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# SPOTLIGHT

July 02 July-15, 2010

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FORTNIGHTLY



**Viewpoint:**  
Dr. Tilak Rawal



**Forum:**  
Kirtinidhi Bista



**Prime Minister Madhav Kumar Nepal**

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## From the Editor

For the past one month, pressing national issues have been sidelined by depressing debates on the future of a prime minister. The nation had been held hostage over the fate of prime minister Madhav Kumar Nepal. The cry for freedom has fallen on deaf ears. There had been a persistent call for the PM's resignation. There has been an equally persistent resistance too.

The man who was supposed to take care of the country had been dubbed a caretaker. The "caretaker" prime minister claimed to enjoy the parliament's majority support. Ironically, few dare to test him on the floors. The net result: utter uncertainty reigned across the country. The man in the middle is now gone.

He has stepped down. But who will step in is not clear. How will he/she step in and move ahead, if at all, is even fuzzier.

With the resignation of the prime minister Madhav Kumar Nepal, the prolongation of uncertainty has become the only certainty. Failure of a country to decide its own fate leads only to a fatal disaster. This is what we have sought to get across our readers in this issue's cover story, in the aftermath of the long-speculated resignation of the prime minister Nepal.

*Keshab*

**Keshab Poudel**  
Editor

# NEW SPOTLIGHT FORTNIGHTLY

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**Editor and Publisher :** Keshab Poudel, **Senior Correspondent:** Saroj Dahal, **Reporter:** Pradipti Bhatta, Abijit Sharma, Nitish Dev Bhattarai

**Marketing Manager :** Madan Raj Poudel, Tel: 9841320517, Nabin Kumar Maharjan, **Photographer :** Sandesh Manandhar

**Cover Design/Layout :** Hari Krishna Bastakoti

**Editorial Office :** Tel: 977-1-4430250 E-mail: spot@mail.com.np, P.O.Box: 7256

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## Risk Management

M. L. A. M. Hisbullah, Deputy Minister of Child Development and Women's Affairs of Sri Lanka, visited Mercantile Exchange Nepal Ltd. (MEX) to know the operational set-up of futures market in Nepal.

M. L. A. M. Hisbullah landed in Nepal on June 21, 2010 for official purpose. With the realization of economic benefits of having an Exchange in a country, M. L. A. M. Hisbullah took time from his busy schedule to meet Dipendra Khatiwada, Managing Director and Jitesh Surendran, CEO of MEX to understand the state of affairs of MEX in Nepal.

With the establishment of MEX, new investment sector has been generated where investors can mitigate their risk in different commodities ranging from precious metals, energies to agro-products. MEX has contributed in the development of agricultural sector through fair price determination and maintaining liquidity in the market.

## Coalition imposes immigration limit

The number of workers entering the UK from outside Europe will be controlled by a new limit, the Home Secretary, Theresa May, announced today.

Net migration will be scaled back to the levels of the 1990s – to tens of thousands rather than hundreds of thousands. Introducing a limit on migrants from outside Europe coming here to work is just one of the ways the Government intends to achieve this. Details of how the final limit will be delivered will be agreed following a 12-week consultation with businesses. In the meantime an interim limit will be introduced to ensure there is no rush of applications and the number of work visas issued stays below 2009 levels.

According to the press release of British Embassy, the results of the consultation on the permanent limit will pave the way for fundamental changes to the way in which workers from outside the EU will be chosen to come and work in the UK.

According to press release, students and Gurkhas are not affected by the interim limit or the consultation. The British Government welcomes the views of Nepali businesses and the

Government of Nepal on the proposals in the consultation document.

## Lessons Sharing Workshop

Practical Action Nepal, with SEBAC-Nepal, organised a National Sharing Workshop based on the lessons from the implementation of SABAL or Sustainable Agriculture with Bazaar for Advancing the Livelihoods of Conflict Affected People's project.

This project has assisted 9,565 conflict affected and disadvantaged households in 26 VDCs of Achham, Doti and Kailali to achieve confidence and sustained income from quick return farm and off farm economic activities.

The European Union has extended a support of 865,052 (approximately 80.5 million NPR). The project was initiated in January 2008 in partnership with SEBAC-Nepal, the local implementing partner of Practical Action Nepal Office. This quick impact project has successfully completed its objectives of improving the socio economic condition of conflict affected people within a period of 30 months.

Dr. Giap Dang, Cooperation Coordinator, Delegation of the European Union to Nepal and Member of National Planning Commission Dr. Dinesh Chandra Devkota were the special guests in the workshop.

Representatives from the Ministry of Agriculture and Cooperatives, National Planning Commission, Social Welfare Council, DoLIDAR, Ministry of Peace and Reconstruction, Ministry of Women, Children and Social Welfare, I/NGOs and organizations working in the development sector attended the workshop.

## Equal Access Wins Award

Equal Access Nepal has been awarded with a Special Award at a gala One World

The One World Media Awards is one of the foremost Awards events for media in the UK and recognizes the most outstanding media coverage of the evolving world, particularly in bridging the divide between different societies and raising awareness of vital development issues.

Equal Access Nepal received the Special award for its program 'Voices' an innovative Nepalese radio and community outreach initiative, funded by the UN Trust Fund to End Violence against Women, which discusses dilemmas related to the intersection between Violence against Women and HIV and AIDS.

More than one million regular listeners tune in to "reality" dilemmas, stories of triumphs over violence and solutions to daunting challenges faced by Nepalese women each day. With outreach activities that include legal literacy training, *Samajhdari's* productive dialogues teach women how to speak unhesitatingly, think critically and organize collectively around their rights and choices in relation to HIV/AIDS and gender-based violence.

## EU Food Funds

European Commission funds to the tune of one billion Euros have been disbursed to 50 food insecure nations around the world including Nepal to address rising food prices and hunger. Out of the total funds, Nepal has received 23.5 million Euros (2.7 billion rupees) for the running of projects in the eastern, central, mid-western and far-western regions.

The funds have been mobilized through the World Food Programme (WFP), Food And Agriculture Organization (FAO) and four Non State Actors namely Practical Action, DanChurch Aid, Save

The Children Norway and Oxfam with the Ministry of Agriculture and the National Planning Commission (NPC) of the Nepal Government as the major partners.

### US Envoy Opens Bara Schools

U.S. Ambassador Scott H. DeLisi has inaugurated two schools -

Shree Poshan Laljit Nepal National Lower Secondary School and Nepal National Primary School - in Bara district.

These schools, along with eight additional schools in Bara and Parsa district, were constructed and furnished by the U.S. Agency for International Development's Flood Recovery program (USAID).

This \$6.5 million effort, funded by USAID and implemented by Fintrac Inc., was initially designed to respond to the 2007 floods within six districts of the Central and Western Terai. It was subsequently expanded to Sunsari and Kanchanpur following the severe floods in 2008. The program is providing an integrated package of development assistance to total 76 Village Development Committees throughout the eight districts.

Rehabilitating and developing small-scale community infrastructure, including schools, has been an integral part of USAID's program to build back the lives of the flood-affected. To date, the program has completed 89 infrastructure projects, creating employment opportunities and boosting local economies. In addition to infrastructure development, the program has contributed to increasing farmer productivity and income, improving awareness of sanitation, nutrition, gender and protection issues, and strengthening local organizations by expanding participation among youth



General Gaurav Sumsher J.B. Rana addressing concluding workshop on disaster management preparedness organized by Nepal army.

them become catalysts for positive change in their communities, and these winning videos speak directly to that desire. We are thrilled to collaborate with these filmmakers and leverage their work to inspire young people around the world."

and vulnerable populations. By the end of the project in March 2011, the project will have directly benefited over 486,061 Nepalese.

At the inauguration, U.S. Ambassador Scott H. DeLisi remarked, "I am pleased to see U.S. Government assistance going into building better school facilities for children and creating a more conducive and dignified learning environment, because education is fundamental for national progress."

### Nepal Wins Video Award

Nepal's Anup Poudel won the Democracy Video Challenge 2010, along with five others. Other winners include: Adhyatmika from Indonesia, Farhad Khoshtinat from Iran, Joel Marsden from Spain, Juan Pablo Patiño Arévalo from Colombia and Yared Shumete from Ethiopia. According to a press release of the American Embassy, the six grand prize winners of the 2010 Democracy Video Challenge got thousands of public views, comments and votes, each of the winning videos has captivated a global audience.

"The thought-provoking creativity and diverse messages of self-expression revealed in this year's winning videos are unprecedented," said William Reese, President and CEO of the International Youth Foundation. "Every day we work with youth around the world, helping

### Indian Embassy Reacts

Embassy of India has taken note of a misleading story on the front page of Kathmandu Post and Kantipur blaming Indian authorities for holding up supplies of newsprint intended for Kantipur Publications.

According to the press release of Indian Embassy, customs examination of transit consignments is a routine administrative measure and the imputation of motives in such a matter by two newspapers, who seek to lay claim to responsible journalism, is highly regrettable.

In response to the request made by the Kantipur Publications, the Embassy had already taken steps to try and resolve the matter at the earliest. The distorted manner in which the issue has been publicized is hardly helpful in bringing about an early resolution of the customs investigations.

According to Indian Embassy press release, chairman and Managing Director of the Kantipur Publications Sirohiya called on Ambassador on June 25, 2010 to discuss the newsprint consignments currently undergoing customs examination at Kolkata port. He was informed that the Embassy had already taken steps to try and resolve the matter, based on the request made by Kantipur Publications and had undue publicity to a routine administrative matter not been given, the matter could have been resolved earlier. Sirohiya has assured full cooperation on the part of Kantipur Publications in order to enable resolution of the matter at the earliest. ■



## NEPALI PRESS

**Hindu Leader Killed:**

Police have arrested a local leader of Unified CPN (Maoist) Jalim Miya in connection with the murder of president of Hindu Rastriya Yuva Sangh Kashiram Tiwari. Police arrested Miya from his residence in Jagannath VDC, Parsa Monday after a delegation of the Sangh submitted a memorandum to Parsa Chief District Officer (CDO) accusing the Maoists of the murder and pin-pointing the names of some leaders involved in the incident. Cadres of the Hindu Sangh staged demonstrations in Birgunj throughout the day Sunday in protest of the murder. They also organized a funeral procession of their deceased leader Tiwari. Tiwari's body is still being kept at Narayani Stadium Birgunj. The Sangh has said, they will not cremate Tiwari until action is taken against the accused.

(Nepal Samacharpatra)

**Arms Smuggled From India**

Many groups involved in organised crime in Siraha have been found smuggling in weapons from the bordering Indian market, state-owned news agency RSS reported Sunday. The smuggling of weapons from the neighboring market came to light following the arrest of three persons on the charge of smuggling a self-loading rifle.

According to police, weapons purchased from the neighboring Indian market are supplied to Siraha, Saptari, Dhanusa, Kathmandu and the remote hilly districts too.

The cost of small firearms exported from India is found to be between Rs. 15,000 to Rs. 100,000. In the past 10 months, Siraha police have confiscated 33 pistols from various parts of the district, and a large amount of explosives. In the process, 47 were arrested while 24 accused are at large.

(Nepalnews)

**Kantipur News Print Row**

A week long row over the blockade of news print imported by Kantipur publication in Kolkata port comes to an end on June 25 following the meeting of Chairman and managing director of the Kantipur Publications Kailash Sirohiya with Indian ambassador to Nepal Rakesh Sood.

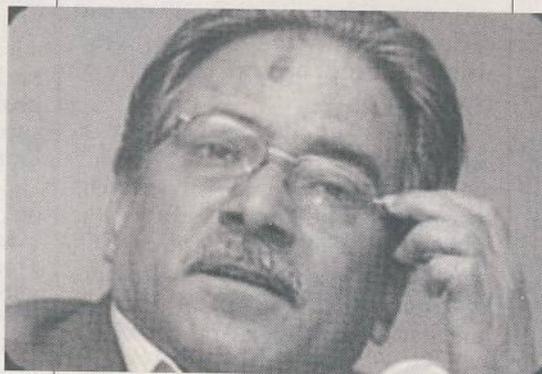
Earlier, The Kathmandu Post reported that India's Directorate of Revenue Intelligence (DRI) had taken control of the newsprint imported from Canada and South Korea and stopped its shipment to Nepal, saying that the 39 containers carrying the newsprint needed to be "investigated".

"No investigation, however, has been carried out despite repeated requests. Nor has Kantipur Publications been given a clear explanation for the continued delay, which has meant heavy demurrage and possibility of the newsprint getting damaged," said the Kathmandu Post in its report. (RajdhaniDaily)

**Film on Maoist Banned**

Documentary on Nepalese Maoist Banned in India Citing the growing Maoist violence in some states of India as the reason, authorities in New Delhi have refused to allow public screenings of a documentary on Nepal that depicts the Maoist insurgency in this country in a series of uprisings against dictatorship, finally ending in the abolition of monarchy. New Delhi's

Central Board of Film Certification, whose approval is mandatory to screen films in India, has denied permission to 'Flames of the snow', a 125-minute documentary directed by New Delhi-based Ashish Srivastava, formerly associated with Discovery channel, and



Anand Swaroop Verma, Indian activist and journalist who is close to the Nepal Maoists ideologically. 'The film tells about the Maoist movement in Nepal and justifies its ideology,' the board informed Verma, explaining why it had decided to withhold permission. 'In the opinion of the examining committee, any justification or romanticisation of the ideology of extremism or of violence, coercion, intimidation in achieving its objectives would not be in the public interest, particularly keeping in view the recent Maoist violence in some parts of the country.' 'It's a case of being more loyal than the masters,' Verma told IANS. 'The film is about the history of Nepal with Maoist movement being a part of it. It does not contain a single reference to the Maoist movement in India.'

(IANS)

# Ignored Economic Problems

— Dr. Tilak Rawal



It could sound rather foolish to talk about economic issues at a time when political problems have remained unresolved, currently unattained, despite repeated promises of our leaders to resolve political problems and then concentrate on economic issues. Notwithstanding this sentiment of our leaders and their prioritization, I for one decided to raise economic issues one more time especially in the face of growing uncertainty about the presentation of the annual budget and my chance, as a CA member, to perform the annual ritual of professing on it in the legislative wing of the Constituent

which is talked about by all and sundry, in most cases without proper understanding of it. An attempt here is made, therefore, to share my little knowledge and thoughts on the subject and its seriousness.

BOP data enable us to understand our country's transaction with the rest of the world during a given period of time. BOP is broadly categorized under two heads—current account (goods services, income and transfers) and capital\ financial account comprising foreign direct investment (FDI) and other investment accounts including the government loan transaction. When a country pays more than what it receives under these heads, it faces a difficult situation commonly known as the BOP problem. Nepal's situation today is like that of a rural household that buys a lot from the market and receives very little from outside through sales of whatever little marketable surplus it has generated. As the rural households, devoid of resources, get into serious problems, so could be the case with Nepal if serious attention is not paid to reviving the long-stagnating economy. On the trade front, Nepal is experiencing a pitiable situation as is amply manifested by a deteriorating export\import ratio of 16. This means we are buying things worth Rs.84 from outside and sells to outside world amounts to a meager Rs.16. Seriousness of the situation demands concrete action and any effort to belittle the gravity of the problem, citing similar cases in the past, should be checked. Indeed, the present situation is very serious. It may be mentioned that ever since Nepal Rastra Bank started compiling and publishing BOP figures in 1972/73, Nepal had BOP surplus in 30 years and deficit in 7 years, excluding the current one. Fact to be noted, however, is that the current deficit of Rs.17.36 billion is 2.16 times the combined deficit of previous seven years totaling Rs. 8 billion. Current account in the 10 months of the current fiscal year registered a deficit of Rs.37.78 billion compared to a surplus of Rs.37.04 billion in the corresponding period of last year. A new record has been created on the trade front, too. Likewise, foreign exchange reserve suffered erosion in terms of import (goods and services) capacity, from 10.1 months last year to 6.6 months currently. This slide that took place in 12 months time is said to be the sharpest ever. Failure to manage public expenditure in a proper way has been distinctly reflected in a huge share of recurrent expenditure to total expenditure. Having created unprecedented negative records on several fronts of macro economic fundamentals, it can be concluded that the current dispensation has failed the economy. We have failed on the external front as is shown by huge deficit in BOP and also on the internal front as is clearly manifested by a long spell of double digit inflation. High level of inflation coupled with lackluster performance of the economy (expected to be around 3.5 percent this year as against the planned target of 5.5 percent) has stopped any movement of

**Our agriculture has remained highly unproductive, with annual output per worker estimated at us dollar 208, and most of the agricultural products are imported from outside for domestic consumption in agrarian Nepal where agriculture still accounts for 34 percent of our national GDP.**

Assembly called for July 5. Indeed, with UCPN Maoist appearing resolute to disrupt the house proceedings and Mr. Nepal see-sawing on the exit issue, budget discussion and its approval this time is likely to be more complex than the previous two years which saw delayed approval of it. The most disappointing thing about our economy is that the external sector has more or less collapsed. Merchandise trade deficit is expected to be around Rs.342 billion constituting 29 percent of the estimated GDP (Rs.1182 billion) for the current fiscal year. This has been a record deficit. This situation is the result of skyrocketing imports (likely to cross Rs.400 billion this year) and disappointing export (likely to decrease to Rs. 60 billion from Rs.67 billion last year) performance. Our agriculture has remained highly unproductive, with annual output per worker estimated at us dollar 208, and most of the agricultural products are imported from outside for domestic consumption in agrarian Nepal where agriculture still accounts for 34 percent of our national GDP. Further, industrial output has not grown, remittances, used basically for consumption of imported goods, are increasing at a decreasing rate and tourism income has decreased so far by about 4 percent as against a remarkable rise of more than 46 percent in the corresponding period of last fiscal year. The outflow has been more than the inflow of resources into the country and the net result has been a huge deficit in our balance of payment (BOP),

the economy towards a positive direction. Nepal is probably the country with the lowest rate of growth amongst South Asian countries some of which have seen and are still experiencing intense internal unrest. More hurting than the poor economic performance is the recently publicized fact that Nepal has emerged as the most corrupt nation in South Asia, surpassing Bangladesh, Pakistan and probably reaching the level of Afghanistan. From its 121<sup>st</sup> position last year, Nepal slipped 22 places down to occupy the 143<sup>rd</sup> position in the list of 180 countries. This is a record level in the history of Nepal, states a report of the Transparency International (TI) publicized recently in Berlin. Those at the helm of affairs should remember that these facts have come from an independent agency that has hardly anything to do with Mr. Nepal's continuation or ouster from the government.

Honesty in political leadership is prerequisite to faster economic development, preached a senior government official from Pol Pot devastated Cambodia. Majority of Cambodians have begun to enjoy the benefit of an annual growth rate of around 10 percent and their visionary and honest political leaders are credited for the new wealth generated and its distribution to alleviate poverty in the country. Let alone countries like China, India and Vietnam with unparallel economic progress achieved in recent years, we can learn lessons from Idi Amin-ruined Uganda that has become the darling of multilateral and bilateral donors since long. The lust for power seen in top leaders of our major parties is really indigestible and it is high time that they endeavoured to establish themselves as honest leaders, if not visionary. Can our leaders do something nice for us to follow suit?

*(Dr. Rawal is a former governor of Nepal Rastra Bank and currently a member of Constituent Assembly. He is a prominent economist of the country.)* ■

## AGRO-ECONOMY

# Subsidy Saga

*The government mulls increasing subsidies on agriculture considerably in the coming budget.*

By SANJAY DHAKAL



**T**his monsoon season, once again, farmers across the country faced scarcity of fertilizers. This was a time when farmers needed to enrich the soil with nitrogen and potassium-based fertilizers as they prepared for a new plantation season.

Unfortunately, their problem has been a recurrent one – a clear result of botched policies and thorough mismanagement.

Even the officials admit that the root of the problem lies in their policy. The latest problem was the strict border control by India to restrict smuggling of 'subsidized fertilizers' from India to Nepal.

Earlier, due to price differences, farmers – especially those in border areas – used to use those Indian fertilizer. But this year the border authorities have tightened the flow of fertilizers.

Having removed subsidies on agriculture, particularly the chemical fertilizers, upon advice from multilateral donors, the government had exposed Nepali farmers to years of difficult situation.

Across the border, the Indian farmers enjoy subsidies on fertilizer, seeds, and power whereas their Nepalese counterpart face fertilizers that are three times more expensive and virtually no subsidy.

And they are asked to compete. "The experiences of past few years have made us realize that we must provide subsidies to our farmers if we want to

develop our agriculture," said Keshab Acharya, senior economic advisor at the Ministry of Finance.

The government, he said, had, therefore, re-introduced subsidy on fertilizers last year. "We will increase the subsidy in this budget as well," he added. Sources say that the government plans to increase the subsidy amount on fertilizer from around Rs 1.5 billion to Rs 2.5 billion.

"But even that amount will not be enough," said Dr. Hari Dahal, spokesperson at the Ministry of Agriculture and Cooperatives. Nepalese farmers consume around 500,000 metric ton of chemical fertilizer annually.

The current level of subsidy means farmers can enjoy cheaper price in only 100,000 metric tons of them.

"We need to provide subsidy on at least 300,000 metric tons to be able to smoothen our supplies and avoid unnecessary scarcities," said Dr. Dahal. "Till we do so, the stories of scarcity of fertilizers at the crunch agricultural and plantation seasons will continue to repeat," he said.

However, providing the subsidy on the larger chunk of fertilizer alone may not provide the expected solution. That will leave a smaller chunk to be imported in market price by private sector. "But how can a private sector be in a position to import fertilizers that will clearly be much more expensive and expect to sell them? The price difference on two types of fertilizer will distort the supply side rendering more problems," said an agriculture expert.

*Is Factory An Answer?*

This idea, too, has hit the stonewall.

Authorities point at the extreme power shortages. "How can such a power-intensive factory be established in a country that faces up to 16 hours of load shedding a day?" asked Dr. Dahal.

Besides, the demand of Nepalese farmers are too low to make such factory feasible, he said.

For the short term, the farmers need to have adequate fertilizers at right time – a factor that can have impact of up to fifty percent increase in the agricultural productivity. ■



# Time for a new beginning for Nepal

— Kirti Nidhi Bista

Even with the extension of constituent assembly for a year to complete the peace process and constitution writing under certain conditions a full month has passed quietly and not much progress seems to have been made. All the commitments, understandings and agreements reached at the eleventh hour seem to be entrapped from the very beginning in another phase of distrust, non-cooperation and conflict sure to affect country's identity, unity and development. Having sent the people to utter despair and dismay for the last two years with a lot of pain and suffering inflicted to them by mismanagement of state affairs and non-implementation of two main agendas set by the people's mandate, the leaders are talking in riddles once again. Contrary to the starting point of the peace process, the twelve point agreement, though reached in foreign soil, the political leaders are once again engaged more dangerously in power politics rather than creating a congenial atmosphere for national unity government.

The present government must get out in time. This being overdue for some time, there should not be any more bargaining at this critical hour. Look at the hard changes that took place in Japan and Australia. It is high time for Nepali government to realize that leaders, however successful at one time might lose their support for a variety of reasons and the only option left then is to make way for others. It is also time for Nepali leaders to prove to the world that they are also capable of taking hard timely decisions for country's sake.

Politicians in Nepal are getting dirtier and insensitive everyday and more self centered rather than **people-oriented with general welfare and care in mind.** Optimism so clearly evident and palpable at one time is turning into pessimism as a result of miserable failure of the government on all fronts relating to most importantly not only to constitution making and peace process work but also carrying certain primary responsibilities of providing peace and security to the nation. People are really fed up with hollow assurances and promises as the country is dwindling into a state of anarchy with no presence of government at all. What is up in the sleeves of government is yet to come out. Whether this unnecessary delay in forming a national unity government is intentional or guided by unseen power will also be unfolded in due time. Nevertheless it appears that what they are trying to do is to absolve themselves of their misdeeds and mistakes by putting blame on others now on Maoists.

Looking around, though the South Asian region depicts a picture generally involved in corruption, growing human right violations and widening gap between the rich and the poor yet most countries in the region have been able to manage their state affairs with the presence of strong government and advance their national interests. Nepal seems to be the only exception. Sri Lanka though

bogged down in more than two decade long internal conflict between Tamils and Singhalese causing huge loss of lives and property has been able to keep its economy afloat. India has been completely transformed to one of the world's major players with astounding economic growth already in the global list of major economies. In this region Nepal is the only country which has failed in every way and its economy is going down from bad to worse with no chance of improvement in the near future.

Since King Gyanendra's political decision to revive the dead parliament for country's sake nothing has been achieved so far except the abolition of monarchy. Neither the new constitution could be brought into existence nor the peace process completed. What has been given to the people as gift for their sacrifices and involvement in the successful movement is a bundle of lawlessness, abductions, extortions and day light killings besides growing unemployment and soaring commodity prices. Internationally ranked as one of the most corrupt countries, Nepal government has so far failed to take any effective measures to control and discourage increasing corruptive practices hitting very hard at developmental activities.

**Politicians in Nepal are getting dirtier and insensitive everyday and more self centered rather than people-oriented with general welfare and care in mind.**

The government also seems to be unmindful of the danger that the donor countries might one day be compelled to decrease or stop the aid available to Nepal so far at their tax payer's cost. What will happen then to a country already weakened and emaciated economically and unable to settle internal matters politically by disregarding national consensus and unity? Added to it several European countries and the United States of America are being disappointed in spite of their keen interest and critical support provided to Nepal's peaceful transition from a decade long violent conflict to an orderly democratic system. Also United Nations involved in this noble endeavor seems to be not happy at the performance of Nepalese side for its lack of seriousness to resolve outstanding problems in a timely manner.

The next door neighbor China also has been showing some concern at times about the deteriorating situation of Nepal. India which has been playing the most active role from the very beginning by helping the three major parties to come to an agreement in New Delhi though worried is seen confident of its outcome favorable to it and its long term interests. Keeping all these factors into

consideration Nepalese leaders should sink all their differences and present themselves before the world as a solid unified national force capable of facing all kinds of hardship. This they must do in order to steer the country out of this unfortunate impasse and once again move towards a long march of building a new Nepal by forming a national unity government immediately.

This is the most crucial moment in Nepalese history. Stalemate at this time could prove the last straw to the sinking of a proud nation when it is repeatedly hit and humiliated to its maximum by its leaders for their own narrow interests. How could the Nepalese witness helplessly the on going process of decay of its society and dilapidation of its independence? Have Nepalese leaders forgotten its glorious past? Why are not they moved and inspired by the valour and indomitable courage shown at different times by Nepalese patriots in facing imperialist power whether from Britain or China? There is no time left for long discussions and consultations. What the country needs is prompt and well considered decision that will not only pave the way to peaceful and amicable settlement of internal problems but also open a new chapter to decide its future on its own without disturbing its relations with friendly countries.

All the political parties should focus their attention on Nepal and Nepalese only and this is the right time to awaken the entire Nepalese people and convince them that they can withstand any difficulty for national interest and they do not mind to go a long way in this march to protect and safeguard Nepal's supreme national interests for all times to come. There is no need for going outside the country for blessings and guidance. After all Nepalese are the masters and they can themselves decide their fate. There is no option today for the Maoists and non-Maoists but to take the necessary first step towards bridging the gap created by distrust and lack of understanding. This act alone will produce a win-win situation for Nepal.

*(Bista is a former prime minister of Nepal)*

## NEPALI ENTREPRENEURS

# Aiming High

*Nepali entrepreneurs in the UK are setting up new benchmarks.*

By BHAGIRATH YOGI IN LONDON

On 9<sup>th</sup> June, a new Nepali restaurant was launched in North London targeting British food lovers. Though overall business prospects are still dim in Britain, a group of Nepali entrepreneurs launched Gurkha's Pride restaurant at Ruislip High Street hoping for the best. "Since Nepalese cuisine is



getting good reviews, we are optimistic that we will be able to do good business over the period of time," said Anand Dharel, one of the promoters of the restaurant.

North West London College promoted by Nepali entrepreneurs recently launched its new branch in Reading (outside London). In Aberdeen, a group of Nepali academics and entrepreneurs have launched 'Higher Education College, Scotland' in order to cater to local as well as overseas students.

As the number of Nepali community is growing in the UK, a number of Nepali entrepreneurs have started consolidating and expanding their businesses. While restaurant is the predominant sector—with around 200 Nepali restaurants said to be operating across the UK, Nepali entrepreneurs have invested in diverse sectors including retail shops, groceries, real estate, education and media.

Doing business in UK is vastly different than doing business in Nepal, say entrepreneurs. "We have to take care of things like Health and Safety and abide by strict rules and regulations while doing business in here," said Narendra reduce government spending, has proposed to raise VAT from 17.5 percent to 20 percent beginning January 2011 at the same time trying to promote small businesses and start-ups, among others.

"The rise in VAT is likely to have adverse impact on overall business especially restaurant sector," said Kandel adding, "It will add to our expenses and reduce profit margin."

It may take a while for UK to produce businessmen like Dr Upendra Mahato (Russia) and Shesh Ghale (Australia), but Nepali businessmen operating in the UK are gradually consolidating their businesses. Established in 1996, YBC Cleaning Services Ltd. now employs over 300 people. Yogendra Chhetri, Managing Director of the YBC Cleaning Services, bagged the 'Employer of the Year 2009' award set up by the NBA UK.

Set up by Kul Acharya, 'Holy Cow' group has got seven outlets in different parts of London which sell take-away Indian food. "We are committed to provide quality food at affordable prices and so far we have got very good response from our customers," said Acharya, who is also vice chairman of the NRN Association, UK chapter.

While operating in the UK, expatriate Nepali businessmen also have their eyes set on Nepal. "Not only in UK, Nepali businessmen would be happy to invest in Nepal," said Kandel. "But we must have stability and security first," he added.



## The World Cup Cup Of Joy

Like the rest of the world, Nepal is also caught in the grip of football. As World Cup soccer progressed, football has officially taken the center-stage of the talks among the children, youngsters, businessmen and even housewives.

So captivating have been the games that even load-shedding has not

dampened the spirit of the lovers of the game.

They either go to their friend's house or to a restaurant to watch the match live. And if they can't get to do these they get

updated by their friends through facebook on mobile or texts.

Interestingly, when I was unable to watch the goal-raining match between Portugal and North Korea in the first round, I didn't even need mobile or face book to find out that Portugal was on goal-scoring spree.

I could sense the result by the deafening cheers of the Portugal fans in the neighbourhood. Many neighbourhood in Kathmandu have also been humming the rhythmic wakka wakka World Cup songs.

That the World Cup soccer flags don many shops in the city is also reflective of the rising soccer temperature in Kathmandu and the outside.

I have heard, only a few complaints.

The night life of many football fans has changed with most of them losing sleep to watch the game. Some even indulge in betting which starts just out of fun but sometimes gets out of hand.

Occasionally I have heard the housewives complaining when they don't get to see their daily soap. Sometime they complain of the sleep being disrupted by the late night matches and the noise created by the match-watching family members and friends.

But such complaints do not match the joy and the cheers the world's top game has brought to the bedroom.

By NITISH BHATTARAI

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AFTER THE RESIGNATION

# Destination Uncertainty

After more than a year in office prime minister Madhav Kumar Nepal of a shaky multi-party coalition bows to the pressure of the main opposition Maoists and the dissidents within own party “to clear way for ending a prolonged deadlock”. But there is no sign yet of a smooth political course even in the distant future.

By SUSHIL SHARMA

**H**e defied logic. Without a support in parliament he enjoyed a majority. The largest party — the main opposition Maoist long rooted for his ouster. Own party boss, Jhalnath Khanal, dubbed his former boss only a caretaker. The key coalition partner, Nepali Congress, ran an internal rat race to replace him, even before the chair fell vacant. Smaller

parties did not hide where there had been sitting — on the fence.

But prime minister Madhav Nepal remained in office. Whether he should continue went on to become a subject of national debate. The Doubting Thomasses began counting his days the day he assumed office.

He proved them wrong and went on to become the longest-serving communist prime minister of Nepal. The

midnight extension of the constituent assembly had been linked with his exit “within five days”.

One full month and five days after, the exit route appeared blocked. He himself boasted of strength to face up to all challenges to his chair.

“I am not going to bow down. I will show them the metal I am made of,” he told a top political functionary two days before he put in papers.



**PM Nepal with his colleagues:** Marching to Nowhere

the peace process and the successful end of the critical political transition. Some don't.

On his part, prime minister Nepal is not sure of what follows now.

Probably he has hoped to cash in on the resultant uncertainty and chaos. The first indication of which will come from the confusion over the budget.

The new fiscal budget will now hit a roadblock. His caretaker government can not present it. And without it, the state faces the threat of coming to a halt.

With the party bickering in all



PM Nepal (left) tendering his resignation to President Dr. Ram Barann Yadav: End of Tenure

So much for the oft-repeated commitment to “loktantra” and “people’s sovereignty”

Quipped an analyst, “continuing in office or quitting it depends not on one’s choice but on others’ compulsion”.

The result: destination ahead for the country is further uncertainty.

likelihood stopping the early formation of a new government — consensus or majority — the caretaker government is expected to get an extended life.

That works to his advantage as well. And to the hands that rock the cradle.

He was handpicked to lead a non-Maoist coalition not out of choice but compulsion of others.

He remained in office for that long despite wanting to quit long time ago, according to him. That meant he was there not out of choice but of the compulsion of others.

But Madhav Kumar Nepal has sought to give the impression that he has quit on his own. If he is to be believed he will have to eat his words.

Earlier, he had said that he did not want to throw the country into chaos and uncertainty by “hastily” quitting, unless a consensus is reached and a clear picture of a new prime minister emerged.

There has been no change in the scene. Yet the prime minister has resigned. Not from the floors of the supreme representative body — the

parliament — whose session he had called only two days ago.

Consensus or no consensus.  
Constitution or no constitution.

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Prachanda (Center), Narayan Kaji and Baidhya : Divided we stand

## POLITICS

# Balancing Act

*The irony in Nepalese politics is that a person needs southern neighbors India's good will to be a prime minister but he also needs to uphold a patriotic posture for his survival*

By KESHAB POUDEL

In announcing his resignation as the prime minister, Madhav Kumar Nepal tried his best to show how he made efforts to protect the nation's interests. In the half-an hour address to the nation broadcast live on television and radio, outgoing prime minister Nepal defended himself as a patriot par excellence.

Nepal's response was mostly directed to UCPN-Maoist leader and former prime minister Pushpa Kamal Dahal Prachanda, who frankly admitted that he lived in India 10 years out of 12 years of violent insurgency in Nepal, and he had no qualms to dub Nepal as a puppet of Prabhu (India).

Maoist supremo Prachanda has been harping on anti-Indian slogans and blaming India directly and indirectly for the fall of his government 13 months

ago. Prachanda is yet to reconcile with harsh reality. "When we started to defend Nepal's interest, our government was pulled down," said Prachanda.

As Shelton Kodikara, a noted Sri Lankan author, writes the tenure of a Nepali prime minister who was *persona non grata* in New Delhi was likely to be short. But it was also true, conversely, that a prime minister who had alienated nationalist sentiments in Nepal stood little chance of politically surviving in office. What Kodikara writes in his book *Strategic Factors in Interstate Relations in South Asia in 1984* seems to be true even today.

Former prime minister Prachanda used to receive a red carpet welcome in New Delhi when he suddenly felt that his rug was pulled out by his one time sympathizer because of his

stand on Nepal's interests. Despite being the weakest for all time as prime minister, Nepal finally resigned on June 30. Nobody knows whether Nepal's resignation is a result of the pressure of public mood generated by Prachanda's wrath dubbing Nepal as anti-nationalist or Nepal became persona non-grata in New Delhi.

Whether one likes it or not, as Kodikara said, the view from New Delhi is an important factor, even in the most crucial considerations of internal politics of Nepal. It is also true that Nepal cannot ignore northern neighbor China. In this irony, it is always difficult for any prime minister to survive in office for long. This is the most delicate balancing act every Nepalese prime minister needs to do along with showing the nationalist sentiment. Earlier, American scholar late Leo Rose wrote in his book that Nepal's destiny is directed by two of its neighbors. Nepal expert and American scholar late Leo Rose too hold the similar view in his book *Strategy for Survival*. Although Nepal needed to resign in the pretext of late night agreement of May 28 among the three major political parties to extend the Constituent Assembly tenure by one year. Why he quit a month later is best left for speculations. Any serious analysis, however, should take into account the geostrategic factors into the daily flow of political events in Nepal.

# “Nepal is not a failed state yet”

– Dr. Surya Dhungel

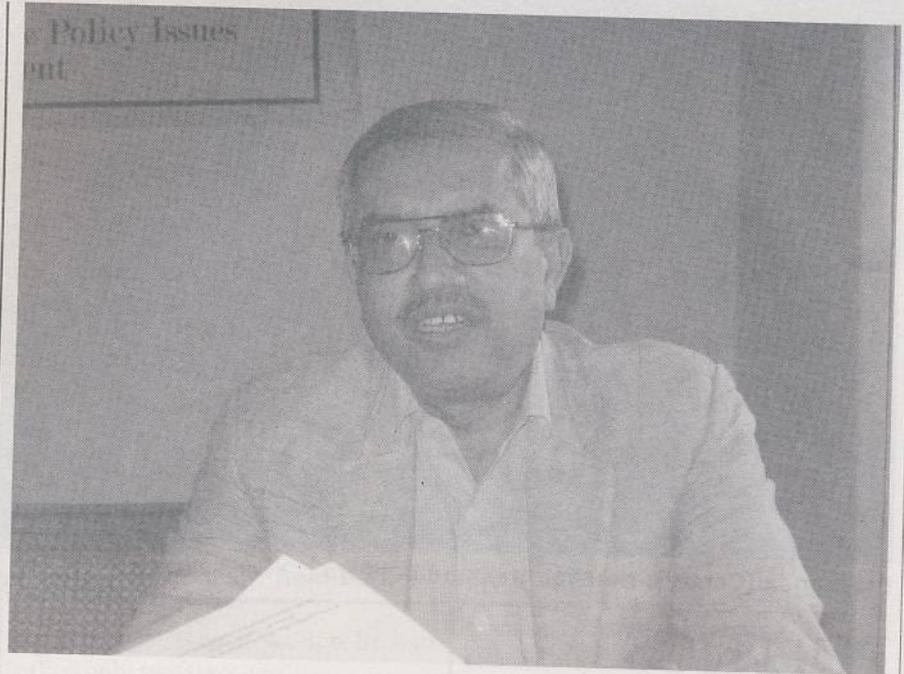
**DR. SURYA DHUNGEL** is a well-known constitutional lawyer having LL.M and Ph.D. With a long experience in constitutional practice, Dr. Dhungel has presented numbers of papers in national and international seminars and symposium. Dr. Dhungel spoke to **New Spotlight** on various issues. Excerpts:

**Do you think the Constituent Assembly can produce a new Constitution for Nepal?**

‘Yes’ is the simple answer. The Constituent Assembly is meant for that and it can produce a Constitution in less than six months if the political parties are willing to do so. The Assembly could have promulgated a new Constitution even before 28 May 2010, had they really put their efforts in both resolving cantonment related issues and the constitution making process as both are linked together.

**What are the most difficult questions?**

However, the more difficult question for anyone to answer remains: Is this Assembly at all willing to produce a Constitution? The political parties and their leaders do not look ready for it. The people have divided opinion about the willingness of political leaderships. In absence of their commitment, it is very difficult to accomplish any task. As all the major decisions on key issues are made outside of the Constituent Assembly, the CA process has become redundant. Hardly any top leaders of the parties ever attend the Committees and Assembly sessions. They have simply paid no respect to the Assembly. How can it perform such a big task of drafting and promulgating a supreme law for the land when the leadership of a party has



least interest in the constitution making and resolving combatants’ problems? The Constitution making and the peace process are interlinked.

**How do you see the role of political leader?**

Leaders are betraying the people and turning their head away from the promises made before the people at the *janaandolan*. The Interim Constitution, CPA and other agreements and understandings are becoming meaningless day by day. These are the symptoms of failing states, as are being reported in the US Foreign Policy magazine. When the national leaders and state institutions fail to fulfil their responsibilities, the nation starts failing.

**Do you mean Nepal has become a failed state simply because the CA has failed to draft a Constitution?**

No it is not yet a failed state. Symptoms of a failing state are certainly visible and threatening. You don’t have to read Noam Chomsky’s and Ashraf Ghani’s characteristics of a failed state published in their books. Just check the indicators of a failed state listed in the annual survey of the US Foreign Policy magazine which

has been publishing such ratings of failed and failing nations every year.

**But, many others are saying so.**

For god sake, we are not yet Somalia, Afghanistan, Chad and Sudan. Twenty five states, including Bangladesh, Myanmar, Pakistan and Sri Lanka are behind us. If the recognized attributes of a failing state, such as weak central government with no control over much of its territory, non provision of public services, serious law and order problems, widespread corruption and criminality, refugees and involuntary movement of populations, sharp economic decline etc, are examined, we will find the symptoms in Nepal pervasive although major state apparatus have not crumbled yet.

**Is Nepal’s situation is manageable?**

Hence, Nepal’s situation is still different and manageable than other countries with similar characteristics. The political parties and the rule of law institutions are still functional here. Our main problems are incompetency and dishonesty of our political leaders and they have been perpetually undermining the strength and capacity of the people

to make them accountable. Hence they are not serious to deal with and address the problem. If they wish and rise above their vested party interest, the situation is not out of control and can be smoothly handled. Immense international goodwill and support for peace and democracy is our asset, and the people don't want violence and instability at all.

### Don't you think common people are losing faith?

The common people and elites of the country are fast losing faith on the political leadership and the government. This is not a good sign. Even the civil society are politically divided and losing their credibility to function as political watchdog. The common people are suffering from want and fear, and the energy and strength of youths is being discarded and wanted. For a common peace loving Nepali, the danger of rupturing social harmony and plunging the society deep into conflict, violence, and political and economic chaos, is much scarier than being called a failing state.

### Then what is the way out?

There is no alternative to peace and democracy, which of course is well linked to the constitution building process. Failure to produce a new Constitution through the CA means giving continuity to the Interim Constitution and forcing the country to be a perpetual hostage of transitional government. Such a scenario might eventually help breed authoritarianism, which will again be disastrous. Hence, the politicians must free themselves from intoxication of political alcoholism and wake up. Who can help do so? Can political parties and their leaders themselves do so, as we don't have a towering leader like Nelson Mandela of South Africa or Gandhi and Nehru of India? What roles can President as Head of State play is effectively advising and activating the political leadership? WE have to admit that the present leadership failed to produce a new Constitution as mandated by the people and the Interim Constitution.

### Who do you think are responsible for present situation?

We all failed, including the leaders of all political parties, the CA Chairman,

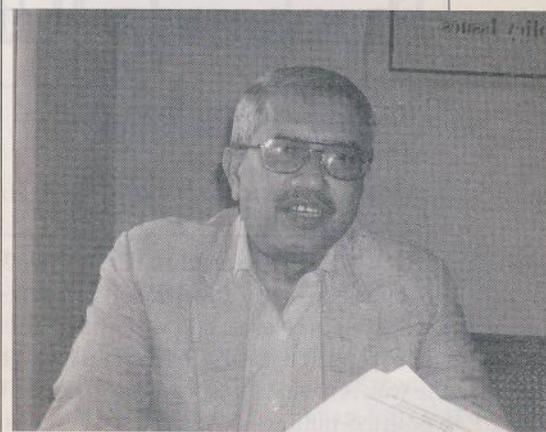
the subsequent Prime Ministers, the civil society, so called national scholars, and even the international friends and UN could not play a persuasive role to impel the CA members. Diplomatic failure of the political leaders to positively mobilize support in favour of peace and constitution building process is more apparent from the irresponsible utterances of many political leaders against friendly nations.

### What solution do you suggest?

Solution must be found in the democratic and civilian process. First of all, government institutions and especially political apparatus of the state, must be reoriented, encouraged and activated to respect and abide by the rule of law. There should be no compromise on the issue of the rule of law and impunity. Secondly, the Judiciary and constitutional bodies and security institutions must not be politicized and activated subject to sanctions public criticism, media pressure and judicial scrutiny.

### What role the head of the state can play?

Perhaps, the Head of State must reinvent its constitutional custodian role from political perspective but within the norms of transitional constitutionalism. Culture of impunity and disrespect of law must be discouraged by all means. Thirdly, change of government should be left to the political instruments to decide but only through the standard process. Failure to reach a consensus should not at any cost stop the constitutional and legal process.



### If political negotiation fails, what option would the country have?

If the political negotiation fails, let the defined constitutional process be followed, even for removing and installing the government. The answer to all questions should be searched in the Constitution and the Constituent Assembly. Are our political parties ready to follow the constitutional path? If not, no one in this country can stop authoritarianism to emerge. It may emerge in any form. But it all depends on the political behaviour of the political parties and their leaders. Are they ready to abide by the rule of law? Answers to all questions are in the Interim Constitution and standard constitutional practices. Let us all ask one question: how many politicians have been punished under the rule of law since the promulgation of the Interim Constitution? Let rule of law govern, not the political party leaders who do not respect laws.

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**नेपाल टेलिकम**

# Prachanda "Under Siege"



Not because you have proved to be a nationalist

By Yubaraj Ghimire

Pushpa Kamal Dahal Prachanda has proved himself to be a good orator and someone used to speaking what others will want to hear. No one, who does that, can ever be a statesman or a respected leader. If Prachanda was feared all these years, it was not out of respect, but because he was the chief of a politico-military outfit that believed in annihilation of the 'class enemy' — real, perceived or imaginary. The Unified Communist Party of Nepal-Maoist (UCPN-M) still has its combatants and military mind, but Prachanda seems to have outlived his utility. He could neither take the 'armed insurgency' to its logical conclusion, that is, capture of power, nor did he learn to trust the people—something a democratic leader must do—even after being elected by them as the largest party in the House. He spoke in favor of democracy, peace process and nationalism, but more often for tactical reasons. He seems to have realized now that while he can still fool his indoctrinated cadres, it is not possible to fool his colleagues and senior comrades.

There are clear signs that senior leaders like Baburam Bhattarai, Badal and Biplab are against him. Their assessment is clear: that Prachanda has outlived his utility, and he is now increasingly becoming counter productive. While these leaders' anger against Prachanda is understandable, those opposing him are as vague and unclear as Prachanda is on the issue of nationalism, peace process and democracy. Nepalis have no evidence to suggest that one set of leaders is more nationalist than others. And Prachanda has of late realized that he is getting increasingly isolated within the party. His credibility as a leader is on the wane. "I am under siege. My own colleagues are speaking the language of enemies," Prachanda said recently. "And all that for my having championed the cause of nationalism."

Obviously, it was a painful moment for Prachanda to bring this 'fact' to the public. But this also calls for introspection on his part: has he actually ever acted like a nationalist except invoking nationalism at the time of crisis? He did so immediately after quitting the Prime Minister's post in early May 2009 when he lost support of other political parties, and this time around because his senior colleagues in the party have challenged his leadership. Earlier, he blamed India for his exit from the post openly and this time, his insinuation is a bit vague and indirect. He is implying that those opposing him within the party 'must be having the backing of the South'.

Maoists' existence and strength lies in their powerful organization and programs and policies that are firmly injected in the minds of cadres. They invent external enemies as patron of 'domestic puppets'

and target them physically as well as politically. The insurgency and conflict of the past one decade beginning February 1996 was fuelled by that ideology and belief. The leader—in this case Prachanda—was accepted as a dictator, a nationalist par excellence and anyone opposing him was taken as anti-people and anti-national. Baburam Bhattarai, the man who is pitted against Prachanda now himself, has heaped effusive praise on Prachanda as someone who is in possession of all the five leadership qualities: someone who identifies himself with the principles that the science of revolution based on Marxism, Leninism and Maoism requires, is identified with and champions the interest of the people and proletariats, and is always willing to go for self-criticism when needed. And Bhattarai is on the record many times as having said Prachanda has got all these qualities.

Cadres have been tutored on this for the umpteenth time. So when Prachanda says—by implication now—that he is under siege because he is a nationalist and communist, he can always turn the table on Bhattarai and his supporters within the party. His past and sin in having eulogized Prachanda will always hound Bhattarai. In democracy, hero-worship always weakens the cause of democracy and nationalism. But if Bhattarai and others in the UCPN-M are serious about finding an alternative to Prachanda for his politics of power and compromise, then they must tell the masses how they are going to be different from Prachanda. In Nepal's context, consolidation and institutionalization of democracy will only be achieved if the Comprehensive Peace Agreement is sincerely implemented. Democracy can not be established without an independent judiciary. Is the 'nationalist' Prachanda ready to accept that principle? Is he willing to accept that he as Prime Minister and a 'nationalist' leader betrayed the right of the sovereign people to know the exact details about how 'Bideshi prabhu' (Foreign lords) were interfering with Nepal's internal affairs. Why did Prachanda and the Maoist party that he led all these years hankered after external endorsement for turning Nepal into a Federal Democratic Republic without giving the people the right to decide on the issue?

Politics of power has tendencies to turn friends into foes and vice versa. That is what Prachanda has realized. But this is about time that political parties and the people asked the leaders to explain any slogan—however, attractive and pro-people it may seem—to explain and elaborate. Perhaps it is about time that Prachanda explained his viewpoint on what constitutes nationalism, people's supremacy, national independence and democratization of Nepal army. Nepal's politics cannot move forward meaningfully without these issues bringing political parties together. Prachanda and Bhattarai will continue to wash their dirty linen in public, but all that at the cost of their revolutionary image and credibility. The fact that they seem to be falling apart will not come to their advantage.



# CA Did What it Could

DR. MANGAL SIDHI MANANDHAR

Some people are making efforts to minimize the historical role played by Constituent Assembly (CA) in the last two years. The CA is facing attacks from its critic as well as its supporters. As a member of CA, I can claim that the CA has completed gigantic work in its two-year tenure. Regressive and reactionary forces always tried to discredit the CA to prove their logic that CA cannot make a constitution. It is very unfortunate that even progressives and supporters of Loktantra, who took part in the historic Janandloan II, are criticizing the CA. I agree that the CA is unable to work as per the aspirations of the people but it does not mean that the CA members spent their two years without doing anything. The bundles of reports of thematic committees are testimony to our efforts.

Experiences have shown that it is easier to bring change but what is difficult is to consolidate it. After the elections of the Constituent Assembly two years ago, the people had high expectations. One of the major expectations was to see the new constitution promulgated by the CA by May 28, 2010 giving the final shape to a democratic, federal republic. Of course, we were unable to promulgate the new constitution in time but it is injustice to blame CA for all the failure. I am proud to say that the CA has completed almost 80 percent of the works related to constitution in the last two years.

All the thematic committees have presented their drafts to CA and the Constitutional Committee is working on the report. In one word, what I can say is that we have 'skeleton' of the new constitution and what we need to do in the extended one year period is to put everything on the skeleton and make it come alive. Despite so many weaknesses and failures to bring the new constitution in two years' stipulated time, Constituent Assembly has completed enormous work necessary to frame the new constitution.

After the extension of the tenure for another one year, the CA is now again preparing to draft the constitution. Our focus is on settling the dispute over issues like forms of the government and other minor issues. Personally, I too don't feel comfortable about the extension of the tenure but we didn't have any alternative other than to extend the tenure by amending the constitution. Actually, no Constituent Assembly in the world has promulgated the constitution in two years. A two-year period is too short to draft the constitution in a multi-ethnic, multi-lingual and diverse geographical country. In India, South Africa and Bolivia, they spent a long time to frame their constitutions. Compared to other countries, what we have done is a miracle as we completed 80 percent of our work. I am certain that the new constitution will be promulgated within a year. Whether one likes it or not, no political party had any alternative on May 28 other than to amend the constitution and extend the tenure for one year. Extension of tenure was not our wish but compulsion. Since there is a provision in the

constitution for the amendment, the step to extend the tenure is constitutional.

The Constituent Assembly was given just a two year short tenure to complete so many things. There are so many tricky issues like turning the country from unitary state to federal. As a member of the State Restructuring and Power Sharing Committee, I can recall it took us almost 18 months to submit the draft. With a country of more than 100 ethnic groups, geographical diversity and resource constrains, it is a very complicated job to carve the states and provinces for the federal Nepal. Of course, people criticized our model. I can claim that it was the best model in the existing state. I cannot claim that carving Nepal into 14 states is hundred percent correct but there is no alternative either. We carved the provinces taking in mind of the ethnic identity, resources, capability and geography. In choosing the name, we named some states on the basis of ethnicity, historical continuity and geography. We settled all the tricky issues in making the country federal. I can claim that nobody can stop us now from turning Nepal into a federal republic. We also proposed for political priority for certain community who are historically oppressed in the provinces. This is a compensation for the oppressed and suppressed classes. In one word, the report of the state restructuring committee will settle all the issues related to ethnicity and power sharing.

After the establishment of federal, democratic republic, Nepal has made a lot of progress. The changes brought about by the People's Movement II was memorable as it turned Nepal into a Democratic, Federal Republic by ending 240-year long rule of discriminatory Shah dynasty. Along with this, Nepal also made so many achievements in the last four years. Along with abolishing monarchy, we were also able to declare Nepal as a secular state. These were the major achievements. There are many challenges before us. One of the challenges is to consolidate the Loktantrik process. Although the interim constitution has already accepted that Nepal is going to be a federal state, there is a lot that needs to be done.

The abolition of monarchy was a jubilation for Dalits, Madheshis, Adibasi Janajati and women as all of them were oppressed during the 240 years of monarchy. As we have already submitted the report for state restructuring to the related committee, it is not far away now to see Nepal turning into a federal state where each community living in provinces can exercise their sovereign right to choose their own destiny. Of course, the newly elected Constituent Assembly is also unable to address all the aspirations of oppressed community of dalit, adibashi janjati, Madheshi and women, the situation now is much better than what it used to be.

*(Dr. Manandhar is a CA member. As told to New Spotlight at a program organized by Nepal Constitution Foundation)*

# Nepal Media House Takes on 'Indian King'

By Krishna Pokharel

Rakesh Sood, India's ambassador to Nepal, is Nepal's new king. At least that's what many journalists in Nepal think.

"He can meet the prime minister anytime he wants and call the ministers and give directions," one journalist with the English-language Kathmandu Post daily says. "That's far beyond what any normal diplomatic protocols allow."

"And when you report that or write editorials about him or on India's influence and activities in Nepal, you are expected to do so with fear and reverence," added the journalist. "Do not publish those things or if you have to, keep it very briefly somewhere in the inside pages."

Concern about Indian power in Nepal isn't a new phenomenon — the small nation sits uneasily on the border between India and China — but Nepali journalists saw fresh cause for worry in recent weeks after customs authorities in the Indian port city of Kolkata seized several consignments of newsprint bound for the landlocked Himalayan nation's largest media publisher, Kantipur Publications.

After talks with the Indian embassy failed to make headway, its papers, the Kantipur Daily (Kantipur is the medieval name of Nepal's capital, Kathmandu), the largest selling Nepali-language paper, and the Kathmandu Post, published stories earlier this week saying Indian authorities had not explained enough to them why they seized consignments that total 1,000 metric tons of newsprint starting May 27. Kolkata customs official V.K. Airwer said the Directorate of Revenue Intelligence, a federal department that investigates smuggling, was now in control of the newsprint with "the agreement that the consignments should be released soon." The

directorate did not immediately respond to requests for comment.

Kantipur Publications now only has enough newsprint to keep its papers and magazines going for another week, Hari Gauchan, the finance manager for the media house, said. On



Friday the Kantipur Daily didn't publish its usual weekend supplement citing the lack of newsprint.

Kantipur Daily senior news editor Hari Bahadur Thapa believes Kantipur Publications may be facing retaliation for its reporting on the months-long controversy over a Nepali contract to produce machine-readable passports required by a new international aviation rule. On April 12, its newspapers quoted from a confidential letter that the reports said Mr. Sood sent to Nepal's Foreign Minister Sujata Koirala in December after the government began seeking bids for a publisher for the passports. The letter reportedly said India could print the passports for Nepal, addressing national security concerns on India's part and saving the Nepali government money.

"In recent times, open border has also been the source of certain security concerns which have been shared with the Nepali leaders at the highest level," the report quoted Mr. Sood's letter as saying. "This offer will not only address some of the security concerns that have been mentioned but I am also certain will prove to be

economical for the Government of Nepal."

Soon after the letter was sent, Nepal's foreign ministry cancelled the bidding for the passport contract and awarded it to an Indian government-controlled printing company, Kantipur's newspapers reported. In the face of parliamentary opposition after media reports on the letter, that contract was scrapped in April and fresh bidding is underway by multinational firms. Nepal's foreign ministry and the Indian embassy could not immediately be reached for comment on the passport contract.

The Indian embassy in Kathmandu, meanwhile, has described the customs move as "a routine administrative measure."

"The distorted manner in which the issue has been publicized is hardly helpful in bringing about an early resolution of the customs investigation," the embassy said in a statement Wednesday.

Now Mr. Sood appears to have inherited the unpopularity formerly enjoyed by Nepali's deposed king.

As Nepal's journalists saw it, reverence was what Nepal's monarchs expected from their subjects. But royal rule came to an end in 2008 when political parties abolished the 240-year-old monarchy and essentially fired the last Shah dynasty ruler, King Gyanendra, who had briefly seized more power by dissolving parliament in 2005.

In a conversation with India Real Time on the newsprint issue, Mr. Sood said India did not interfere with the workings of the press anywhere.

"I have the privilege to represent the country that is the largest democracy in the world," Mr. Sood said. "We respect free media in our country and everywhere else."

(Source: *The Wall Street Journal*)

# "We will form Next Government"

## Prachanda

Since the fall of his government more than a year ago, UCPN-Maoist leader Pushpa Kamal Dahal Prachanda has stressed the singular agenda of pulling down his successor government and forming a new one under his own leadership. His party has launched protests of several forms from street agitation to blockade and boycott of the legislature parliament. But none of their pressure tactics has shaken the UML-led coalition. After a weeklong meeting of the party's politburo, UCPN-Maoist chairman has come out as victorious. With the completion of politburo meeting, UCPN-Maoist leader Prachanda addressed the press conference on Saturday at his party's central office in Paris Hill, Koteswor.

Excerpts of Dahal's hour long interactions with media:

**You have been projecting yourself as a leader of the next government. But your party has decided not to name any particular leader as a candidate for prime ministership now. Is not it a defeat of your program?**

First of all, our party has had a stand for quite a long time that the next government will be formed under the leadership of UCPN-Maoist. The recently concluded meeting also reiterated its stand again.

**What about your leadership?**

There is no dispute about forming the next government under my leadership. Since I am the party leader, it is natural for me to lead the future government.

**But newspapers have reported that your party took a different stand?**

I don't know what was published in the newspapers and what somebody wished for. So far as the question of leading the government is concerned, UCPN-Maoist has not changed its stand.

**Do you believe that the next national government will be formed under your prime ministership?**

Since our party has already said that the next government will be formed under the leadership of UCPN-Maoist and under the leadership of party chairman, I would like to request journalists to understand the language. Don't try to understand too many things.

**This means you are going to lead the next government?**

Our demand is that the next government should be formed under the leadership of UCPN-Maoist. An individual does not matter to us but what matters is the party.

**Whatever you claim, your party has not named the person to lead the government?**

If other parties offer us to form the government, we will give the name of the person to lead the government. I have told you that we don't have any differences and disputes over the prime ministership.

**Your party has been demanding a consensus government. If your party is given a chance to form a majority government, what will you do?**

We remain open to form consensus and majority governments. We will be ready to stake the claim to form a national government either way. Our politburo has made it clear that UCPN-Maoist should be given the opportunity to form the government.

**Your party has been claiming a stake to form the next government. At the same time, however, it has decided to stop the proceedings of the Legislature-Parliament. Is not this contradictory?**

Our stand is clear. As long as this government does not resign, we will not allow the Legislature-Parliament to function. This government has not the right to summon the Legislature-Parliament. If the prime minister wants to see the House functioning, he must resign. We will not compromise on this stand. **Prime Minister Madhav Kumar Nepal has already made it clear that he will not resign under pressure, don't you think your decision will prolong the life of this government?**

This is an illegitimate and puppet government formed under the backing of foreign elements and reactionary forces. We will not allow the Legislature-Parliament to work for it. This is the decision of our party.

**What about the constitution making process?**

We can write the constitution in time but there is no sense to start the proceeding of constitution writing till this government is in power. Constituent Assembly is our baby and we want to save this.

**Your party has also said that there is a need of a grand alliance of nationalist and progressive forces to protect the national interest? Who are these forces?**

We have made it clear that the existing crisis is also a threat to Nepal's nationality and nation. We want to unite all patriotic forces to defeat the puppet and anti-national forces. We are ready to share with anybody so far as



the safeguarding the interest of nation is concerned.

**Will you join with monarchist and former King Gyanendra?**

Our stand is that our party wants to unite all the nationalist forces to end the hegemony of a certain country. We want to make Nepal free, sovereign and independent, a country without any foreign interference.

**Which do you mean is the country which interferes in our internal affairs?**

(Laughs.) All of you know which that country is.

**When will your party hold the general convention?**

Since the peace process and constitution making are the most important tasks, our party has decided to postpone our convention till the next year. We have decided to summon our central meeting in October.

**Political parties have been saying that they will not accept your leadership until the integration of Maoist combatants. What is your party's recent stand on integration?**

The Comprehensive Peace Agreement has not said anything about the number of combatants to be integrated in the security forces. The spirit of the Comprehensive Peace Agreement is that all the combatants certified by United Nations Mission to Nepal (UNMIN) are qualified for integration in security forces.

**What do you say to other political parties which are demanding from you the exact number of such combatants?**

Such demands are against the spirit of CPA. Those who are demanding the numbers do not want to take the peace process to a logical end. We are clear that all 19,000 combatants are eligible for integration.

## DR. MADHURI SINGH

# Fighting For A Cause

*Dr. Madhuri Singh says we can stop domestic violence and cruelty.*

By SHRADHA GYAWALI

"The main goal of the future would be to stop violence as the world seems to be addicted to it," said Dr. Madhuri Singh who is a household name. Her efforts against domestic violence are well known. Domestic violence generally covers domestic abuse, spousal abuse, child abuse or intimate partner violence (IPV).

Dr. Madhuri is the first person to receive a doctorate on the topic of domestic violence, which is a major issue in our society like in many other places.

"Domestic violence causes far more pain than the visible marks of scars and bruises. It is devastating to be abused by someone that you love and think loves you in return," Dr. Madhuri says.

She has been working on social, educational, gender, human rights and development issues in Nepal for the last twenty five years. She is also involved in research and study related to women and children and has been recognized for her work with various awards.

Dr. Madhuri is currently working as the Development Program Specialist at USAID/Nepal. She is also the founding president of SAATHI, a pioneering organization that addresses the issues of violence against women and girls in the country. She is also an active member of the Women's Rights Movement of Nepal and a member of many women's groups. She has represented Nepal in many national, regional and international women's conferences and workshops, often giving presentations on various aspects of discrimination and violence against women.

"I would call my grandmother and mother an inspiration as both of them were strong women who fought and established their rights and I think that this quality in me is inherited from them and I will always respect characters like them," she says.

She has taken various measures in reducing domestic violence and has also spread awareness on issues of women through SAATHI. Her greatest role has been advocacy and Dr. Madhuri has trained approximately six thousand people over sixty four districts. She still

continues research, talk programs and advocacy at different levels.

"So much violence in the world seems beyond our control, but this domestic violence is one cruelty we can stop by making others aware of this," she says.

"Nobody believes that domestic violence kills and nobody believes that it's detrimental to children. The world has got to wake up. To me, if there is domestic violence and if the children see it or hear it, it is detrimental. Batterers should not have rights to children." says Dr. Madhuri.

### "I have a lot of responsibility"



On a brief interview with Dr. Madhuri, she reveals the following things about herself to Shradha Gyawali:

**Of all the things you learnt from your parents, which do you feel was most valuable?**

My mother always instilled in me the value of education. She always said it is the only property that can grow with time and cannot be stolen. She also taught me moral behavior and value of education and morality which have proved to me one of my most precious assets all these years.

**How is the world today different from what it was when you were a child?**

"Vast difference." When I was a child, Nepal was beautiful and natural, there was a lot of interaction among friends and family members. We spent most of our times playing games which children today hardly do and Katmandu was beautiful. Of course, now globalization has had its impact and in many ways Nepal has become good but it has lost its charm. Children have a lot of stress and competition among them these days and they have also lost their childhood.

How would you describe the responsibility of people like you?

I have a lot of responsibility and with a certain set of achievements come added responsibilities. What I say and what I do is taken seriously by people. I need to be careful that my words and actions match. I think people like me should be more careful and balanced and know the fact and then only go out in the public. All their words should follow a proof.

How do you like working on issues related to domestic violence?

I really like working on this issue because since the inception of SAATHI, I have dealt with many victims, heard their stories and have very strong opinion about them and their conditions. Besides impacting adults, domestic violence has a great impact on children as witness. I think everyone should be aware of domestic violence and people as good citizens should try to stop this.

What qualities do you respect and value in people you work with? Why are these qualities important to you?

I respect honesty, dedication and sincerity. This is because I am honest as it is one of my childhood value and also because honesty pays, dedication brings expected results and sincerity helps you attain your goal.

What advice would you like to give people who want to follow your path?

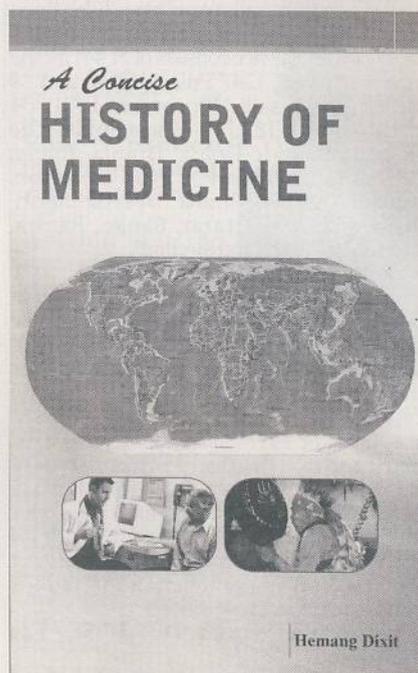
There actually needs to be a lot of people to execute what I am doing. It is not an easy path as you are going against the tide and breaking all the social and cultural norms which have been prevalent in the society from past so many years. Social change is very difficult to perceive and people may get frustrated if they don't get immediate results but you need to have patience. It is not an easy path and can get depressing and frustrating and needs to have a lot of dedication. But at the same time if you are positive then that is the cause and for that cause you need to work harder. We can all take responsibilities for helping to bring about change, and keeping our friends and colleagues safe from domestic violence.

## BOOK

# On Medical History

Dr. Hemang Dixit's book shows how medicine developed as to the present day science

By A CORRESPONDENT



Published by Makalu Publication House  
P.O. Box 3880, Dillibazaar  
Pages: 138

Medical colleges are increasing in Nepal. They are drawing in more and more students. A good book on medical sciences, in this context, becomes a must for many a student and teachers. Dr. Hemang Dixit's concise History of Medicine promises to fill that cater to that need.

With a long experience in medical education, Dr. Dixit has seen all that is happening in terms of modern medical science as practiced in Nepal. This way, the book is going to be very helpful to the students pursuing medical degrees.

"This book is written with the medical students of Nepal in mind," Dr. Dixit writes in his foreword. He adds with the ever increasing number of medical students in the country and the

corresponding increase in the number of those involved in the medical fraternity, it is necessary that all the newcomers in the field of medicine should be aware of the development of medicine through the ages. They should have some idea of the remedies of the past, the changes that have occurred over the course of the years and the background regarding the present day discoveries and practices.

There can be few better persons than Dr. Dixit to relate the tale of modern medicine to Nepal. Along with the concise history of medicine in the world, the book also describes Nepal's own history. This book is full of resources and information about the history of medicine.

"When I was a child I remember my father giving me medicine for deworming. Medicine then used was Santanin powder and it was an annual affair. Years later when I qualified as a doctor, I remember him recalling an occasion when a patient he treated passed; I think he said 900 plus worms! I remember in the 1960 prescribing the same de-worming medicine and getting similar results though not with such large numbers," writes Dr. Dixit (page 115).

The book consists of various chapters. In the early chapters, the book describes history of world medicine starting from introduction to History of Medicine, diseases affecting world history, pre-history magic medicine, Egyptian Medical history, Buddhist, Tibetan, Indian medical history. The book also describes medicine in Nepal, medical and nursing education in Nepal.

Dixit started his stint at Bir Hospital in 1965 and he was posted to Kanti Children's Hospital in 1970. In 1975, He left the government job and joined Institute of Medicine of Tribhuvan University as a reader of child health in 1977 and became a dean for almost four years. He became professor in child health in 1985.

# 'The situation is getting worse'

After working years in Agriculture Development Bank, PITAMBER PRASAD ACHARYA with the mission of had not seen any possibility to bringing tangible change in the life of rural poor conceived. He has vision as well as concept to make Nepal prosperous and uplift the life of rural poor. When development Expert PITAMBER PRASAD ACHARYA, Executive Director of Development Project Service Center (DEPROSC-Nepal), launched this organization in September 1993, nobody would have imagined that DEPROSC-Nepal would emerge as a leading NGOs contributing to uplift the life of thousands of rural population, but Mr. Acharya has the vision for that. After eighteen years, Acharya shows that a small NGOs can bring a tangible changes in the socio-economy life of rural population in the remote parts of Nepal. Out of 75 districts, DEPROSC has been implementing its projects in 471 districts of mountain, hill and terai region. From supplying food to food deficit region to high yield agriculture and micro-finance to health, education, nutrition, community development. DEPROSC has already established its name. As Nepal is celebrating cooperative day, Acharya spoke to **New Spotlight** about how DEPROSC has established itself as a change agent. Excerpts:

**As an organization supplying food in the food deficit areas of mid-western and far western region, how do you see state the food security situation now?**

The region is food deficit in itself. Supply of food from the private sector is not feasible because of two reasons; firstly all the districts do not have easy access of road transport and secondly, people can not afford to buy them even if it is supplied at commercial price. Therefore, state or any other humanitarian organization must do something for this region unless something remarkable is happened. Food supply from Nepal Food Cooperation largely confined due to the lack of timely and adequate transport subsidy from the government and quantity per se is not adequate to fulfill the need of that region. We, with the support of United Nation's World Food Programme (WFP), are supplying food commodities in that region.

**How do you see the situation?**

The situation is getting worse in all the districts of far west and mid-west but the situation Under a scheme of World Food Program, we have already distributed 23796 metric tons of commodities including rice, WSB, Pulse, Oil and Salt in 20 districts of various parts of Nepal. Among the commodities, the rice consists of 21441 metric tons, 907 WSB, 1247 Pulse, 161 oil and 39 metric tons of salt. We covered 1,031,004 population of 182,779 Households. The districts include Dolpa, Humla, Jumla, Kalikot, Rukum, Jajarkot, Pyuthan, Salyan, Dailekh, Surkhet, Siraha, Saptari, Sunsari, Dhanusha, Mahottarai, Banke, Bardia, Ramechap Dolkha and Sindhuli.

**What about the supply situation in Midwestern region?**

The situation is getting worse in all the districts of far west and mid-west but the situation Under a scheme of World Food Program, we have already distributed 23796 metric tons of commodities including rice, WSB, Pulse, Oil and Salt in 20 districts of various parts of Nepal at different crisis times such as drought, hail storm, price hike, flood and food scarcity in general. Among the commodities, the rice consists of 21,441 metric tons, 907 WSB, 1247 Pulse, 161 oil and 39 metric tons of salt. We covered 1,031,004 population of 182,779 Households. The districts include Dolpa, Humla, Jumla, Kalikot, Rukum, Jajarkot, Pyuthan, Salyan, Dailekh, Surkhet, Siraha, Saptari, Sunsari, Dhanusha, Mahottarai, Banke, Bardia, Ramechap Dolkha and Sindhuli.

**How much food do you supply?**

We supplied 901 metric tons of commodities including 841 metric tons of rice to Dolpa, 2442 including 2241 metric tons of rice, Jumla 1432 total with 1333 metric tons of rice, Kalikot 2264 total with 2045 metric tons rice, Rukum 910 metric tons with 856 rice, Jajarkot 7528 metric tons with 6797 metric ton rice, Pyuthan 247 metric tons of rice, Salyan 155 metric ton total with 139 metric ton rice. Dailekha 11 metric ton rice and Surkhet total 180 metric tons with 161 rice. We also supplied food in two terai district of mid west Banke and Barida 252 and 174 metric tons of rice respectively.

**What other works DEPROSC has completed?**

In addition to the work in food security, DEPROSC Nepal works in varied sectors of development. These include agriculture development, microfinance, natural resource management, drinking water, irrigation, reproductive health, education, nutrition, sanitation, community infrastructure, disaster preparedness, HIV/AIDS, Anti-trafficking, Hailya and Kamaiya issues and so many other cross cutting issues.

**What programs do you have?**

Under the construction rehabilitation infrastructure mobilization of rice, sub projects, we have completed 2589 schemes in those districts. With completion of 277 irrigation schemes, the command areas of such projects are 2038 hectares. We completed 9 irrigation projects with command areas of 40 hectares ors in Dolpa, 79 projects with 371 hectares ors in Humla, 26 projects with 73 hectares ors in Jumla, 75 projects with 660 hectares or in Jajarkot. We have also completed number of wooden bridges, rural roads, schools buildings, health posts, roads and other micro schemes.

**On what approach DEPROSC works?**

Our approach is people centered. Participation, need based address, gender balance, inclusive and exclusive targeting, transparency, political neutrality are our major working approaches, to uplift the life of rural population by launching integrated development programs Idle labour

mobilization for constructing productive infrastructures backed by technology dissemination, extension, marketing support maintaining above mentioned approach is the focus in food security sector. microcredit. It is impossible to uplift the life of people without their mainstreaming them involvement of local population in development process.

**What is the state of availability of foods?**

Various organizations have been helping supplying foods. In spite of that, the food is yet too available to all. We have already help distributed transported thousands hundred of metric tons of rice in the last nine years in food deficit districts. One of the good parts of our work is that our efforts yield a good result. Stakeholders and Even our partners are well satisfied. WFP satisfies with us.

**Can food supply in deficit area is a solution?**

Along with supplying food, there also need to disseminate the technology and information to show how to increase the production and productivity. Of course, awareness among people about the need to increase the production level is high. For example, we are stressing for the development of irrigation because it is the way to increase the production of food products. Thanks to our efforts, we are able to provide irrigation to at 2038 hectares or of lands. We are also providing materials and necessary things including pipes to upgrade, build and renovate the irrigation canals. Need to change the food habit going back to the original but of course, in improved mode, is also necessary.

**What strategy do you prefer?**

I think without dissemination of technologies we cannot increase the production to address resulting in food crisis all the time. We share these views with our donor partners / partners also as well including WFP. While delivering food to the region, why should not we also make efforts to increase the production at local level? Now WFP is very serious about this. Delivering the food is just a short term solution but there need to go for long term solution and that is to increase the production of local foods. To guarantee food security we must implement long term projects.

**What alternative idea do you propose?**

We need to take the food security issue very seriously considering its long term implications. One way is to encourage farmers to grow the high value low volume crops and high value products. Encouraging farmers to produce Non-Tiber Forest Products (NTFPs) and Medicinal Plants will be a good options. Farmers are making a lot of money in Dolpa by collecting Yarsa Gumba. Similarly, there are many important herbs that can produce as a NTP.

**Have you implemented such projects?**

We have already made significant change by introducing high value crops in Dadeldhura district. The farmers of Dadeldhura are now selling their products up to Nepalgunji and Dhangadi. Similarly, we

have also launched the programs in Rasuwa, Lamjung, Ramechhap, and Nuwakot/Dailekha. These high value crops program helped to uplift the life of rural people.

**Where do you work?**

During 18 years of our establishment, we have already worked in 47 districts. Although some of our programs were phased out, we are still working in 4138 districts. Not only because of WFP, have we been working in remote parts of Nepal to increase the food production. We have been encouraging high value cash crop since the establishment of our organization.

**How do you distinguish your organization with others?**

Wherever we worked, we always build well developed infrastructures which are workable even after the completion of our projects. Besides, institutional development for sustainability that we focus shows distinction among others. We have developed 14526 cooperatives with collections of 8007.5 million rupees in saving in Dadeldhura, Nuwakot, Rasuwa, Sindhupalchowk, Ramechhap, Lamjung. Similarly, Farmers Association (Cooperatives) User's group and their institutionalization in all those districts are more visible. Now the amount is more than millions as they multiplied them. We are proud to say that we also increase their capability and capacity. We have invested a lot of efforts and money to expand the high value cash crop in those districts. Significant changes can be observed in We only promoted the high value cash crop in Dadeldhura. Farmers are reaping all kinds of benefits now. The vegetables produces in Dadeldhura corridor are not exported to Mahendranagar, Nepalgunj and Dhangadhi. The investment we have made in Dadeldhura fifteen years ago is now yielding. You cannot see impacts in short term, but it will have long term impact. It will take ten to fifteen years to see the impacts.

**How your micro-finance programs look?**

We are implementing in two modalities. We are working in cooperative modality and we have also our own direct lending bank DEPROS Bank. Now we are planning to establish open up a national level banks in collaboration with commercial banks for poor people. We have been collaborating with NABIL Banks. Our bank is going to be for purely for the poor. The paid capital of the bank will be 320160 million rupees.

**Why do you need bank?**

We don't have such a huge amount of money and what we can do is to capitalize their money to poor. Even now DEPROSC involves in microfinance - credit business with 52457 members covering 212 village development committee of 11 districts. We have Our unit has 30 branches with 142 staffs and 2078 centers. Once the volume of business increases, we must seek for profound regulatory framework that help sustaining the programme and further grow. We have 10790 groups.

**What is the state of your micro-finance program?**

Our microfinance has now attained the operational and financial self-sufficiency. We have disbursed 3.7 billion rupees to the 50000 women without collateral maintaining

99.85 per cent repayment. There are 46799 borrowers with Rs. 3785,950,000 disbursed and Rs. 2803,234,347 loan repaid. Repayment rate is 85 percent. Internal savings generated from rural women is around 200 million. We have total saving of 291,597,968.

We provide loan without collateral. Every loan investment has created around one and half work days employment at the household level. In every investment of up to Rs.20,000, we are creating the employment for people.

**How political instability disturb your program?**

Definitely, political instability at the national level affects every nook and corner so no question our programme to be remained unaffected. However, our programmes are people centered so relatively less affected.

Even in this phase of political instability, the micro-finance sector has been making significant contributions and progress. Its contribution is substantial. You cannot see it in national balance but there is tangible change in the overall contribution. Annually, we are providing service to 1 million people with more than 700 staffs. One of the frustrating thing is that our contribution has not seen in national balance sheet. We have also talked with Ministry of Agriculture and other also asking when our output will be register in national balance sheet. As long as we are able to place our contribution in national balance sheet, you cannot see our contribution. People only say that NGO is just a dollar plant. That is not true at all. If you see our contribution, there is substantial contribution.

**What do you suggest to address the food deficit of mid-western region along with supplying subsidies food?**

Along with Instead of offering subsidize food products in food deficit of mid-west and far-west region; we need to take the comparative advantage of the region. The mid western region has ecological comparative advantage. If we can produce medicinal cal herbs, fruits or NTFPson-Tiber Product, these high value products will help. We need to cash all these. In Dolpa people are reaching because of selling Yarsa Gumba.

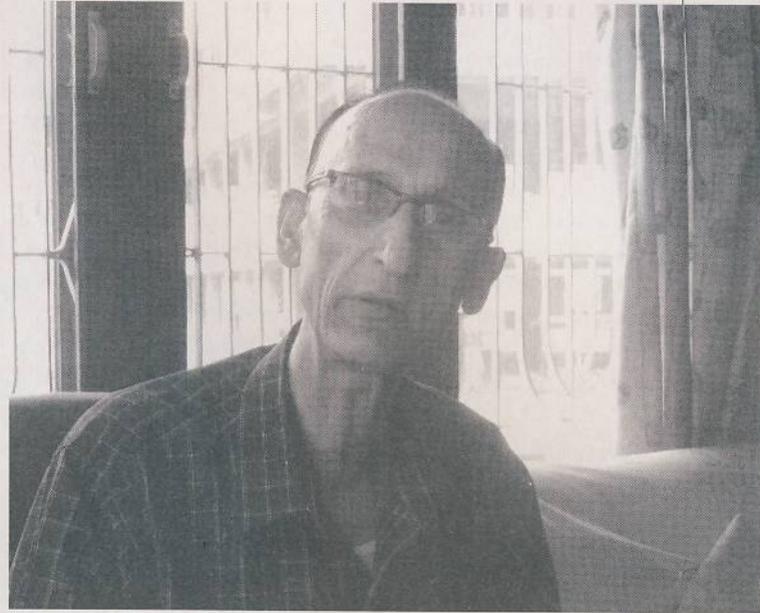
**Do you think there is a potentiality?**

The huge potentiality of that region can only be improvement through investment in its value chain. Yes, there are enough potentiality what we need is to explore the potentiality of the region. For instances, a kind of mushroom grows in Jumla district can be sold Rs.8000 per kilo. There are enough NTFPs products. We have done nothing to it.

Our weakness is that we are unable to exploit them.

**Have you done something?**

In collaboration with Dabur Nepal, ICIMOD and DEPROSC, we had conducted



a trial the research for the domestication of seven species in that region. The result was supposed to be replicated with the leasehold forestry programme designed to address the livelihoods of the ultra poor of that region.

on the support from IFAD. There is also research finding but it was not implemented. Food aid is one ways to meet the crisis of food deficit but it is not a solution. We need to exploit climatic and ecological advantages. We can use Jumla for seed production. Similarly, Chiraito can be commercialized as a high value crops.

**Why do you move to micro-finance?**

Microfinance has remained one of the core programmes since the beginning. Microfinance is one of the means to bring poor out of poverty while this sort of long run programme contributes for the sustainability of the organization as well. The resources generated from the microfinance can be combined with donor fund for further development. We are moving to micro-finance and bank to make our organization sustainable. We need to have programs which can sustain us. We cannot rely on donors for a long period of time. If we invest a little money in the micro-finance, it will help to sustain us. This is my approach. We need to introduce the programs in accordance with the local ecology as well as geographical condition.

**Do your approach is different than others?**

We want to apply multi-stake approach for development. For instances, there will programs as well as resources. Through the microfinance projects, we want to fiancé the local projects. Development is not possible without addressing all the issues. For instances, large number of people died last year in mid-western region because of lack of Jeevan Jal. Now we are supplying four packets of Jeevan Jal to each households in Jajarkot district.

## The seminal Mukti Nath Study: the high altitude paradox

- Buddha Basnyat, MD

Until the important study came out of Mukti Nath in 1984, everyone thought that high altitude residents in the Himalayas adapted by increasing their oxygen carrying substance, haemoglobin. At high altitude there is low oxygen; so it makes intuitive sense to increase the haemoglobin level to compensate for the oxygen deficiency. Indeed, it came as a surprise when Dr Cynthia Beall, an anthropologist from Case Western Reserve University in Cleveland, Ohio, USA and her colleague Reichsman found that the people of Tibetan ancestry living in Mukti Nath area in Nepal (Upper Chumik, between 3200 and 4100m) had normal (not raised) haemoglobin. Until this time, all high altitude natives' adaptation was lumped together with the "Andean man" model who have raised haemoglobin level and therefore are able to carry adequate oxygen in their blood. But how do people with Tibetan ancestry like the Mukti Nath people deal with high altitude living despite having normal or low haemoglobin (for that altitude)? That is the million dollar question.

This seeming paradox has been the subject of intense study much of which Dr Bealls has been involved in. This above mentioned milestone study was published in the American

**In fact in the Andes ( for example in Peru), some of the highlanders haemoglobin is so high that the blood flow is very sluggish. The response to hypoxia has 'overshot' the mark, so to speak.**

Journal of Physical Anthropology. I think this is not a journal that people in the medical field read regularly. Hence for a long time, this paradox remained obscure in the medical literature. In fact almost all medical schools even to this day teach the old dictum: that a high altitude inhabitant universally adapts to the decreased oxygen ( hypoxia) of high altitude by increasing their haemoglobin. In fact in the Andes ( for example in Peru), some of the highlanders haemoglobin is so high that the blood flow is very sluggish. The response to hypoxia has 'overshot' the mark, so to speak. This leads to a well recognized disease called Monge's Disease that all medical students are aware of. Monge's disease is named after Carlos Monge who described this entity in 1925 in Peru. This disease is characterized by headache, fatigue and shortness of breath, mostly caused by the increased haemoglobin. What is tantalizingly interesting is that this Monge's disease is rarely seen in people of Tibetan descent. But the question still remains, so how do Tibetans and people of Tibetan descent at high altitude adapt? Obviously the Andean man model does not apply here.

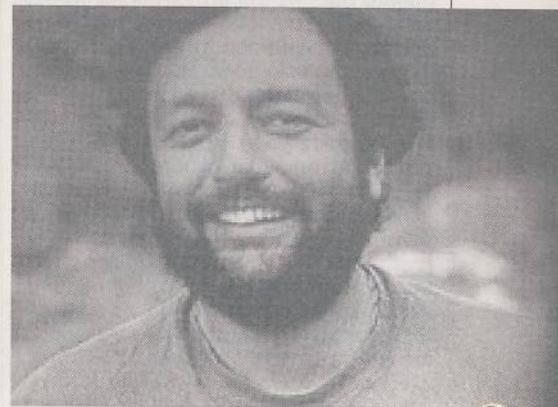
In fact the Andean man model may be a maladaptation, that is inappropriate adaptation to high altitude as manifested by diseases like Monge's in South America. Monge's Disease may not be limited to South America. This

disease is seen in the Han Chinese in Tibet who come in thousands from lowland areas in China to live in Lhasa ( 3490 m altitude) . It is also seen in some North Americans who live in high altitude settlements in the United States, for example some areas in Colorado. There are other diseases besides Monge's that lowlanders can suffer from at high altitude. The Han Chinese in Tibet know that when their women become pregnant in Lhasa, it is time to send the pregnant women to low altitude as miscarriage and other pregnancy related complications abound for them in Lhasa.

The Tibetan inhabitants and their descendants on the other hand may have adapted appropriately. Witness the world class high altitude mountain climbing abilities of the Sherpa even with a "normal" hemoglobin level. There clearly has to be some other factor at play here to explain this paradox. Paleontologically speaking ( evidence based on fossils), the high altitude native in the Himalayas arrived here about thirty thousand years ago and the Andean natives in South America are known to have arrived there about six thousand years ago. So about thirty thousand years will make the genetic switch but six thousand years may not? And is there really DNA at work here that is making the difference? Even as we wonder and deliberate on these issues, Cynthia Beall and her colleagues have made a reappearance and are working away in the Himalayas at this time to try to provide a cogent answer to this perplexing question about the mechanism of proper adaptation to high altitude as exemplified by the Himalayan people. Stay tuned.

In the meantime, next time you fly into Jomsom and go to Mukti Nath for a trek, remember how well Western researchers conducted field studies in this area in the early nineteen eighties that destroyed the myth of the universal application of the Andean Man concept to explain high altitude adaptation. Jai Mukti Nath.

*Buddha Basnyat MD is the President of the UIAA Medical Commission. The UIAA office is based in Bern, Switzerland.*



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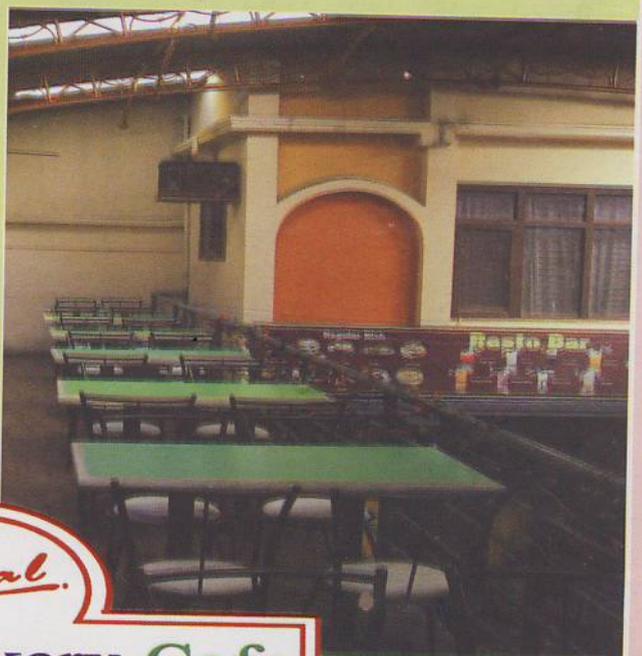
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