law Commission, Nepal's legal system has made a new history in terms of its accessibility. Thanks to the updated website, one can easily download the copies of laws and regulations.

According to Nepal Law Commission, the web-site consists of laws, regulations, orders and other such legal matters including the constitution of Nepal. There are more than 300 laws, regulations and constitutions. Along with Nepali laws, there are also translated versions of the laws, regulations and other by laws related to productivity.

Logged on by more than 150,000 people since its establishment about a year, Nepal Law Commission's website is gradually becoming a home page for several kinds of people. The commission is now working to collect all kinds of laws practiced by different communities in the past. Last month alone, 60,489 people visited the site.

Nepal Law Commission is now planning to update its website by including all historical legal documents. "From Kirat to Licchivi and Malla to Shah Dynasty, Nepal's rulers have made immense contribution in legal system. We need to be proud of that," said secretary Banjade. Along with laws, there are treaties and conventions, policies and drafting manuals.

To Read and download Nepalese Laws free of cost

Please Log on: www.lawcommission.gov.np



For details contact
Nepal Law Commission

Singha Durbar, Kathmandu, Nepal Phone: 977-1-4211191 Fax: 977-1-4211194

CEAPRED: Changing Farms

For Ambika Sapkota, a vegetable producer of Kavre District, and Megendra Gurung, a cooperative manager of Dhankuta, the transformation they have seen in the last two decades in their own villages is like a miracle. With the introduction of off-season vegetables, life in these two villages has drastically improved.

"Our land used to produce food for four months and we had to go outside the villages to make the money to buy food for remaining days," said Sapkota, vice-chairperson of Chandrawati Vegetable Producer Cooperative. "Thanks to off- season vegetables, I can earn more than Rs.200, 000 a year."

Megendra Gurung, manager of Sidhuwa Multipurpose Cooperative Ltd, shares a similar story. "CEAPRED has taught us how to maximize our income and livelihood through off season vegetables. We are exporting vegetables worth of 120 million Indian rupees."

Established under the initiative of Dr. Hari Krishna Upadhyaya, a renowned agriculture economist, the Center for Environmental and Agricultural Policy Research and Maension Development (CLAPRED) is a lifeline of more than 132,515 households of 779 Village Development Committees of 52 districts.

"Although Nepal is an agriculture country, it is yet to get proper priority from the government," said Dr. Hari Krishna Upadhyaya, chairman of the CEAPRED. "We cannot uplift the life of the people without transforming the agriculture sector."

"Nepal has made a lot of progress in the agriculture sector and we can see this in the rural parts of Nepal," said Dr. Jagadish Chandra Pokharel, vice chairman of National Planning Commission.

Like most of the villages of Nepal, Jaishithok Village of Kavre, 40 kilometers east of the capital and Sidhuwa village of Dhankuta, 500 kilometers east of Kathmandu practiced traditional subsistence based agriculture.

With the production meeting less than five months' of food demands from agriculture, a majority of farmers used to go outside the villages to make money to buy food.



Harmony & Union

At a time when trade unions in manufacturing sectors in Nepal have bitter relations with employers due to growing conflicts, the service sector unions are solving all their problems through social dialogue creating more healthy relations as well as establishing the rights of the workers. As Nepal is celebrating May Day with much fanfare, Nepal's manufacturing sector is on the verge of collapse. After making successful implementation of UNI's participatory approach and social dialogue in service sector with change in the present scenario from hostility to harmonization, the time has come to replicate it in the manufacturing sector.

By A CORRESSPONDENT

hen we are celebrating the May Day on Saturday, we don't have much to

speak about. From alliance of fragmented unions for the safeguard of worker's rights to creating harmonious environment, we have achieved almost everything," said Ganesh Bahadur K.C., president of Financial Institute Employees Union of Nepal and employees of Agriculture Development Bank. "Thanks to the introduction of UNI's new approach of social dialogue, we have more harmony than conflicts and alliance than breakup," said K.C.

Despite certain differences on the question of labor law reforms, rights of the workers and other issues of benefits, trade unions in the service sector have seen relative tranquility and harmonious relations compared to their counterparts in the manufacturing sector.

"We can make all the difference through the dialogue among all different" stakeholders," said Bhogendra Kumar Kunwar, general secretary of FEAN. "If we continue to initiate the process of social dialogue, there is no need to hire and fire."

Trade unions in the service sector have passed several steps in the last few years: from the phase of confrontation to compromise, negotiations and dialogue.

"When we celebrated the May Day 15 years ago, our union was more aggressive and ready to take any action as today's trade unions of manufacturing sector are doing. There were conflicts among various unions and conflicts between employees and employers," said K.C. "UNI's approach has shown that the process of social dialogue not only helps establish the right of trade union workers but also creates strong voices making the trade union alliances in any company."

Although UNI's presence is in the service sector like banking, telecommunication, media, casinos and health, Nepal's troubled manufacturing sector should also replicate the experiences learnt in the service sector by adopting social dialogue.

"Under the UNI's approach, the trade unions don't have to give up decision making power. The unions decide themselves what to demand, how to work together to get an agreement and how to work together to monitor and enforce agreement," said Rajendra Acharya, UNI's Asia Pacific coordinator.

Launched in January 1, 2000, UNI is a new global union for a new millennium and new economy. It is a part of the trade union response to increasing economic regionalization, and globalization and to the convergence of industries.

Established in 22nd December 2002, Union Network International, Nepal Liaison Council is the liaison centre for UNI and its affiliate unions in Nepal. This organization facilitates and supports all the activities of UNI and its Nepalese affiliates.

"The job of global union is to help affiliated unions and their members to put people first in this increasingly globalised economy. UNI encourages solidarity across borders, raises issues of common concern with employer's governments and international bodies and promotes trade union rights worldwide," said Rajendra Acharya. "One must be clear that UNI does not want to set wages and working conditions worldwide. We cannot substitute for direct negotiations between companies and workers at the national level. In this era of globalization, we want to have a role."

Whenever there were disputes between employees and employers in service sector like banks, the unions generally used the method of calling strike and locking up the institutions. Along with this there were also disputes

"UNI is the global union for skills and services"

RAJENDRA ACHARYA

RAJENDRA

ACHARYA,

Coordinator of UNI- Asia Pacific, a global union, is well known in the trade union sector. As Nepal is celebrating May 1 as the labor day amidst confrontations between workers and owners, Acharya spoke to New Spotlight about the method to reduce these tensions. Excerpts:

What is UNI all about?

First of all, UNI is the global union for skills and services and it is the largest amalgamation of unions globally uniting about 1000 national affiliates with 15 million members from 150 countries. Basically, we are working in service areas like financial sectors, media, and telecom casinos.

Our members are divided in four sectors like financial sector, telecom sector, media sector and casino. Many sectors are related to the service sector. The local union forms locally and they get international membership through UNI. We have coordinate councils. The service sectors trade unions are increasing, for instance, in information technology.

How do you distinguish it from others?

UNI is a global union and it is also a key part of the trade union movement adopting and providing new reponse in times. As the nature of world work is changing and the business and markets are globalised so are the services. Here we can see a global labor market.

Local and national trade unions need to work together across borders and at the international level to ensure that the voices of workers are heard and that multi-nationals come to the bargaining table in good faith in every country in which they operate.

UNI's job is to foster the cooperation and to lobby at the international level for its members to ensure that multinationals do not set the agenda for trade, working conditions and wages.

Where does UNI focus its work?

UNI is focusing on global agreements to achieve power and parity for workers at multinational corporations. In this age of globalization, this is more than ever. The global economy is in crisis and workers are bearing disproportionate pars of the burden. The solution of this crisis must include a global employment strategy that creates sustainable jobs with fair compensation and social

benefits and ensures bargaining rights for workers.

Local and national trade unions need to work together across the borders and at the international level to ensure the voices of workers are being heard and that multinationals come to the bargaining table in good faith in every country in which they operate.

What is the global agreement?

An agreement between a global (multinational) company and UNI Global Union on Behalf of the unions which represents its employees anywhere in the world.

Why do we need that kind of agreement?

In case of local companies, the unions had local agreements. However, when the companies are national, there is national agreement. But, there is the need of global agreements with global companies. For instance, we have agreement with NCELL.

At a time when a country like Nepal's trade unions are polarized in such a manner that there are half a dozen of trade unions in one company, how do you bring them together?

UNI Global Union believes on the importance of creating trade union alliances by bringing together all unions



in one front. By making alliance, they decide themselves what to demand, how to work together to get an agreement in their favor. They also discuss the ways to monitor and enforce the agreement.

How many unions in Nepal are affiliated with the UNI?

There are 13 unions affiliated with us. Financial Institutes' Employees Union of Nepal, Radio Nepal Employee Associations, Nepal Inter Corporation Employee Union, Nepal Telecom Workers Union, Nepal Television Employee Association, Casino Workers Union, Nepal Civil Service Employee Association, Nepal Medical Sales and Representatives Association, Nepal Printing Workers' Union, Himal Media, Kantipur Television and so on.

UNI is working to expand its activities to strengthen its affiliated unions. We are aware about the challenges our affiliates face due to globalization. As our global program, our main effort in Nepal is also to develop the modern skill oriented competencies in our affiliate members to make them global player.

What is the modality of working?

We always stress the need for social dialogue, cooperation and ownership. By adopting this strategy, we are able to minimize the numbers of conflict and sign the agreement in the interest of

FOCUS

workers. As we know, the agreements are not designed to resolve all the conflicts that inevitably arise from time to time. However, by facilitating the exchange of information, letting workers know what the long term plans of the company are, what the company and workers see the problems before they become problems can help to prevent conflict arising. We are also encouraging employers to work with workers.

How do you improve the relations?

We have to prove wrong that trade unions necessarily mean anti-business establishments or anti-business groups. They are friendly to owners. In telecommunication and banking sector, we have been following the social dialogue. In telecommunication, we are able to bring different stakeholders together including, consumers, employees, ministry of information and finance ministry. We have even organized a meeting with Banker's Association to give message to them that we are not anti employee. We are not involved in manufacturing sectors. We are just in service sector like in shopping malls.

When the conflict flares up, how do you suggest settling them?

Even where conflicts occur, the dialogue between the unions and company, we suggest starting the mutual confidence building process. In this case, if the company is global, we suggest the intervention by the global management with the global union which can help to resolve the conflicts.

What are other areas? As a global union what do you promote?

UNI encourages first the formation of the trade union alliance to create links between unions in different countries with members in the company. We have created a number of alliances in a number of companies in Nepal. For example, there is an alliance in Nepal Telecom, Nepal Bank and other financial institutions. UNI's head office is in Switzerland and it has four regional offices.

"We are facing a number of problems"

Having spent a lot of time and efforts in aggressive trade unions, **GANESH BAHADUR K.C.** president of Financial Institute Employee's Union of Nepal (FIEUN), comes to realize now that the broader alliances of unions, social dialogue and cooperation are important parts to settle the disputes. K.C spoke to New Spotlight about the changing scenario.

How do you see UNI's modality in dispute settling in trade unions and making strong voices?

In the early days, we adopted more aggressive ways to put pressure on managements and there were wide scale disputes up to the level of lock up. Those methods yielded results but they also created bitter relations between employees and employers. Following taking membership of UNI and adhering to its modality of social dialogue, our voices are stronger and it helps trade unions to raise their demand through legitimate way.

Do you mean the process of social dialogue and cooperation is a more powerful tool in dispute settlement?

Yes they are. If you see the disputes settlement process in banking sector, we are able to settle them through social dialogue among us. There were no cases of strikes and lock ups in the banking sector for the last ten years. This is the result to UNI's approach.

How do you see the challenges in banking sector?

We are facing a number of problems in banking sector. There is the need to increase the access of common people as well as the effect of downsizing. In both the cases, the conflicts are growing.

How do you see the situation now?

Compared to early days, the situation has already changed now. All the unions are united now due to alliance among us and there is a good relation with management because of cooperation and process of social dialogue. The employees at the banking sector do not need to lock up the door now. The strike in the banking sector is rare now. This is a major shift. The UNI's modality helps us a lot to harmonise the relations between management and employees.

How do you see the difference in taking part in dialogue and agitation?

There are m o r e harmonious relations b e t w e e n employees and employers in the social d i a l o g u e p r o c e s s . However, the



agitation always creates the negative results.

What is your impression about the people working in private sector?

Private sector members too have shown their interest in joining us. There is misperception about trade unions in Nepal. Trade unions do not mean creating conflicts and lock up. It is for both at policy level and grass root level.

At a time when there were widespread comments that the trade unions are politically motivated rather than working in their own interest, how do you look at this?

There are some valid reasons to say that, but it not necessarily means that trade unions are only politically motivated. It is true that some trade unions are working as a political wing creating the disruptions at the manufacturing level. The situation in service sector like banks and manufacturing sector is different.

What are the differences between the two?

Following taking the membership of UNI, we are using the method of dialogue for establishment of rights and settlement of disputes. However, there are more violent methods at the manufacturing sectors. We believe in participatory approach. We are organizing the employees, the workers, working with various organizations through the social dialogue. The experiences have shown that our approach is correct. And more powerful. The role of the government should be facilitator.

What is the strategy?

Our strategy is now how to go to participatory approach and how to increase the ownership of workers in resources. If we do these things, I am certain that we will be able to establish the rights of the workers.

"There are now alliances of various unions"

SHANKER LAMIKCHANE, former president of Nepal Telecom Workers Union, has associated with trade union for quite a long time. Lamichane spoke about the role of unions

How do you look at the present state?

The trade unions in service sector are gradually heading towards the process of maturity including in Nepal Telecom. After following UNI's approach of social dialogue, we have seen a lot of changes in the pattern of relations between employers and employees and between the trade unions.

What do you mean by change of relations?

From separate unions, there are now alliances of various unions. Instead of conflicts, there are more instances of harmony and cooperation. This has turned trade unions more powerful and capable to restore the rights of the workers.

At a time when there is a growing tendency of violent conflict in trade unions, what do you suggest to help improve the situation?

This is a result of growing mistrust and distrust between employers and employees, particularly in the manufacturing sectors. First of all, there is the need to start the process of dialogue. We have already seen how social dialogue can bring the changes in the industrial sector.

How do you see the situation in communication sector?

There was also conflict in Nepal Telecom and United Telecom. The dispute in UTL turned brutal with dismissal of more than 50 employees. Politicization is a l s o responsible for the disputes in UTL but the dispute turned violent due to



lack of dialogue among various stakeholders.

What is your impression in Nepal Telecom?

We are successfully able to make the change in Nepal Telecom. We have alliances of unions and there is dialogue with consumers and management. Nepal Telecom has already conducted four elections for collective bargaining agent.

"Conflict is growing in trade unions sector"

LEKHA PRASAD BURLAKOTI, president of UNI-Nepal and senior vice president of Financial Institute Employees' Union of Nepal, has long experiences in working in trade union sector. Burlakoti spoke to New Spotlight on various issues.

What is your impression about the trade union movement in Nepal?

Frankly speaking, conflict is growing in trade unions sector, particularly in the areas of manufacturing.

What do you suggest to change the present process?

This is where UNI's approach of social dialogue is going to be the best solution. At a time when there are disputes among trade unions, employees and employers, social dialogue can help bring tranquility in manufacturing sector by establishing the rights of the workers.

How do you see the approach of government?

The government needs to make its policy clear. At present, the government policy is more confusing as it can neither back industrialists nor it can back workers.

It is said that the present Labor Act favors trade union workers against the employers and the industrialists are demanding to amend it. How do you look at it?

The Labor Act does not favor trade unions only. Some industrialists, who held the biased views on workers, want to amend the act in the name of reform. The issue is settled again through dialogue. If all the stakeholders including employers, employees, government and consumers start dialogue, we can make change.

Bo you mean the unions will not accept one sided decision?

This is absolutely correct. We will oppose any moves that will be taken.

without dialogue with us. UNI's approach of partnership and dialogue can bring the changes.



How do you see the future of trade unions in the context of globalization?

No country and industry can deny the rights of the workers and trade unions. Although the World Bank and IMF have been making efforts to cut the size of the work forces in the name of economic reforms, we will not accept any reform which will cut the size of employees. For instance, even a large number of employees in Rastriya Banijya Bank was laid off following the initiation of the reform under the pressure of World Bank. Similar case is there in Nepal Bank also.

amid tensions and conflicts, UNI's participatory approach and social dialogue should help harmonise labor relations. The achievements made in the service sector need to replicated in other sectors also, $\frac{1}{2}$.

among various unions existing within the organizations.

In the context of bringing all the stakeholders together for the protection of rights of the workers as well as create harmonious relations, social dialogue process has made a tremendous contribution. Be in Nepal Telecom or banking sectors, UNI measures are able to create environment in which the unions can work.

As Nepal is celebrating May Day

Sisters' Tales & Tribulations

By PRADIPTI BHATTA

If you are a Nepali woman and you are reading this, then consider yourself lucky because, believe it or not, only a mere 28 percent of women in Nepal are literate and less than three out of ten can read.

This fact has been brought into focus in the photo exhibition, 'Bahini: Life of my Sisters' being held at Nepal Art Council, Babar Mahal.

The photographers, Debby Ng, a staff environmental journalist of Asia, an online magazine based in Singapore and Edwin Koo, a freelance photographer based in Kathmandu have taken pictures of twelve school girls to depict the plight.

These girls study under the support of LSP (Little Sisters Fund), an organization that works to financially support girls whose families are unable to afford school fees. The photographers tell the stories of these girls through their photographs.

The photographers who had spent time with the girls in their houses, have wonderfully put their family and school life in the pictures.

These twelve school girls reflect a new generation of Nepali women who are keen to gain education. The Little Sisters Organization which runs with the belief that "If a boy is educated, only one person is educated but if a girl is educated, the entire family is educated" has been able to fulfill the motto by supporting over 900 girls.

The photographs offer an artistic proof of that.

A photo of some dolls, a girl calling home after school, another girl studying in a room with two other siblings, a school girl washing dishes are some of the notable photographs in the exhibit.

"The pictures were expressive and the shots were well taken", says Arya Bhattarai, a student at St. Xavier's College when asked about the event.

Above all, "Bahini: Life of my Sisters" not only tells tales about different girls, it gives us a glimpse of the future of the country, a future with young educated women wanting to lead the country to a better direction.

JAPANESE CRAFTS Colors & Shapes

Along with a model of modernization, the Japanese have also retained their traditional crafts. Although one can see a lot of change in the Japanese traditional crafts, they still follow the tradition in a conspicuous manner.

The exhibition of "Contemporary Japanese Crafts" held in Kathmandu from April 17-29, 2010, is organized by the Embassy of Japan, in cooperation with Japanese Universities Alumni Association, Nepal (JUAAN) and Japanese Language Teachers' Association Nepal (JALTAN). The exhibition is supported by The Japan Foundation.

Ambassador of Japan to Nepal Tatsuo Mizuno opened the exhibition on April 16 amid a function at the Hall of the Embassy of Japan, Panipokhari. The exhibition includes mostly utensils and day to day goods made to suit the present context.

"The crafts presented at the exhibition



are made for day to day use," said Japanese Ambassador to Nepal. "The color used in the crafts symbolized with Japanese food items," said the ambassador.

The history of crafts in Japan is very ancient and is influenced from sources such as China and Korea. These influences have been gradually absorbed and further developed resulting in works that reflect the Japanese artistic temperament. In modern times, Japanese crafts have not simply retained the traditional forms and decorative embellishments that had been handed down from previous generations.



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