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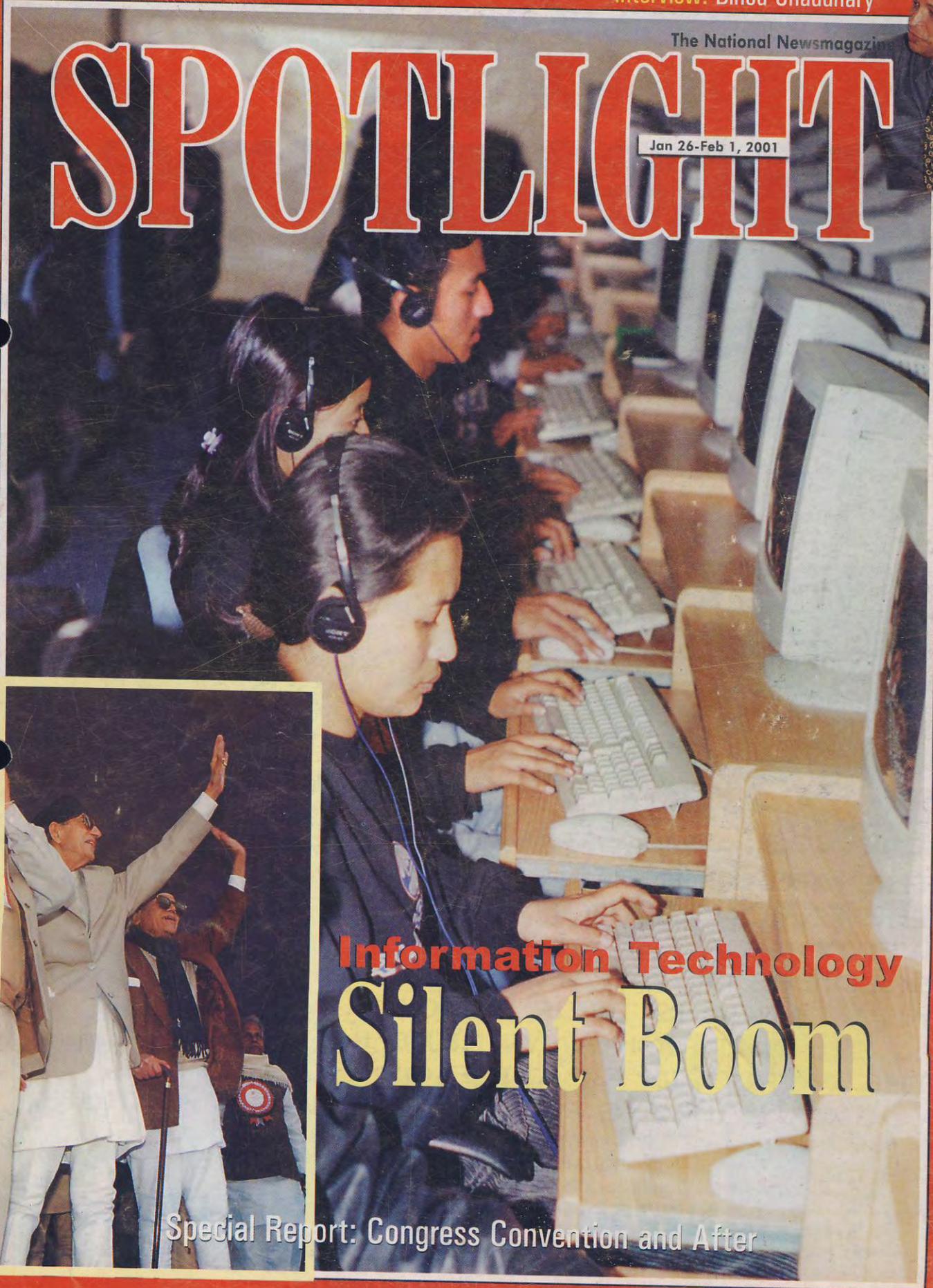
Face to Face: Sue Wardell

Interview: Binod Chaudhary

The National Newsmagazine

SPOTLIGHT

Jan 26-Feb 1, 2001



Information Technology Silent Boom

Special Report: Congress Convention and After

C.D.U. Regd. No. 151/039-40
Postal Regd. No. 42/067-07

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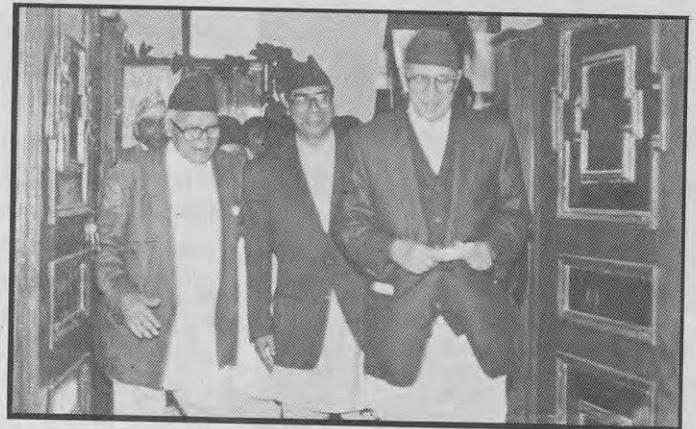
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COVER STORY: The Silent Boom
IT-enabled services is the new mantra doing the rounds in the Nepalese IT sector

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CONGRESS CONVENTION : Unity At Last
Prime Minister Koirala is once again elected the party president. He now has to bring the divided Congress together.

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INTERVIEW :
BINOD CHAUDHARY
Chairman of Chaudhary Group Nepal talks about the business environment in the country.

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SPOTLIGHT

THE NATIONAL NEWSMAGAZINE

Vol. 20, No.28, January 26, 2001 (Magh 13, 2057)

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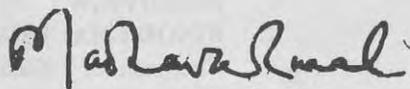
Distribution
Bazaar International
228 Sanchaya Kosh Bldg. Kathmandu
G.P.O Box 2480, Ph: 222983 Fax : 229437
e-mail : bazaar@mos.com.np

Printers : Kishor offset Press (P.) Ltd.
P.O. Box 4665, Galkopakha, Thamel,
Kathmandu, Tel : 351044 (Off), 351172 (Res.),
Fax : 977-1-351172,
E-mail : kishor@groupktm.mos.com.np

C.D.O. Regd. No
151/039-40
Postal Regd. No
42/057/58
U.S. Library of Congress
Catalogue No. 91-905060

EDITOR'S NOTE

The most vaunted tenth convention of Nepali Congress has concluded in Pokhara. There were no surprises and everything passed off as anticipated. Girija Prasad Koirala has won his party's presidentship with much ease. The new ruling that hence forth no partyman can become President for more than two terms has been introduced at the initiative of the two septuagenarian leaders of the party. It needs no elaboration why they initiated this ruling which was approved by the convention. That Koirala has secured majority in the central committee need not surprise any body. That Sher Bahadur Deuba has posed a tougher challenge and his achievement could in no way be minimized must be giving the Koirala camp some hiccups. That he secured more than one third of the total votes is a clear signal that Koirala's influence has started waning and if there is another Nepali Congress convention, Koirala's family may be totally obliterated from the scene. Be that as it may, our expectations that young, honest and dynamic Congressmen would come forward to lead the Nepali Congress have been dashed. There is not one new face in the elected eighteen. It is nothing more than old wine in new bottle. With another eighteen nominees of the President, how will the Congress function no ghost from hell need come to tell us. As far Koirala's promises of setting off like one solid bloc are concerned, we know what will happen. It is the third convention after the restoration of multi-party democracy. And everytime we have had heard such promises and matters have only worsened. Corruption is increasing all the time, non-performance has crossed the limits, people's miseries have become unbearable and security of life and property has totally vanished into thin air. What more is left there for Koirala to give to the poor nation? Koirala's love for the country and the poor people needs no more proof than the just concluded convention. How could a poor country like Nepal afford such an ostentatious show? Could not these millions be put to better use? When the country has millions of starving, sick and dying people, wasting millions to satisfy personal and partisan egos can never be justified. If this is not a reflection on their lack of concern for their country and countrymen what else could be. And one more important thing is where did the Nepali Congress get all this money from? If the party has guts and if the money is not tainted, make it transparent. Koirala's standard of morality was bared once again when the governmental machineries were grossly misused for party purposes. Since morality is a word non-existent in Nepali Congress lexicon, no body expresses any surprise on the use of money and muscle that get prominence in all sorts of elections. And this factor, many believe, played an important role in the defeat of Taranath Ranabhat, Ram Saran Mahat and Chakra Bastola. It is sad comparatively better persons got defeated. Even though Girija Prasad Koirala must be feeling mighty happy at the outcome of the Convention, he cannot stay complacent as it is only his mercenary followers who are happy at his success. Rest of the country still wants him to quit. So, he should quit when the quitting is good. ■



Madhav Kumar Rimal
Chief Editor & Publisher

Face to Face: Bill Musoke
Interview: Pradeep R. Pandey
The National News Magazine
Jan 19-25, 2001

SPOTLIGHT

YOUNG and RESTLESS

- NC Convention
- Int'l year of Volunteers
- Earthquake tremors

Guide The Youth

At a time the country is facing multiple crises, there is nobody to guide our disoriented youths ("Young and Restless", January 19-26). No wonder so many young people are engaged as foot soldiers of political parties. Those who do not want to incline themselves politically have gone overseas in search of jobs. This pitiful situation should not be allowed to continue for long because it can lead to serious social unrest.

Nirmala KC
Balaju

on the streets were a mere reaction.

K.S. Tamang
New Baneshwor

Sajha's Blues

Thanks to official indifference, Sajha Yatayat seems to be in limbo ("Sajha Loses Speed" January 12-19). In the face of stiff challenges posed by the private sector, Sajha has failed. But all is not yet lost. People still prefer Sajha buses. The organization can make up the distance by cashing in on this goodwill. What is needed is some revamping.

Kamal Sigdel
Koteshwor

Kicking The Football

The row between the two ANFAs has put the future of Nepalese football in serious doubt. ("Ground In A Mess", January 12-19). It seems certain that Nepal will not be hosting the World Cup qualifying round in March this year. Worse, there is a strong possibility of FIFA banning the country. While one cannot rule out the arrogance of Ganesh Thapa in complicating this whole issue, why is Geeta Rana adamant in sticking to the chair that does not belong to her? Football-lovers believe Thapa is most competent and highly qualified to head ANFA. He was the national captain and successfully headed ANFA for a full five years. What credentials does Rana have? Come on Ms Rana, give us a break.

Shatrughan KC
Battisputali

No Role Model

The youth need people to look up to. Alas, there is no role model among the present lot of our leaders. It is frightening to see the young generation having to witness the unethical behavior of these leaders. Cases of corruption, loot, irregularities, lawlessness are multiplying. Has anybody given a thought to how all this is affecting our youth?

Anup Adhikary
Jawalakhel

Create More Jobs

If policy-makers do not start creating more jobs, our country will fall into a unimaginable situation. Maoists rebels could easily start lur-

ing the unemployed youth into their fold if the government fails to do its job properly. The country has accumulated a deadly mix of unemployment, poverty and frustration that could fuel the insurgency if not nipped in the bud.

Prakash Sharma
Sitapaila

Trapped In Uncertainty

Flanked by unemployment and poverty on one side and technology and western lifestyle on the other, Nepal's youth are a confused lot. While urban and more affluent youth are queuing up at foreign embassies for visas,

their rural and not so well-to-do counterparts are adding to the national unemployment rate. Both are trapped in uncertainty. Worse, there is no savior in sight.

Dinesh Tamrakar
Patan

Mere Reaction

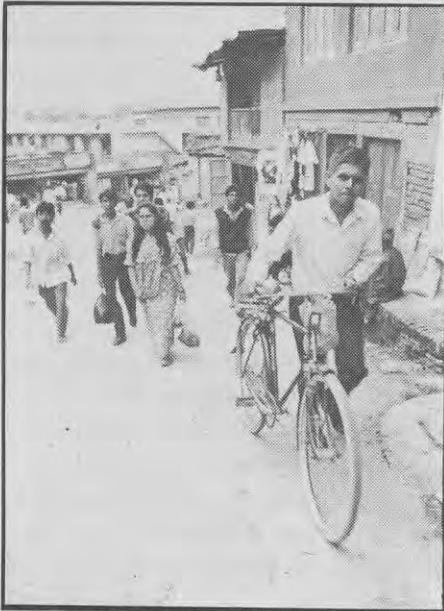
Your cover story "Operation Instability" (January 5-11) clearly underscores the fact that the recent violence against unsubstantiated anti-Nepal remarks by an Indian actor was an outburst against the continuous domineering attitude shown by Indian leaders and bureaucrats towards Nepal and its people. The actions of the students

Security Personnel Rescue CDO

In what is seen as the first incident of its kind, security personnel rescued the chief district officer of Sindhupalchok district, to the north of Kathmandu, from the captivity of suspected Maoist rebels after a three-hour gunbattle. According to Kantipur daily, CDO Bhanubhakta Adhikari, along with a customs department official, was abducted while on his way to Barhabise from Tatopani on the Nepal-China border at around 7 p.m. Thursday. Armed policemen were able to rescue the two men after a nearly three-hour exchange of fire with the rebels. A policeman was killed in the clash. This is the first time since the launching of the Maoist 'people's war' that the rebels had abducted a senior government official. Gorkhapatra daily quoted Home Secretary Sri Kanta Regmi as saying that the CDO was under the protection of police. *Compiled from reports Jan. 20.*

VAT Collection Likely To Meet Target

In view of the current Value Added Tax (VAT) collection trend, revenue targets for this year are likely to be met, officials said. Total VAT collections in the first six months of this fiscal year has



Market place

crossed Rs 6.2 billion, 28 percent higher than the amount collected over the same period last year. Similarly, the number of taxpayers registered at the Department of VAT has crossed 20,000 during this period. "The total revenue projection for this year is likely to be met if the present trend continues," said Dr. Rup Khadka, a tax expert with the VAT Project. The VAT Department has set a target of collecting Rs 13.5 billion this year. Introduced three years ago, the taxation system had faced severe criticism from the business community, which said it was not suited to Nepalese conditions. Officials, however, maintained that it was based on scientific system and was relevant to Nepal. *Compiled from reports Jan. 20.*

Ex-Kamaiyas Encroach On Forest Area

Thousands of former kamaiya (bonded laborer) families entered the forest area in the mid-western district of Kailali Thursday and distributed among themselves 10 katthas of land each, accusing the government of failing to resettle them. The former kamaiyas had decided to occupy government-owned lands near forests after a meeting of Kamaiya Emancipation Movement Coordination Committee on Wednesday urged them to "find lands and resettle themselves". As District Forest Office officials in Kailali are trying to prevent the former kamaiyas from constructing temporary huts, the situation could turn volatile, Nepal Samacharpatra daily reported. The government declared former kamaiyas free from debt bondage in mid-July last year and had promised to provide them five katthas of land per family, a pledge that remains unmet. *Compiled from reports Jan. 19.*

NHRC Members To Visit Maoist-Hit Areas

Two separate teams led by members of the National Human Rights Commission (NHRC) are scheduled to visit Maoist-affected areas to assess the human rights situation in the region early next month. According to reports, a four-member team

led by NHRC member Prof. Kapil Shrestha will visit Salyan and Rolpa districts in the mid-western region. NHRC members Dr. Sushil Pyakurel and Dr. Gauri Shanker Lal Das will be visiting Jajarkot and Rukum districts in the same region. The visit is a confidence-building measure to minimize violations of human rights and to end the five-year Maoist insurgency, NHRC officials said. "We will talk to local government officials, civilians and Maoist rebels and study the situation of the people's right to education, health, socio-economic potentials and other basic human needs," said Prof. Shrestha. The visit is taking place following reports of widespread violations of human rights by security forces and the Maoist rebels. *Compiled from reports Jan. 18.*

Govt. Reduces Prices Of Petroleum Products

State-owned Nepal Oil Corporation (NOC) has announced reductions in petroleum product prices with immediate effect, following price falls in the international oil market. According to the Ministry of Industry, Commerce and Supplies, the price of petrol has been fixed at Rs 46 a liter, down from Rs 47 per liter, that of diesel at Rs 26.50, down from Rs 27.50 per liter, and of kerosene at Rs 17 a liter, down from Rs 22 per liter, in the open market. The ministry also said the coupon system for distribution of subsidized kerosene had been cancelled from Tuesday. The government's initiative to provide kerosene at subsidized price (Rs 15.50 per liter) had been heavily criticized for its failure to reach the needy. The ministry said the prices could be cut because of the downward spiral of oil prices in the international market. The prices of petroleum products had been hiked substantially five months ago in response to the price hike in the international market. *Leading dailies report Jan. 18.*

Nepal, India Agree To Exchange More Power

Nepalese and Indian officials have agreed to exchange up to 150 MW of power, up from present provision of ex-

changing up to 50 MW. The decision was reached during the sixth Nepal-India power exchange committee that concluded here Thursday. Nepal currently imports about 50 MW from India while India imports about 37 MW of power from Nepal. During the meeting, the Nepalese side proposed to carry out a study on installing high-quality transmission lines between the two countries. Indian officials also agreed to review the present tariff structure and said they would start work on the matter within three months. Nepal and India currently exchange electricity at Indian Rs 1.60 per unit. The meeting also agreed to settle in the near future their overdue bills. *RSS reports Jan. 19.*

Army Chief Supports Paramilitary Force

Amid reports of differences between the Home Ministry and the Royal Nepal Army over the setting up of an "Armed Police Force" mainly to counter the five-year-old Maoist insurgency, the army chief has said he is positive toward the initiative. Replying to queries from members of State Affairs Committee (SAC) of the Parliament Monday, Chief of the Army Staff General Prajwolla Shumsher Rana expressed hope that the new security apparatus would be successful in controlling the insurgency, a leading newspaper reported Tuesday, quoting sources in the SAC. Gen. Rana said the army could be used against the rebels, as per the constitution, only if the new force failed in its objective. Gen. Rana opined that the integrated concept of security and development should be implemented to control the insurgency. He said a separate secretariat should be formed to analyze and formulate security-related issues in the country. Defense Secretary Padam Prasad Acharya also briefed committee members about the security situation in the country, the report said. *Leading dailies report, Jan. 16.*

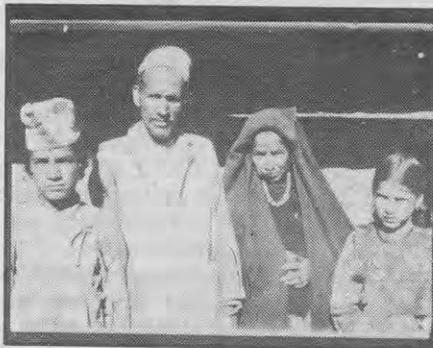
Two Inmates Killed In Banke Prison

Two inmates were killed and more

than a dozen injured in a clash between police and the inmates at Banke prison in mid-western Nepal Sunday, reports said. According to police, prison guards opened fire when the inmates demonstrating at the terrace of the jail building started pelting bricks. The inmates were staging protests for the last several days asking the authorities to fulfill their 15-point demand. Ghanashyam Oli of Dang and Bijaya Chaudhary of Bardiya died in the police action. Chief District Officer Shyam Prasad Mainali defended the action, saying that it was impossible to bring the situation under control without opening fire. A police officer said the inmates hurled a petrol bomb at the police quarters on Sunday afternoon. According to RSS news agency, the inmates were on a strike since January 10 demanding, among others, sufficient toilets, electricity, market for small-scale industries run inside the prison and good sewerage system. The government has formed a committee to probe into the deaths of the two inmates. The one-man committee of Special Police Department joint secretary Subarna Lal Shrestha will submit its report within a week. *Leading dailies report Jan. 15.*

Clinton Approves Aid For Bhutanese And Balkan Refugees

In one of his final acts as US president, Bill Clinton approved an aid package of US\$ 22 million for Bhutanese refugees in Nepal and refugees in Balkans, reports said. According to an announcement made by White House Thursday, the funds may be used, as appropriate, to provide contributions to international, governmental, and non-governmental or-



Bhutanese refugees

ganizations and, as necessary, for administrative expenses of the (U. S.) Bureau of Population, Refugees and Migration. Bhutanese refugee activists in Kathmandu have welcomed the move. It was not immediately clear what portion of the \$22 million would be channeled to Bhutanese refugees in Nepal. The Clinton administration, toward the end of its tenure, had shown serious concern about the plight of nearly 100,000 Bhutanese refugees languishing in refugee camps in eastern Nepal for the last one decade. *Compiled from reports Jan. 21.*

Three Rare Species Of Monkeys Available In Nepal

A researcher has said Nepal is home to at least three rare monkey species. Addressing a function organized by the Nepal Forum of Environmental Journalists in the capital Friday, Dr. Mukesh Chalise said he had discovered three species of monkey — red, pahare and langur — available only in Nepal. Since monkeys are very useful in scientific research and for environmental reasons, they should be protected, he said. A number of environmentalists showed serious concern over habitat destruction and commercial hunting, leading to the extinction of rare animals like Assamese monkeys and other species. *Compiled from reports Jan. 21.*

Maoists Loot Imported Goods

A group of suspected Maoist rebels looted consumer goods imported from Tibetan autonomous region of China via Tatopani customs on the way to Kathmandu Thursday, reports said. The rebels stopped vehicles carrying the goods at the Jambu section of the Arniko highway at gunpoint, unloaded them and took their loot away with the help of local villagers. A customs inspector, Sridhar Bhattarai, was killed in a shoot-out. Chief District Officer Bhanubhakta Pokhrel of Sindhupalchok district survived by hiding inside a vehicle. The value of the robbed goods could not be known. The incident underlines the deteriorating law-and-order situation on the sensitive northern Nepalese region bordering China. *Compiled from reports Jan. 21.* ■



Prime Minister Koirala with artists and foreign representatives during the Congress convention in Pokhara

NEARLY 3.9 MILLION CHILDREN UNDER THE AGE OF FIVE years were administered anti-polio drops on January 20 during the second phase of the on-going National Immunization Program, officials said. The first phase was launched less than two months back. The program, estimated to cost Rs 170 million, targets to eradicate polio from the country as per the call of the World Health Organization for a polio-free world by 2005.

TOP GOVERNMENT OFFICIALS HAVE CALLED FOR URGENT banking sector reforms to prevent a national financial crisis. Addressing an interaction program organized by the Society of Economic Journalists-Nepal (SEJON) here Wednesday, Nepal Rastra Bank Governor Dipendra Purush Dhakal said financial-sector reform was urgently needed in Nepal to prevent a crisis like the one that swept across East Asian countries in 1997. He said the government had decided to hand over the management of Nepal Bank Limited and Rastriya Banijya Bank to international consulting groups in order to revive them. Finance Secretary Dr. Bimal Koirala said serious institutional and policy failures had led to the expediting of financial reforms in the country. While welcoming the government's initiatives, private-sector representatives blamed the weak financial discipline and frequent political intervention as mainly responsible for the present plight of the government-owned banks.

A GROUP OF ARMED BANDITS ATTACKED THE JYOTI Spinning Mills (JSM) in Parsa district and looted nearly Rs 1 million, reports said. Some 50-armed dacoits entered the JSM premises at 7:30 p.m. Thursday and looted the money that was being distributed as salary to nearly 250 mill staff. At least 18 employees were injured, two of them critically, as the dacoits opened fire on those who resisted them. The security guards at the factory, equipped only with batons, could not resist the attack. The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) has condemned the attack and has urged the government to step up industrial security measures.

THE INDIAN GOVERNMENT IS CONSIDERING SETTING UP army camps along the Nepal-India border in its Bihar state, reports said Saturday quoting Indian media reports. The Times of India On-line on Friday quoted Indian Defense Minister George Fernandes as saying that his ministry was considering the pros and cons of a proposal to set up army bases along the Indo-Nepal border "to check infiltration and subversive activities against India being carried out from the Himalayan kingdom." Fernandes also alleged that the Pakistani intelligence agency, ISI, had made a base in Nepal to carry out anti-India activities. Nepalese government officials have consistently rejected such allegations.

A WRIT PETITION HAS BEEN FILED AT THE SUPREME Court seeking to cut down several 'unnecessary' government holidays. In

his petition, filed on Monday, chairman of the Democratic Opinion Forum Bharat Jangam, has argued that the large number of public holidays given to civil servants is unconstitutional. Jangam has also argued that the provision of a two-day weekend in the capital valley, which discriminates against civil servants from other parts of the country, is a breach of the constitution. Jangam said civil servants in Nepal enjoy more than 130 days in holidays a year. The petition has come within days of newspaper reports saying that officials, too, were considering reducing the number of public holidays in the country.

FOR THE FIRST TIME IN SEVERAL YEARS, THE NEPALESE currency appreciated by 30 paisa against the US dollar. The exchange rate of Nepalese rupee against the US dollar fell to Rs 74.35 Monday from Rs 74.65. The latest development came in the aftermath of the depreciation of Nepalese currency by seven percent against the greenback over the last six months. "The slump in the demand of the US currency is an outcome of the slashing of interest rates in the US recently," said Dr. Yuba Khatiwada, chief economic adviser at the Nepal Rastra Bank. Earlier, the central bank had intervened in the foreign-exchange market to absorb the excess dollar holdings of commercial banks.

AT LEAST 21 PEOPLE HAVE DIED OF VIRUS INFLUENZA epidemic in the remote villages of western district of Gorkha, reports said. According to the chairman of Laprak village development committee, Santosh Gurung, the week-old epidemic has already claimed 13 lives in his VDC alone. Member of the Parliament Jivan Prem Shrestha and local leaders have asked the government to send medicines and health workers to the remote villages as soon as possible.

THE CONSTRUCTION OF INLAND CONTAINER DEPOT (ICD) at Birgunj has been completed, Kantipur daily reported Monday. According to the report, the multi-billion-rupee project financed by the World Bank and the Nepalese government will have to wait for some more time before coming into operation. Director of the project, Purushottam Ojha, said the ICD, popularly known as 'dry port' will come into operation after Nepal and India agree on a railway operation modality. "We are following up the issue with the Indian government and the ICD may come into operation within the next six month," he said. Officials said after the Birgunj ICD comes into operation, transit and transportation costs of Nepal-bound cargo may come down by as much as 40 percent. The government is also constructing two more 'dry ports' in Bhairahawa and Biratnagar with loan assistance from the World Bank.

THE NATIONAL PLANNING COMMISSION (NPC) HAS started mid-term evaluation of the Ninth Five Year Plan (1997-2002), an official said. NPC member Dr. Jagdish C. Pokhrel told a NPC/IUCN workshop here Friday that the NPC had started the mid-term evaluation of the Ninth Plan and its program, financial investment, achievement, technical aspects and failures. The overriding objective of the Ninth Plan has been identified as poverty alleviation. Critics, however, say the government's policies have broadly failed to reduce the number of poor people in the country. According to a UN estimate, nearly half of Nepal's 23 million people live on less than a dollar a day.

A UN AGENCY HAS SAID THE NUMBER OF PEOPLE IN fected by the HIV virus may have crossed the 33,000 mark in Nepal. According to an estimate made by UNAIDS, there were more than 33,000 people living with HIV/AIDS as of 2000 in Nepal. A working group on UNAIDS/WHO on global HIV/AIDS and STD surveillance has estimated that more than 8,000 people may have died of the dreaded disease in Nepal since it was first identified in 1988. Experts, however, say the number of people dying of AIDS in Nepal could be between 1,000 and 2,000 over the last one decade. The National Center for AIDS and STD Control, a government agency, has said fewer than 150 people have died of AIDS so far. The center said only 1,800 people were found to have been infected with HIV/AIDS in Nepal. Experts have warned that Nepal might face an AIDS epidemic within a few years if concrete measures were not adopted immediately to check its spread.

“C ompared to my tenure, the security situation today has worsened 100 times.”

Krishna Prasad Bhattarai, former prime minister, criticizing the government of Prime Minister Girija Prasad Koirala, in Ghatana Ra Bichar.

* * *

“T here is no doubt about my victory.”

Sher Bahadur Deuba, asked whether he would win the election for the post of party president at the Pokhara convention, in Drishti.

* * *

“B y buying an old aircraft without calling for tender, they have committed irregularities amounting to Rs 180 million rupees. PM Koirala has used the money thus made to win in the election of party president.”

Madhav Kumar Nepal, general secretary of the CPN-UML and the main opposition leader, in Kantipur.

* * *

“T he government is becoming autocratic. Otherwise, it could have dis-
solved with the political parties before trying to come out with the ordinance.”

Subash Nemwang, CPN-UML MP



and chairman of parliament's Public Accounts Committee, referring to the proposed ordinance to set up an Armed Police Force, in Budhabar.

* * *

“I t wazs not a convention. It was a

meeting held to rig the election at the top level after the manipulation of votes at the lower rungs.”

P.L. Singh, congress Leader who boycatted the Pokhara convention, in Prakash.

* * *

“N o one should try to divide the party just because somebody lost the election.”

Sushil Koirala, general secretary of the Nepali Congress, in Bimarsha.

* * *

“C ongress and communists have turned the King into a caged parrot.”

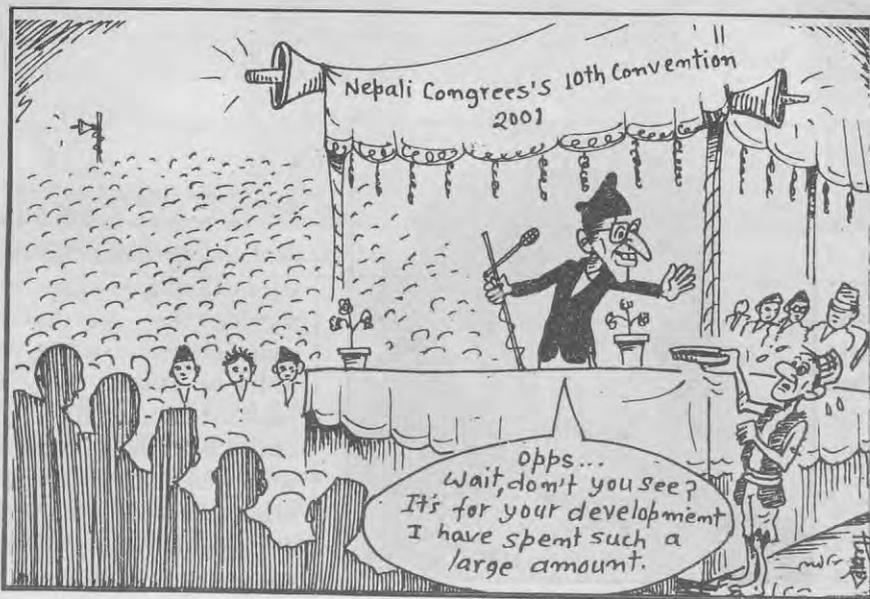
Sonam Chhiring Sherpa, a former pancha, in Jana Aastha.

* * *

“I couldn't leave music so I had to settle for divorce.”

Sapana Shree, popular singer, when asked why she divorced her husband, in Ghatana Ra Bichar.

* * *



Mind Khanal's Shoes

At a time when political leaders were in a rush to catch their vehicles during the Pokhara jamboree, CPN-UML leader comrade Jhahnath Khanal was busy searching for his shoes. Intentionally or



Khanal : Shoe-struck

otherwise, someone took away Khanal's shining shoes and replaced them with an older dusty pair. Comrade Khanal's worry was understandable, because he lost part of his valuable collection. According to Khanal, he got the shoes as a gift during his visit to United States.

Celluloid Success

Tulsi Ghimire's 'Darpan Chaya' has set records in the Nepalese film industry. It has made phenomenal profits and drawn unprecedented crowds during the more than eight weeks it has been running in the valley.

At a time when there is a feverish race among Nepalese film producers to bring out big-budget films, Ghimire has shown that massive cash infusions are not a prerequisite

to a film's success. Lesson: A good story line backed by directorial creativity can work wonders.

Relative Edge

Not all directors are as fortunate as Ghimire when it comes to important departments of filmmaking. A brother-in-law of acclaimed music director Ranjit Gajmere, Ghimire can rely on the pull of lilting numbers and compelling background scores.

From a former student like Nirupa Singh, Ghimire can expect that additional commitment to excel. For quite a while, our producers, following their Indian counterparts, have been guided by the principle that a film cannot be complete without gangs of baddies who kick and punch their way around at regular intervals. Will the success oof 'Darpan Chaya' encourage others in our film industry to change their violent ways?

Sujata Vows Vengeance

Watch out Prakash Koirala, Sailaja Acharya, Chakra Prasad Bastola and Bhakta Bahadur Balayar. The only daughter of the country's prime minister has vowed to take revenge for their audacity to oppose her candidacy for membership of the Congress Central Working Committee, which ul-



Sujata : An eye for an eye

REVELATION

'Tourists Will Help Preserve Heritage'

— PREM SUWAL

Mayor of Bhaktapur Municipality PREM SUWAL is confident that tourist flow will continue to grow even after the city raised entry fees. Suwal spoke to SPOTLIGHT on the controversy regarding the entry-fee hike. Excerpts:

After the increase in entry fees, it is said that the number of tourists visiting Bhaktapur has declined. Is this true?

Tourist flow as a whole has witnessed a drastic fall in the last few months because of some known reasons. Bhaktapur is not an exception. Frankly speaking, in the case of Bhaktapur, you can't blame the increase in entry fees for the fall.

How do you justify the fee increase, especially when all tourism entrepreneurs have opposed it?

I don't understand why people are making such a noise over the issue, as if the fees are being charged to them. We are taking some money as service charge from tourists to keep the city clean and to preserve its historical monuments. If we offer good service, what is wrong in raising the fees? I don't think any tourist would refuse to pay \$10 to visit Bhaktapur.

If other municipalities follow your path, would it be possible for tourists to pay their way everywhere?

If other municipalities maintain the area properly, I don't think tourists would find it difficult to contribute to the preservation of ancient heritage.

It is said that the municipality increased the fees without consulting tourism entrepreneurs.

We invited all concerned entrepreneurs for discussions before increasing the fees. Unfortunately, no one responded. ■

timately ended in her disqualification.

Sujata, who returned to her motherland in 1993 after her father became prime minister, thinks — and why shouldn't she — that she has a natural claim to sit on the CWC. Rules be damned. They are made to be flouted. If the party cannot bend them for Sujata, who even divorced her German husband to be with papa dear, she has every right to take revenge. Watch out, all you sinners. ■

CONGRESS CONVENTION

Unity At Last

The ruling Nepali Congress party's 10th convention winds up announcing new strategies to meet new challenges. Will it implement them?

By KESHAB POUDEL in Pokhara

As soon as election results were announced on Tuesday at Dipendra Sabha Griha by party election commissioner and senior advocate Mukunda Regmi, the five-day-long 10th general convention of the Nepali Congress finally wound up. In its five-decade history, the party has for the first time chosen more than 50 percent of its members through the ballot. This was one of the major achievements of the 1,400-plus elected delegates of the party's grass root leaders.

Though the party delegates spared very little time to discuss political and other issues, it brought some clear messages on economic liberalization, unemployment, agricultural policy, law and

soon after Koirala's new steps. The rivalry in a democratic party like Congress is nothing new as it was formed by merging two folds in 1948.

Although Congress is a mass-based party with loose organization structure, it has set some new trends in its last elections. By electing the new leadership and giving new message to its party workers, the Congress party has succeeded in enthusing some kind of hope in public. It remains to be seen how successfully it can execute its commitments.

Following the inaugural session at the Pokhara Stadium, the Congress convention concluded by electing 19 representatives for the party central committee including party president. Congress has a

ing benefits from being close to the power.

During the five-day hectic activities, Nepali Congress delegates discussed some very important issues including economic policies, Maoist problems and law and order situation. After endorsement of the amendment of the party constitution, the attention of the congress workers and delegates diverted to the election process, but they also spared some time to debate on the burning issues.

The convention was inaugurated in the presence of more than 60,000 Congress supporters and attendance of representatives of two political parties from northern and southern neighbors.

Although it was unorganized party, Congress proves that it has still its goodwill to sell to the people. The crowd turned out to see the Congress convention was beyond the calculation of the party, as they had fixed just three loud speakers in the stadium. Whoever spoke from the dias, the crowd silently endorsed their statements. ■

Elected CWC Members

After the announcement of the list of the new working committee members, 10th Congress convention was finally over. Although some prominent persons like Dr. Ram Sharan Mahat, Bhim Bahadur Tamang and foreign minister Chakra Prasad Banstola failed to win the membership, the elected members represented both rival camps. Sons of late B.P. Koirala and Ganesh Man Singh, Prakash Koirala and Prakash Man Singh won the election.

Winners 1. Ram Chandra Poudel 2. Shailaja Acharya 3. Prakash Man Singh 4. Khum Bahadur Khadka 5. Mahesh Acharya 6. Prakash Koirala 7. Sushil Koirala 8. Pradeep Giri 9. Narahari Acharya 10. Krishna Prasad Sitaula 11. Bijaya Gachhadar 12. Arjun Narsingh KC 13. Baldev Majgaiya 14. Chiranjibi Wagle 15. Bimalendra Nidhi 16. Mahantha Thakur 17. Govinda Raj Joshi 18. Bal Bahadur Rai . ■



Bhattarai (left) and Koirala (right) : Bridging the gap

order and Maoist problems.

The Congress convention was postponed twice in the past for nearly 18 months. It was held even in an uncertain situation. Despite elections for the party organization, the feud between the two groups is yet to die as the defeated candidate Sher Bahadur Deuba declared that he would announce his next course of action

reputation of country's biggest party with unorganized programs.

As almost all leaders of the ruling party called to curb the corruption, no one spared a chance to misuse the government vehicles and guest houses in Pokhara. The presence of large number of senior government officials and their relatives reflected typical Nepali mentality of reap-

CONGRESS ELECTIONS

A Symbolic Fight

Getting re-elected as party president was the least of Prime Minister Girija Prasad Koirala's challenges. In the days ahead, he will have to balance within the party and make uncomfortable choices.



PM Koirala : Victorious

By KESHAB POUDEL in Pokhara

On January 23, a Necon Air flight from Pokhara to Kathmandu had one (serious) passenger: newly elected Nepali Congress president and Prime Minister Girija Prasad Koirala. Among those accompanying him were his sister-in-law Nona Koirala and, of course, his bodyguard. Yet, Koirala chose not to notice who was with him. Instead, he sat up quietly along with his long-time party colleague Krishna Prasad Bhattarai.

Koirala's seriousness is understandable. He faces one of the most challenging tasks in his political career: starting the process of handing over the leadership to younger generation. Although 78-year-old Koirala has already set a three-year time frame for himself to transfer the party leadership, the

situation is not so simple.

Unlike his first term as party president, Prime Minister Koirala has to walk a tight rope, accommodating all his apartment into a unified party. The likely impact of Koirala's re-election on the party's popular base is yet unclear, despite his declaration that he would hand over the leadership.

Nepali Congress has also proved that it is still popular among the people and wields influence across the country. The challenge ahead for the five-decade-old party is how to retain that influence. "I will comment only after Koirala's future steps. I am happy that such a huge percentage of people voted for me despite the hostile attitude of Girijababu," said Sher Bahadur Deuba, after the results were announced. "The result has established myself as a leader of the party."

Despite Deuba's claim of being the only contender for the top leadership, the election results indicated a new scenario, as large number of voters overwhelmingly voted for Shailaja Acharya and Ram Chandra Poudel in the contest for central committee membership.

The near hysterical loyalty showed on Pokhara airport where Koirala's rival, Deuba spoke very confidently with press when they arrived on 16 January. But a week later, Deuba secured less than 35 percent of total votes cast. In the elections held on January 22, Deuba polled 50 votes out of 1468 valid votes cast by the General Assembly delegates from across the country. Koirala has not only won with nearly two-third majority: he defeated his two opponents, as expected.

After the elections, equally strong contenders for the party leadership Ram Chandra Poudel and Shailaja Acharya have challenged former prime minister Deuba's claim as the only legitimate second generation leader.

In the process of transfer of leadership, Koirala ignored the election campaign leaving the decision in the hands of the delegates. Although he has been accused of filling the party with relatives and hangers-on, Koirala took the opportunity to rebut charges that he wants to fill the party with family members and sy-



Deuba : Victory in defeat

phants. After all, he supported the decision of the party's election commission to reject the nomination papers of his daughter Sujata Koirala.

Married to a German citizen, Sujata returned to Nepal in 1991 after Koirala became prime minister. She acquired Nepali citizenship in 1994 and joined active politics the following year.

The likely impact of Koirala's neutrality in the elections for central committee members clearly indicated he was not in a mood to ask favors even from his long-time colleague and cousin Sushil Koirala.

Bhattarai, too, showed maturity during the party convention. Although he backed Deuba, Bhattarai avoided saying anything that might have added fuel to the dissension.

At the end of his political career, Bhattarai clearly indicated that he would not do anything that will harm the party unity.

In sharp contrast to the two senior leaders, Deuba seemed over-confident and at times even arrogant. When he arrived in Pokhara on January 17, Deuba appeared almost certain — or at least gave the impression — that he would defeat his one-time mentor. Many in the party are disappointed to see that Deuba has lost an opportunity to establish himself as an unchallenged second-generation leader.

The Nepali Congress proved that it is a party representing the entire country, as delegates from the Terai, hill and mountains thronged to the convention hall.

How could Deuba have won more votes after he unleashed a tirade against Koirala weeks before the convention? He had relied on sulking chieftains to quietly back him. No one did. Most of his colleagues decided to vote for Koirala in hope of getting appointed to the CWC.

Many in the party are still disappointed. The battle against Koirala lacked finesse and to many it was out of character with Koirala. If one coterie is so arrogant against Koirala, the pro-Koirala camp too was further aggressive.

So what does a fresh mandate mean for Koirala? Plenty of things. It means getting back to work after a long holiday.

It is a morale boosting for the septuagenarian leader. The same place, same people and same position but a new spirit. Despite the literary flourish, the fact is, trouncing Deuba is not the end of Koirala's challenges.

Everyone has fallen in line all right. But now he will have to make



Bhattarai : Mission unaccomplished

Photo : Sandesh manandhar

NC Conventions

The first general convention, January 5, 1947, Calcutta, Bhanipur, India

Tanka Prasad Acharya elected president
B.P. Koirala elected executive president

Second Convention, Benaras, India, 1948

Dr. Dilli Raman Regmi nominated as acting president

Third Convention, Darvanga, India, 1949

Matrika Prasad Koirala elected president
Nepali National Democratic Congress led by Matrika Prasad Koirala and Nepal Democratic Congress led by Mahendra Bikram Shaha merged.

Fourth Convention in Kalkutta Tiger Hill, India, 1950

Matrika Prasad Koirala elected president

Fifth Convention, Janakpur, 1952

B.P. Koirala elected president

Sixth Convention in Birgunj

Subarna Sumsher JBR defeated Ganesh Man Singh

Special Convention, Biratnagar, 1957

B.P. Koirala elected president

Seventh Convention, Kathmandu, 1960

B.P. Koirala retained the post

Eighth Convention at Kalbalgudi, Jhapa in 1993

Krishna Prasad Bhattarai elected president

Ninth Convention, Kathmandu, 1997

G.P. Koirala defeated Chiranjibi Wagle

Tenth Convention in Pokhara, 2001

G.P. Koirala defeated Sher Bahadur Deuba

choices. Who should he reward? Who can he ignore Should he build a bridge with the past or the future? What about his role in three years' time? There is also the looming problem of intellectual bankruptcy in the party. Bhattarai is aging, Poudel is uninterested.

Of equal importance is how Koirala will deal with Deuba. Although he would want to appear magnanimous after victory, Koirala would also have to resist pressure to take punitive action against his challenger. Deuba scored a symbolic victory by deciding to challenge Koirala for the party presidency.

The real significance of the electoral battle lies not in its final outcome, but in its political symbolism. Even at the time of filing his nomination papers on January 20, Deuba must have known that he would lose. And yet, Deuba fought to the finish.

Although Deuba failed to take the party presidency, he still leads a powerful lobby within the party. The convention, party insiders say, has failed to end the uncertainty that has gripped the Nepali Congress in recent months.

At the personal level, Deuba's moves could result either in his emergence as an alternative power center or in his expulsion from the party. While Deuba and his supporters hope to achieve the former, they seem to be prepared for the latter.

Koirala prescribed an agenda to consolidate and unify the party and appealed to work accordingly. That may be a difficult task, especially with powerful opponents like Pradip Giri well entrenched in the central committee. ■

FREEDOM OF PRESS Under Attack

As the press asserts itself by criticizing the government, the latter takes measures to intimidate it

By BHAGIRATH YOGI

When listeners in the capital valley tuned into 'Aajaka Kura', a popular daily talk show on Radio Sagarmatha, on January 16, they were taken aback to hear a notice. The first community radio in South Asia said it had indefinitely suspended the program till as per directives of the Ministry of Information and Communications (MoIC).

The ministry, in its directive delivered the same day, cited a two-week-old government decision that banned independent news-oriented programs, with immediate effect. "We haven't made any new decision. All we have done is to remind private F.M. stations about the existing rules," said Shri Ram Poudel, secretary at the ministry. The existing laws prohibit F.M. stations from airing news broadcasts. The government took the decision after some F.M. stations were found conducting live phone-in programs over the alleged remarks of an Indian actor Hrithik Roshan at a time when thousands of young people in Kathmandu were pelting stones at everything they linked with India.

"Our media is yet to behave responsibly during such crisis," said Dr. Shri Govinda Shah, a policy analyst. "But such events should not be made an alibi to harass the press." The government, however, seemed determined to settle its scores in the aftermath of violent protests in Kathmandu late last month. The District Administration Office of Kathmandu summoned publisher of Space Time daily, Jamim Shah, and interrogated him for hours after his newspaper, along with other papers, published news reports related to Hrithik's alleged remarks. Officials claimed the interrogation was not

related to the news item. The government rewarded editor of the daily by appointing him as chief editor of Gorkhapatra, an official daily.

"The government seems to be trying to create a lobby of media persons who would write in praise of its activities," said Gokul Pokhrel, a senior journalist and President of Nepal Press Institute. "It has been adopting tactics of intimidation as the Nepali press has become capable enough to point out



A CEHURDES seminar : Common concern

mistakes made by the government."

Whether it is the alleged huge corruption in the Lauda air deal or misuse of resources by top officials, the press has been quite critical of the wrongdoings, if any, by the government. The press has also exposed and criticized violation of human rights by the government and armed groups during the five-year-old Maoist 'people's war.'

"The government has given the message that everything it does in the name of containing Maoist rebellion is justified, which can't be accepted," said Krishna Pahadi, President of Human Rights and Peace Society (HURPES). "The government seems to be trying to weaken the media and human rights campaign by using

themselves."

Participants at an interaction program organized in the capital by the Center for Human Rights and Democratic Studies (CEHURDES) on Sunday, called upon the media community in particular and civil society in general to become aware about possible threats on press freedom and freedom of expression in the country.

"The government could make even fatal attack upon the Nepali press in near future," said Pahadi. Added Dr. Shah, "when a government finds itself in a lost situation, it starts committing unethical acts."

Of course, there are some limitations to media itself. "Media should not glorify war-like situations and internal conflict. The press should behave responsibly," said Dr. Gopal Krishna Siwakoti, a human rights activist. Agreed Sindhu Nath Pyakurel, senior advocate and newly elected president of Nepal Bar Association, "press freedom, when exercised within limits, can contribute a lot to the country. To restrict the freedom of press without framing a case was violation of the constitution of the country that guarantees press freedom and freedom of expression."

The Constitution of the Kingdom of Nepal, 1990, guarantees right to freedom, right to information and press and publication rights for its citizens. In practice, cases of violation of press freedom and freedom of expression are increasing every day over the last few years, said studies.

"Press could make both the state and non-state parties accountable by creating an aware and concerned popular opinion," said Prof. Kapil Shrestha, member of National Human Rights Commission. "Any type of censor can't be acceptable in a democracy but counseling and self-censorship is acceptable practices." Added Shobhakar Budhatoki, General Secretary of CEHURDES, "Both the press and civil society needed to be aware about growing assaults on press freedom by the government, armed rebel groups or any section of civil society."

Of course, continued vigilance is the price to pay for protecting any kind of freedom, including freedom of press and freedom of expression. ■

KATHMANDU MUNICIPALITY

Optimizing Choice

The city mulls new paradigms for equitable and sustainable revitalization

By AKSHAY SHARMA

Communities across the world are struggling against public decay, constantly developing ways of solving what has come to be known as the 'urban problem'. Amid all the gloom that has gripped our own experience, rays of hope are emerging.

Kathmandu Metropolitan Corporation (KMC) organized a meeting last week to help evolve strategies for improving living conditions in the capital. City planners have long stressed the need for a participatory approach.

"Underlying the majority of these programs is the conviction that no amount of government or private money will make much of a difference unless the people who now live in squatter settlements and other blighted areas take the lead in improving their living conditions," Akhtar A. Bashah writes in his book "Our Urban Future".

Our city authorities seem to be heeding that message. "Kathmandu is being rebuilt and revitalized. Take pride and participate," Mayor Keshab Sthapit said.

"I went to the people promising that I would revitalize Kathmandu. The residents have seen that we are capable of delivering and also realize that there is a lot more to be done," he said.

"Most of the challenges Kathmandu faces today are the result of unbalanced growth and inadequate investment. The city and the establishment should cope with the growth in population and the 13

percent increase of vehicles in the valley," according to an expert on urban planning.

Last week's meeting focused on ways of building a better Kathmandu. Padma Sundar Joshi, executive officer of the KMC, has the SNOT formula—which is strength, weakness, opportunity and trust.

"We began the program nine months ago. Experts discussed topics concerning the city's development strategy. And we have got so much feedback," Joshi said. The KMC has 10 researchers and 11 other

employees engaged in the process of city revitalization, he said.

Addressing the meeting, Dr Harka Gurung said, "In 1969 the first study on an approach to the development of Kathmandu was undertaken." He was part of the team. "If the people in power then had done their jobs properly we would not have needed other strategies," he said.

The larger question is: How should a city be developed? Before villages were considered romantic, these visions arose from Western influence. "Our villages are still poor and the people there think that the cities are paved with gold. We should realize that the cities and remote areas are interconnected," said Dr Gurung.

The KMC, which has led an urban renewal effort for three years, feels it needs to distill what has worked from what has not. A set of lessons and strategies could prove to be a useful in the process of encouraging city-friendly activities.

A community can control its future. The members of the community are the only ones who can do that in the best way. But the people have to know specifically what direction they want their future to take. City officials are extending valuable support to figuring out a process.

"The KMC's main goal is to create the widest possible impact in making Kathmandu a liveable city and increasing its management capacities," a KMC expert said.

City officials stress the need to ensure that resources flows meet investment needs. At the wider level, the KMC also wants to make itself a competitive city in the world.

In his book, Bashah cites examples of communities, NGOs, government and private enterprises to show that the success of such initiatives depends on their comprehensive approach.

Proper support for these solutions would help ensure equity and sustainability in urban life. ■



KMC : Partnership for sustainability

PHARMACEUTICAL INDUSTRY

Prescription Rx

Eyeing foreign markets, domestic pharmaceutical industries complain of unequal treatment by the government

By BHAGIRATH YOGI

Nepali pharmaceutical industry seems to be coming of age, finally. The industry that used to lobby for government's protection only a few years back now is asking for a level playing field against foreign companies.

"The government is adopting unequal policies while dealing with imported drugs vis-a-vis the domestic products," said Pradip Jung Pandey, chairman of the Association of Pharmaceutical Producers of Nepal (APPON), Sunday at the Association's eighth AGM.

According to Pandey, the government imposes only 2.5 percent customs duty on the imported drugs whereas domestic industry has to pay up to 24 percent in the form of duty including 10 percent Value Added Tax. "That's why we haven't been able to compete with imported drugs," he said.

Pharmaceutical entrepreneurs say domestic production of drug meets nearly 25 percent of the national demand in the five billion-rupee drug market. The rest is imported mainly from India and, to some extent, from abroad.

"If all sectors extend their cooperation, we can meet nearly 50 percent of the domestic demand, including 80 percent demand for the essential drugs, within the country," said Pandey. More than 50 percent of 273 essential drugs are manufactured within the country.

According to the association, 33 pharmaceutical companies, with an investment of nearly three billion rupee, had a capacity to manufacture nearly three billion rupees' worth of medicines per an-

num. Ten more companies were in the pipe line, industry sources said.

With increasing share in the domestic market, Nepali pharmaceutical companies are now eyeing at foreign markets for their products. "The number of companies adopting Good Manufacturing Practices (GMP) is increasing. We can compete with foreign companies by acquiring latest technology and good quality," said Hari Bhakta Sharma of Deurali-



Drugs : Quality matters

Janata Pharmaceutical Company, who is also a General Secretary at APPON.

Hukum Pharmaceuticals, a leading industry, has recently acquired ISO 9002 certificate for maintaining quality in its manufacturing. "This has proved that Nepali companies too can produce world-class drugs here," said Vijay Dugar, managing director of Hukum Pharmaceuticals.

Entrepreneurs say Nepali drugs have emerged as one of the new export products from Nepal. They say growth of the industry will create new jobs and promote

national enterprises, thereby contributing to national economy.

Officials say the government is serious in promoting pharmaceutical industry in the country. "We have provided duty concessions in importing raw materials and other facilities to our domestic industries," said Chandi Prasad Shrestha, spokesman at the Ministry of Industry, Commerce and Supplies. "The government will provide every support to the industry if they want to export their products."

Shrestha clarified that the low customs on imports of drug was meant to provide drug to general public at affordable costs. "At a time when we are not self sufficient in drug production and there are obligations related to social justice, we can't provide tariff protection to domestic industry," Shrestha said. "The government, however, can consider introducing tariff barriers on certain products and categories in which our domestic production is self sufficient."

Nepal's drug industry has now become pro-active while advocating for policies related to the industry. "Since the quality of drug is directly related to public health, we have demanded from the government that certain standard should be specified to domestic industry. We are ready to improve our shortcomings, if any," said Sharma. "Equally important is monitoring the quality of imported drugs from across the open border."

Official cite lack of adequate manpower to monitor sub-standard drugs. "Nearly 4,000 brands of medicines are available in Nepali market produced from more than 350 companies around the world," said Dr. Asfaq Sheikh, director at the Department of Drug Management, the government agency responsible for monitoring quality of drugs within the country. Industry sources, however, say there are up to 12,000 brands of medicines being sold freely in the market.

"Nepal has one of the highest per capita drug brands available in the country. This must be regulated," said Sharma. ■



Boating in Phewa lake: The tide is turning

TOURISM

Mission Destruction

As uncertainty hovers over the tourism sector, Pokhara's economy braces for trouble

By KESHAB POUDEL, in Pokhara

The number of foreign tourists arriving in Pokhara valley has declined sharply, causing havoc among entrepreneurs. After Kathmandu valley, Pokhara is a second popular tourist destination of the country. More than 100,000 tourists visited the city last year.

As the deadlock between hotel employees and hotel entrepreneurs continues unabated, small entrepreneurs in Pokhara are worried about future of their business. More than a third of the population of Pokhara valley relies on the tourism industry. If something goes wrong in the sector, the common people will suffer badly.

"I believe the dispute in the tourism sector will be solved without disturbing the industry," said Ram Bahadur K.C.,

chairman of Chautari Hotel. "We must not forget that the country will lose substantial revenue if something goes wrong in the sector."

Mired by a series of crises over the last year, tourist arrivals decreased by 10.61 percent in 2000 compared to the previous year. "Although there has been a slight positive growth in third country arrivals, Indian tourist arrival has dropped drastically during the same period," said Tek Bahadur Dangi, director of Tourism Marketing and Promotion of Nepal Tourism Board (NTB).

According to the board, the hotel/restaurant workers' crisis, last December's strikes accompanied by some ugly incidents in the valley, and frequent Nepal bandhs organized by various political parties are the main reasons for the fall in tourist arrivals. Suspension of Indian Airlines flights to Nepal for the first

five months of 2000 and the exaggerated and negative publicity about Nepal in the Indian media after the IA hijacking sent wrong signals to the Indian market, said the NTB report.

"The activities going on here for last year or so — be it security or law and order problems — are going to affect us in the long term," said Pradeep Raj Pandey, chief executive officer of the NTB.

"The glaring example could be Fiji whose entire economy was dependent on tourism. When problems started there last year, the entire tourism business came to a halt."

One can see visible impacts of the declining tourist arrivals at Pokhara and other destinations, including Bhaktapur.

"As the number of tourists declines, so does the number of domestic air travellers," said Birendra Basnet, managing director of Buddha Air, one of the leading private-sector airlines. "The number of air travellers to Pokhara has declined."

Backed by major political parties, the hotel unions seems to be in no mood to withdraw their demand of a 10 percent service charge in spite of the damage done by their strike threat. "We have put forth very basic demands to the hoteliers," said Achut Raj Pandey, president of Nepal Tourism and Hotel Workers Union. "We will go on strike if they are not met."

The industry, which has seen its worst period in recent years, is on the brink of total collapse and could touch off a chain reaction in the entire economy.

"Nepal's tourism sector has already suffered from different kinds of protests, including Nepal bandhs, and vandalism," said Narendra Bajracharya, president of Hotel Association Nepal. "Tourism is a very sensitive sector and cannot be promoted in the midst of so much instability. "We have already submitted our report on the service-charge demand and we are waiting to see the final report."

As the tourism industry stands at the crossroads, all concerned parties need to take some steps. It remains to be seen who will take the first step. ■

INFORMATION TECHNOLOGY

The Incoming Boom

After years of highlighting its potentials, Nepalese techno-preneurs finally seem to have started cashing in on the global IT boom. With an IT policy in place and cyber laws in the offing, the private sector is now eyeing the vast international market of IT-enabled services. From medical transcription to call centers, hundreds of youths are finding jobs. As the IT sector is on the verge of making an impact on the economy, the authorities need to adopt a well-defined approach.

By SANJAYA DHAKAL

Braving the chilly nights of Kathmandu's winter, dozens of young boys and girls are tapping their keyboards and sending out messages to doctors in the United States. Armed with water bottles, pillows and quills, these youngsters work in shifts round the clock at their office Unlimited Numedia. They are engaged in delivering IT-enabled service — the new mantra of Nepalese techno-preneurs.

Their counterparts in other parts of the city are poised to receive calls from different parts of the world seeking information

on behalf of customers of international companies.

Welcome to the world of IT-enabled services. From medical transcription to call centers and Geographic Information Systems (GIS), the software industry in Nepal is finally taking steps towards cashing in on the knowledge-based global economy.

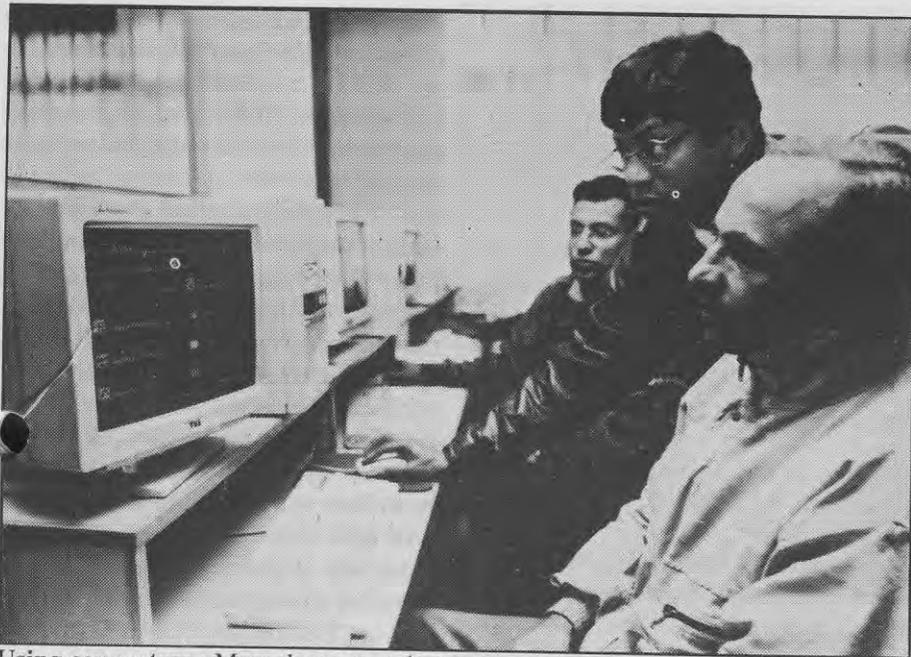
From the days of rhetoric on the potentials, the techno-preneurs are slowly moving towards reaping real dividends. Already there are two companies providing medical transcription services, one providing GIS and two serving as call centers. More promise to join the league soon. Among them, they employ a couple of

hundred youngsters already and there are more job opportunities in the offing.

Employment Opportunities

More important, most of the employees of these IT-enabled businesses come from the well-educated bracket, including those from the ten-plus-two level with sound English and basic computer knowledge. Interestingly, these youngsters enjoy a starting salary ranging from Rs 5,000 to Rs 10,000 — unheard of amounts in other sectors.

Unlike the carpet and garment sectors, where most of the employees are semi-literate, IT is offering jobs to educated youths, who earlier had no choice but go overseas, in a preferred line of profession.



Using computers : More than entertainment

The turnover of Nepal's IT sector is estimated at between Rs. 1 billion and Rs 1.5 billion.

"The snowball effect has started. It is collecting more and more snow and is also gathering momentum," says Allen Bailochan Tuladhar, the young chief executive officer of Unlimited Numedia. From a modest office with 40 people three years ago, his company now has close to 200 employees and is planning to recruit at least 500 more by the end of this year.

His company is also witnessing remarkable financial growth. From last year's corporate turnover of Rs 40 million, the company expects this year's turnover to reach Rs 140 million. And that is because of the IT-enabled service. "I also see a lot happening in other software companies. Hundreds of youths are getting employment."

Recently, Mercantile, the leading software company in the country opened Serv-ing Minds, a call center, in joint venture with other parties. "We expect to start the operation very soon," says Om Bhattachan, the call center manager. At present, the call center has plans to employ more than 150 people who will be working in a sleekly designed office equipped with pool boards and other entertainment facilities to relax during breaks.

Mercantile, which is the largest ISP in

the country, plans to expand its involvement in IT-enabled services, too. However, Sanjib Rajbhandari, the CEO of Mercantile, could not be reached for further comments.

As Nepal does not have the critical mass of highly trained experts to engage in cutting-edge Research and Development of software, it is the lower-rung jobs like IT-enabled services that promises rich dividends. "Our country's strategy should be to employ thousands of people in digital peon's jobs so that the industry starts growing and earn literally millions of dollars," says Tuladhar.

The vast global market for IT-enabled services becomes clearer if one looks at the target set by India — one of the leading countries in the IT sector. It aims to earn US\$ 35 billion through the IT-enabled services alone in 2008 as against its expected projection of total earnings of US\$ 85 billion from software sector during the same period.

IT Policy

The government, too, seems to have understood the importance of promoting IT-enabled

services. The recently released IT policy has also opened the point-to-point voice communication for the private sector without their having to affiliate to the Public Switched Telephone Network. This provision is specially welcome for call centers.

The policy also envisages the National Information Technology Center (NITC) whose job will be to act as data bank, computerize government offices, build websites for them and work as regulator for the smooth functioning of this sector.

"Earlier we used to talk about the importance of e-commerce but now we are more keen to develop these e-services," says Dr. Rameshananda Baidya, member of National Planning Commission (NPC). Even a professor from Chicago-based North-Western University recently observed that South Asia can benefit more from such e-services than anything else in the IT sector.

The policy has also set up a venture capital fund of Rs 100 million that will be given to interested parties depending upon their idea and expected future cash flow.

Vital Statistics Of Nepalese IT Sector

No. of PCs	50,000
No. of ISPs	10 (operational), 13 (licensees)
Internet Accounts	25,000
Internet Users	100,000
Home	20 %
Commercial	30 %
NGO/non profit	15 %
Education	10 %
INGOs	20 %
Government	5 %
Internet Bandwidth	7 MBPS
No. of .np domains	290 (1999)
VSAT Providers	6
VSAT Users	115
Telephone density	1 per 100 people
Mobile users	8,000 plus

The government's IT policy aims to reach the volume of software and hardware exports to Rs 10 billion in next five years.

'IT Policy Has Given Us Vision'

— LOCHAN LAL AMATYA



LOCHAN LAL AMATYA is the president of Computer Association of Nepal (CAN). Senior executive engineer at the Computer Department of Nepal Telecommunication Corporation, Amatya has been associated with CAN since the beginning. He talked about the issues of IT sector in Nepal to SANJAYA DHAKAL. Excerpts :

How do you see the potentials of the IT sector in the country?

All of us agree that IT is crucial for economic development. In the past, we missed the green revolution and the industrial revolution. But we should not miss the grey revolution, as IT is also known as. Compared to our neighbors we are still behind in this sector. But things are happening. Recently, we got a policy on IT, which has given us the vision. It has to be followed by the formulation of related acts and regulations and their effective implementation. Hopefully, the draft on cyber law will be presented in the next session of parliament.

What do events like CAN IT show aim to achieve?

This year we are organizing the 7th CAN Infotech show. This will make even the general public aware about this sector. In the past, the show used to host talk programs among professionals and policy-makers. But this year we are organizing a two-day IT Conference (on 27th and 28th of January) where papers will be presented. The other aim of this show is to help build knowledge-based industries. We have to cash in on knowledge and use IT as a tool for economic development.

How do you find the progress of IT in Nepal?

Even without a policy, we did great. The number of Internet users has reached 100,000. Many sectors are using IT to build commercial websites and promote business. The government, however, is yet to fully utilize the concept of e-governance.

Do you have data on software exports?

I am afraid not. There is no record of who is doing what volume of business. Some companies have started IT-enabled services like GIS, Call Centers and Medical Transcription. We have no data of e-payment. Things like web designing for foreign companies are going on, but the actual fact-sheet is not available. We did try to conduct a survey on these things once, but there was no response for various reasons. Even so, the annual business of the IT sector could be around Rs 1 billion.

What about IT education?

The role of academic institutions is vital to promoting the IT sector. In our country, the objective of computer education in schools is to teach students to use the computer professionally. But they are not taught programming, logic reasoning and algorithms. So the standard is not up to the mark if we are talking about making them computer professionals. Lately, there has been a surge in colleges providing advanced courses in computer and that is a good sign.

How do you assess the government's IT policy?

The vision of placing Nepal on the global IT map is a challenging one. The overall policy is good, as we had the advantage of emulating similar policies produced elsewhere. We could leapfrog many difficulties we could have encountered otherwise. The positive aspect of the policy is its view on human resource development and developing academic strength.

Why is e-commerce not realizing its potentials here?

E-commerce can be a success only where the currency is convertible. There are many problems regarding payment legislation in the country. Definitely, by promoting e-commerce we could effectively cut down brokers and agencies bringing the producer and consumer closer, but we need to develop certain laws before we start reaping benefits. ■

There is no need for collateral. Initially, the execution of this fund will be entrusted to the NITC to be transferred to the private sector later on. "This is aimed at promoting software development in the country," says Baidya.

"The policy has given us the vision," said Lochan Lal Amatya, President of Computer Association of Nepal (CAN). According to Amatya, the policy has been received positively by the private sector. "This will set the tone for the further development of this sector."

The government is also planning to introduce an IT-bill — popularly known as cyber laws — in the parliament soon. The final draft of the bill is ready. It mainly deals with digital signature verification and cyber crimes. In absence of the regulations on IT, e-commerce has suffered. As it involves electronic payment, the question of security is vital and so is the mechanism to punish the defaulters. "We hope the forthcoming bill addresses these problems and paves the way for the progress of e-commerce in a big way," said one IT entrepreneur.

The authorities have focused their attention on the three main areas of the sector — access, education/training and application. As far as access is concerned, there are fewer problems. Forty percent of the VDCs already have access to telephone lines. Here, the challenge is to bring down access charge as well as the cost of computers.

With the objective of developing IT education, the government plans to give Rs 15 million to major universities, which will be utilized to train people at the post-graduate level. The authorities hope these highly trained people can then be utilized to impart knowledge to lower levels.

The policy also has the provision for setting up an IT Development Fund, which will collect money from the private sector, government as well as foreign donors. Apart from the existing custom duties, the software exporters will now have to pay a 0.5 percent additional service charge as contribution to the fund.

In the area of applications, the government is also pushing to promote e-governance by encouraging the use of computers in such areas as financial and personnel management.

Brain Drain

Although there is widespread concern over the brain drain in the IT sector, many believe this could be a blessing in disguise. One reason why India has done so well in the software industry is because of the large pool of Indian experts based in the United States. It is said that almost 30 percent of the people involved in the software sector in the United States are people of Indian origin.

"In fact, it is because of my Nepalese friend in US that I could bring in the subject for Medical Transcription," said Tuladhar.

Agrees Amatya. "There two sides of the coin. While we can benefit a lot from Nepalese working abroad, it also gives rise to serious dearth in manpower here."

Amatya revealed that CAN was preparing to bring out a code of conduct for software experts. "We want to promote professional ethics. It is improper to abandon a company after it trains and makes one capable. They should at least work for a certain period in a particular company after receiving such training."

At present, there are around 1,000 people who have at least a bachelor's degree in software.

Four Pillars Of IT

For the IT sector to succeed, four segments need to work in tandem. The government, academic institutions, preferably funded by the government, dynamic IT industries and other enabling sectors, including infrastructure in telecom, are the four pillars of the IT.

The dynamic leadership provided in India by people like Chief Minister Chandra Babu Naidu of Andhra Pradesh has gone a long way in giving the sector an impetus. "The present Minister for Science and Technology has shown lots of promises. His commitment was reflected in the timely release of the IT policy," said Tuladhar.

"The government is intent to develop the IT sector. In that, I hope the recent policy will be a cornerstone," Minister for Science and Technology Surendra Prasad Chaudhary told SPOTLIGHT taking time out from his busy schedule at the Nepali Congress convention in Pokhara. "I will do my best to promote this sector."

What Are IT-enabled Services?

Use of Information Technology facilities to provide services to overseas clients are basically what IT-enabled services are all about. As developing countries like Nepal have a pool of educated but unemployed youth who are willing to work for far less remuneration than their western counterparts, overseas companies prefer to recruit them. Basically, there are four IT-enabled services at present: Medical Transcription, Call Centers, GIS and back office operations.

Medical Transcription:

In the United States, doctors, by law, have to record the medical history of every patient. They mostly record these in their voice to be transcribed later. That's where people from countries like Nepal can fit in. They listen to those records, transcribe them in detail and send them back. All this is done via the computer and within less than eight hours, including the time taken for quality check that is done in Hyderabad, India. Unlimited Numedia and Himalayan Infotech are involved in this service. Unlimited has already gone into initial service delivery after giving 6 months of training to 68 people where they were taught about medical terminology and related matters. "We promise 98.5 percent accuracy," says Allen Tuladhar, CEO of Unlimited. It plans to hire 800 people within this year. Himalayan Infotech is giving similar training to more than 400 people. Medical transcription is a US\$ 24 billion annual business and is growing by 30 percent.

Call Centers:

These are telephone receiving stations that serve as customer relations management for overseas clients. These are the toll-free lines from where a customer or any other interested parties can receive related information about client companies quickly without having to go through the tedious process of calling up the companies themselves and locating the right person and waiting for the information. Such information include orders, complaints and inquiries. There are three companies that are opening such centers in the country — each with 500-plus employees. Sigma House and Serving Minds have already opened their offices while Unlimited is planning to open soon.

GIS:

Geographic Information System (GIS) primarily deals with processing maps digitally. Western countries have started to replace their old-fashioned maps with more accurate and highly detailed digital maps that pinpoint even the individual houses. Such accurate city maps are vital for better service delivery during times of fire and other emergencies. Given the necessary data, people can draw these digital maps from anywhere. Geo-spatial Systems in Nepal has already started making maps for their Japanese clients.

Back Office Operation:

There are various domestic or industrial chores like payment of bills, distribution of magazines to clients and subscribers that eat up precious time. So, wouldn't it be great if some company performed these time-consuming but vital functions on your behalf. This is what back office operation is basically about. While there are no companies specifically involved in this service in the country, Unlimited plans to enter this field with 1,000 employees in the near future. ■

'Snowball Effect Has Started'

— ALLEN B. TULADHAR

ALLEN BAILOCHAN TULADHAR, chief executive officer of Unlimited Numedia, which recently won the International Star Award for Quality, is at the forefront of IT entrepreneurship in Nepal. Tuladhar, 35, has a deep understanding of the country's IT sector, having served as the general secretary of the Computer Association of Nepal (CAN). He spoke to **SANJAYA DHAKAL** about the prospects and challenges of Nepal's IT sector. Excerpts:

What has Nepal achieved in the IT sector?

The slogan has always been "Placing Nepal on the Global IT Map". In terms of generating foreign exchange revenue, in terms of giving employment to thousands of educated youth and internally being able to say that, yes, we can replicate the success of India, there are major achievements. Until a couple of years ago, we used to say we could do this or that - this is now slowly turning into reality. It is a very small opening into the global market but it is happening very fast. Over the years, the Nepalese IT sector has realized that we don't have much of a success story in software development due to the lack of manpower and due to the trend of Nepalese manpower to go overseas for jobs or training. I think the sector has realized that if we want to succeed in software export and be able to turn that into thousands of jobs, then we need to definitely look into what is known as IT-enabled services - providing services to developed countries using Information Technology. In that sector, back office operations, Geographic Information System (GIS), Medical Transcription (MT) and Call Centers are the important ones. One question here could be, why would developed countries want to avail of our services? Within that, we have made what we call sale speeches. First, we

need to sell our country and say, 'Look at Nepal, we are in a much friendlier environment with comparatively stable politics.' We have multiple problems but they are minor in comparison to those in other parts of the region. The other unique selling point that we have is that in Nepal the gateway to the outside world for the private sector has been deregulated. Anyone can set up VSAT at their terrace and connect to the world. Even in India, this is not possible. Therefore, the bandwidth that is choking India is not a problem



here. The other thing unique to Nepal is we do not have too many opportunities for employment. In sectors like carpet and garment, most of the employees are semi-literates. We get thousands of college graduates each year and they do not have many job choices. The IT sector promises to deliver that.

How can events like CAN IT show help this sector?

Every year in January, with the CAN Infotech, the national focus is on Information Technology. CAN has been drawing

flak that it's a time when prices drop, it's a bazaar and there's no technology show. There are negative aspects, too. But I believe this year is more on the economy. Summit 2000 last year was also quite successful in terms of delivery. Another advantage of the CAN Infotech has been the surge in business of the sector, there's a lot of impulse buying. Unfortunately, much of the focus of the CAN Infotech has always been on the domestic market. I think we need to look out at the overseas market because that's where the money is, that's where we have to have national policies on. For the past couple of years, we at Unlimited have been fervently marketing solutions from developed countries. But this year, when we had a special consultant come in and do an analysis, we realized that less than five percent of the turnover remains in our company. The rest of the money was spent on promotion and administration. The major chunk, over 80 percent, was going to companies like Microsoft and making people like Bill Gates richer. We need to keep that major chunk of foreign currency at home. So this year we changed our focus.

How is the progress in software exports?

The snowball effect has started. It is collecting more and more snow and is also gathering momentum. This year we are targeting a corporate turnover of Rs 140 million as against last year's Rs 40 million. We are experiencing a fast growth. With a company having 40 people last year, we have grown to 300. Hopefully, our plan is to have 800 people working by the end of this fiscal year. I also see a lot happening in other software companies in the country. Hundreds of people are being employed. Most of these people are what I call para-technical or digital-peons. Just like China started with stitching shoes for Nike and Adidas, I think in the IT sector we need to start from the

the bottom rung where huge numbers of people are necessary such as in GIS, MT and call centers. From there we can slowly move up to software development and cutting edge R&D. I think our country's strategy should be to employ thousands of people in the digital peons' work so that the industry starts growing and earn millions of dollars. What Nepal needs today is a client from the Fortune 100 segment. We are only going to the venture capital-funded small SMEs. At least a million-dollar contract will be a shot in the arm. To see a press release that some company in Nepal has a Fortune 100 client would cross the mental block and Nepal would have entered in the Big Boys Club. With the sizeable critical mass, we will start delivering.

In which IT sector does Nepal have a competitive advantage?

I think it is IT-enabled services. Today, the biggest strength that Nepal has over India is the call center. If you look at India, especially south India where IT is very strong, their heavy south Indian accent is no longer good for call center. If you speak to Nepalis, they have accent-free English. I think we need to capitalize on this. There are already three call centers opening, each with over 500 employees. So the seed has been sown.

How is the human resource situation?

Among the new generation of high school and college students, there is a strong commitment to work and profession, unlike before. In our nightshift (of MT), over 40 percent of the employees are women. So society is changing. As long as they are not using their time for wrong motives, society is beginning to accept this. Our biggest problem is the 'bholi' (tomorrow) and 'bhailchha' (go on) culture. We have to be able to deliver at the international standard and at the speed in which the world works. But I see more and more of that happening. Regarding technical expertise, we still do not have the critical mass of people who are knowledgeable in different computer languages like Java.

There's been a lot of talk about the potentials in e-commerce. What do you say?

Unless there is legislation on cyber law, no buyer, financial institution or seller is protected. Technology is there, it is not a problem. But for e-commerce to grow, we need laws and their effective implementation. We can have one pasal.com or one munchahouse.com, but that cannot be commonplace. Nepal has a history of good legislation but bad implementation. The other part of the question could be, do we have the potential to reap benefits from e-commerce? Yes. We have a difficult geographic terrain and National Telecommunication Corporation is promising a telephone line in every village development committee. Let's suppose someone in a remote village goes to the Internet station, logs on and orders, say, 24 boxes of noodles that he wants to sell, he can immediately find out how much of credit he has to pay. He can order his bank to make the payment, know when and where the delivery will be made. He would have better control over information. The potential is really high. We can change the way we do business.

How do you evaluate the recent government policy on IT?

Very positive. I think all of the issues raised by the private sector have been addressed. But then, implementation has to be good. One thing I want to say here is, our prime minister is very busy in the administration of his office and politics. So when he has been made the chairman of National IT Council, it is asking for lot of problems. If the CEO of the council is busy elsewhere, we won't get anywhere. One reason why the IT policy came out so fast was the dedication of one minister. I praise our Minister for Science and Technology a lot and give him full credit. If you look at India, we hear about Pramod Mahajan and Chandrababu Naidu a lot. That kind of leadership is needed. Besides, the council has to be run like the Tourism Board, fully autonomous. It has to be headed by people like Dewang Mehta, who will have to spend six months in a year outside the country, because that is where the market is. In India, Mehta alone created a lot of hype about the software industry. ■

Even in the education front, the rise of IT-specialized colleges in the past couple of years has been phenomenal. From Aptech to NIIT, many reputed academic institutions have branches in Kathmandu. There are around 1,000 training institutes and 25 colleges offering bachelor courses on IT education. But still, the country has to go a long way in setting up standard academic institutions at par with those found in the Indian cities of Bangalore and Hyderabad.

In the last decade, many software companies have made tremendous stride. Firms like Mercantile, Worldlink, Unlimited, CAS Trading, Beltronix and others have made remarkable progress. Their continued growth is vital to make the sector economically indispensable.

The basic infrastructure in telecom is reasonably good in Nepal compared to the region. Out of total 3,913 VDCs in the country, 1567 have access to telephone, that, too, fully digital. Given the difficult terrain of the country, this is no mean achievement.

CAN Infotech

For the last seven years CAN has been organizing Infotech Shows annually to draw national attention to this sector. This year the association is organizing 7th CAN IT Show at the Birendra International Convention Center for a week starting from January 25.

"The major achievements of the CAN IT shows are that we have been able to make even the general public aware about the sector," said CAN President Amatya.

This year CAN is planning to organize a major conference on IT during the show. "Experts from India, Bangladesh, Pakistan, Sri Lanka and Malaysia will take part in the conference. Some of them will also present papers."

CAN expects around 100,000 people to visit the show this year. More than 100 Nepalese and international exhibitors are expected to participate. As the increasing streams of visitors indicate, the interest and involvement in the IT sector is definitely growing. What is needed is the proper channeling of this latent energy to reap benefits from the 21st century's knowledge-based economy. ■

'Nepalese Businessmen Have Learned To Fight Their Own Battles'

— BINOD K. CHAUDHARY

BINOD KUMAR CHAUDHARY, a former president of the Federation of Nepalese Chambers of Commerce and Industries (FNCCI), is known for his forthright views on the economy. At a time when much of the country is worried about economic prospects, the chairman of the Chaudhary Group of Industries believes the situation will improve. Chaudhary spoke to KESHAB POUDEL at his office on issues related to the national economy. Excerpts:

At a time when industrialists are pointing to the dismal performance of the Nepalese economy, how do you visualize the economic prospects of the country?

Opportunities bestowed on Nepal by nature have existed for the hundreds of years. But if you consider whether we have been able to exploit these huge opportunities, we get a very disappointing picture.

As an ardent supporter of the government's economic liberalization policy, what are your impressions of the results?

Liberalization per se is not an end, it is only a means of achieving prosperity. The process of liberalization has to be supported by all the other activities a particular sector needs to grow. I have seen many economic policies implemented in the country. In the 1980s, the name of the economic game used to be import substitution — not only in Nepal but everywhere. All industries were working with the objective of producing everything at home, whether the value added was one percent or 100 percent. We wanted to be producers. They increased the tariff wall to protect Nepalese industries and to encourage the setting up of more industries. Soon people in many countries realized that this approach was not going to work, particularly in the West, which is generally seen as the driving force for the current global policy. The West thought technology was important in the process of industrialization. Every country in the world is working with a business objective. Unfortunately, we are the only one that does not have any objective. The West wanted to sell its technology, plants, and machinery to the Third World. Thus, it encouraged

the Third World to become a producer of every item, irrespective of whether or not they had a comparative advantage.

How did the policy of economic liberalization begin?

After they felt that the phase of dumping their products was over. They realized that these industries would not survive without major policy changes. Then the name of the game changed to economic liberalization, which means you only produce things in which you have comparative advantages. That became the catchword the World Bank and the International Monetary Fund started to preach. Countries introduced structural adjustment programs and started up to open up their economies.

How do you assess the process of liberalization?

When you open up a particular sector through reforms, you also need to reform your legislation. The meaning of liberalization is to cut down bureaucratic red tapism and take away discretionary decision-making authority at all levels. That is a tactical thing.

Are you satisfied with the process?

Had Nepal not followed the policy of liberalization and reform by taking away arbitrary and discretionary decision-making authority, the country and its industries would have been completely finished by now. Economic development has come to a standstill. It is economic liberalization that has sustained economic growth during this period of political instability, when Nepal has had six prime ministers in 10 years. Today's six-to-seven percent economic growth has been possible because of economic liberalization. Nepal is not the only country in this region opening up its economy. Nepal needs to introduce a new policy framework to make Nepalese industries compete with others. A small country like Nepal has to compete with a large one like India. It is very important to see what steps the government is taking now. Can industries alone do everything or do they need greater support? If not, the government of Nepal must carefully provide other policy initiatives to ensure that Nepalese manufacturers are still able to compete with multi-

It is economic liberalization that has sustained economic growth during this period of political instability, when Nepal has had six prime ministers in 10 years.



national giants. All countries initiate reforms. Developed countries made reforms long ago and they do not have to face unhealthy and unsustainable competition.

What needs to be done to protect our industries?

Be it Japan or the European Union, every country or regional grouping has its own way of doing things. The clamor about joining the World Trade Organization shows the concern of developed countries. Why is France making a noise on entertainment industry and why is Japan not opening its agro-sector? Because every country wants to ensure that unequal competition is not promoted in the name of liberalization. Liberalization means preventing the bureaucracy from making unnecessary intervention. Today no industrialist in Nepal needs to go to the Department of Industry and Commerce to do business. Almost all the areas of the business sector have been deregulated. Economic growth has continued because of liberalization and deregulation.

Do you find the government's approach positive in tackling the problems faced by industries?

No government has had the time to see the difficulties of the industries, as they are preoccupied with party politics in order to retain power. We do not expect a lot from the government. Nepalese businessmen have learned how to fight their own battles. We wish to be left alone. If politicians do not interfere with us, we will be quite happy. Liberalization has introduced so many things that it separates us from political intervention. As far as taking full advantage of a liberal economic regime

is concerned, it requires total creative and innovative steps on the part of the government. We still need certain policies to make our industries stronger and to help them compete with larger players.

As a former president of the FNCCI, how do you see its current role?

It has been a long time since someone has asked me about the role of the FNCCI. Generally, these days, I avoid commenting on the FNCCI. An organization like the FNCCI has three types of functions that must be

carried out together. The first are ceremonial activities like organizing conferences, attending social functions, going abroad, receiving delegation, all of which the federation does. It is part of life.

The second function is that of a lobbyist or a pressure group ready to fight for its members. It should evaluate how a program, rule or regulation affects industries, whether it fosters or restricts industries? Strong lobbying to protect and promote industries is needed. Pressure should be built through the media and through public opinion. If required, such pressure must also come from the streets.

The third and most important function is to give an appropriate vision to the country. That is what Japanese and Korean industrialists have been doing. In most countries, industrialists are leading the country by articulating a new vision. We hear policy makers say that the private sector should take a leadership role. We must evaluate for ourselves whether we are taking the lead.

In the first role, we have been very successful. On the other two fronts, evaluation of our performance may differ from person to person. It is up to you to evaluate whether we have been successful.

It is said that Nepalese industrialists are facing a tough time because of frequent bandhs (general strike) and other unrest. What is your opinion?

The entire country, not only industries, is passing through a very painful process. Obviously, such disruptions have their impact on the industrial sector. The economy is the first sector where one can see the implications of political instability and unrest. Law-and-order problems and industrial unrest

The entire country, not only industries, is passing through a very painful process. Obviously, such disruptions have their impact on the industrial sector.

are the result of the people's total dissatisfaction with the existing state of affairs. There is a yawning gap between their expectations from the restoration of multiparty democracy and the achievements made so far. The industrial sector has to face more problems because it is in the forefront.

Many industrialists complain that it has become unsafe to invest in Nepal. How do you see the law-and-order situation in the country today in terms of foreign investment prospects?

The question of safety is related to the mind of the people. One cannot find perfect safety anywhere in the world. We know what kind of safety situation exists in our neighboring countries and in developed countries. If you ask me, I have not found any reason to feel unsafe because I love my people and the people love me. However, people who have not seen the situation in Nepal perceive security matters through the media. Unfortunately, we have been sending very wrong signals every day through the media. Because of the reporting by the media, foreigners want to avoid Nepal. The recent street violence, bandhs and law-and-order problems are sending across a very bad message about Nepal. Sometimes a section of the media blows things out of proportion, particularly outside Nepal.

Industrial houses in Nepal are investing in many of the same sectors. How do you look at this trend?

This is because of our mind-set. It is because of lack of entrepreneurship and lack of homework. If you are talking about the mushrooming growth of noodles and the media war, there were at least 10 noodle industries in the market before two more came out recently. More than half of the country's manufacturing plants have either closed down or are in the process of doing so. Some companies are doing well while others are in trouble. Why is this happening? This is an issue that merits research. When a business decision is made on the basis of your emotions or your personal likes and dislikes, it is already doomed.

Some industrialists feel the Company Act and the Labor Act need to be amended. What is your view?

The present Company Act is simple enough, some improvements may be required. I have also received a draft of the amended Company Act. In an environment of deregulation, acts should be made as

simple as possible. Experience has shown that industries flourished in countries where there are no acts. India has made a mark globally in the information technology (IT) sector, with the emergence of many companies. This is because there was no ministry of IT in the beginning. After the establishment of the ministry, the sector faced trouble. As far as the labor environment is concerned, we need to voice a single policy. When we meet labor unions, we tend to talk about their concerns, and when we meet industrialists, we are more concerned about them. There has been always such duality here.

How do you see the possibility of hydropower development?

From childhood, I have been hearing that Nepal is rich in hydropower. Despite having such potential, we have been able to exploit less than 400 MW. We still have an opportunity but it will not exist for long. When Bangladesh starts to supply its natural gas, no one will buy our expensive hydroelectricity.

Do you plan to invest in the hydropower sector?

We are very interested to join this sector. We want to become a player. Everybody knows the BPC saga. The government took back its decision to hand over BPC to us in an unceremonious and unreasonable manner.

What proposal do you have to clean up the Bagmati river?

Like many other things, this effort has also become a victim of politics. The government chose not to respond to my call. We have our own proposal, which has been made public through media. My brother is in now in the Pashupati Area Development Trust. So, we hope our proposal will be implemented. As you know, it is impossible for an individual to start such a big project. We need support from the government and other agencies. We cannot go alone with shovels. We will provide support and make other necessary arrangements. But there are some forces that do not want this to happen. People like Bidur Poudel, chairman of the Bagmati Sewerage Development Committee, who is trying to do everything to not allow us to take an initiative to implement our project. Poudel has already spent Rs 500 million on his project, and he would lose his bread and butter if our project starts.

At a time when industrialists are expressing pessimism on economic development prospects, what reason do you have to be so optimistic?

I have no choice but to be optimistic. I cannot survive if I become a pessimist. I am a Nepali and I have given my life to Nepal fighting for private-sector development and creating an industrial empire. I will continue to struggle until my last breath to boost the nation's moral and confidence. ■



Sometimes a section of the media blows things out of proportion, particularly outside Nepal.

JUDICIARY

Justice Delayed Is Justice Denied

A woman's saga tells how pathetic the situation of Nepalese judiciary is

By KESHAB POUDEL

When an elderly woman walks into the Supreme Court premises with the help of a stick, many people inside notice her. But few people know about the long ordeal of the woman. This 83-year-old woman with bending body has been knocking the doors of justice for the last 33 years.



Safala : Waiting for justice Photo : Kanoon

For senior justices, judges and lawyers, Safala Shrestha, a resident of Thamel is not an unfamiliar name. Safala roams different courtrooms in her quest for a share of the family's property. She has been challenged by her stepsons, who are using the flaws of the law on every front. The struggle has been arduous. Yet she has not lost hope.

"I believe that I will eventually get my share," said Safala, who married a widower in 1963. Her elderly husband treated her perfectly but her three stepsons who denied to divide the family

property. Wearing old clothes, the woman, whose claim amounts to Rs10 million, is living in a small room of old house. She has spent all the money she had on fighting this case.

Safala is not the only person facing such a long court battle for dividing family property. Of the more than 35,000 civil cases pending in the court, half are related to the division of property.

"We are still following the court procedures adopted by Rana Prime Minister Jung Bahadur Rana in 1853 with some modification in 1963 by King Mahendra," said Prakash Wasti, advocate and coordinator of Kanoon bi-monthly legal magazine which disclosed the case in its recent issue.

"We need an initiative to change the entire way of dealing with cases related to family property division."

Realizing the need for amendment, the government has already tabled a bill in parliament. Despite such gravity of the problem, the members of parliament are yet to act.

In many cases, petitioners have to wait years to get the respondent. According to court management of Civil Code Act, respondent can easily delay the proceedings. "Normally it takes four-five years to settle a family property case," said advocate Bal Krishna Neupane.

Because of court proceedings and technicalities, it is very difficult to get justice in time in the case related to the partition of property. "There need to amend the court processing," said

Harihar Dahal, president of Nepal Bar Association.

It may be unbelievable for many but the long saga of Safala represents the real situation of Nepalese judicial system which is slow in delivering justice.

The story of 83-year-old Safala started in 2024 B.S. when she filed a case in Kathmandu District Court seeking the partition of property. She won the court battle after few years but she is yet to possess her property. Lapses in the execution of the decision, the respondents are able to delay the procedure.

All three level court including the Supreme Court upheld her right over the family property and asked her steps son to distribute it according to the last, Safala has to go for different cases one after another.

The authority of execution is so poor that it took nearly six months just to paste the summon of the court in the residence of the respondent.

As everyone is talking about the need to take initiative for the reform in the judicial process to quickly deliver the justice, the cases of Safala shows that Nepal's legal procedure is yet to understand the human voice. ■

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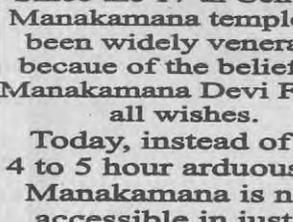


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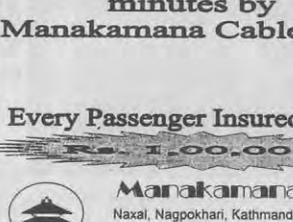
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BOOK

Natural Expressions

Bal Dev Sharma Majgaiya expresses a poet's innermost feelings on different facets of life and nature

By A CORRESPONDENT

Baldev Sharma Majgaiya has established himself as a man of vision and powerful expression in modern Nepali poetry.

He has written verse in various styles. One of the basic characteristics of Majgaiya's poetry is its firm grasp of social reality. Although he is a full-time politician - an elected member of the House of Representatives and a minister of state - Majgaiya spends his free time writing about such things as nature's beauty and the distortions of society. In one of his poems,

he criticizes the role of politicians, saying they spend more time on preaching various issues rather than on working to solve them.

Majgaiya is among few Nepalese individuals who have established themselves in both politics and literature. Like his leader B.P. Koirala, Majgaiya has a certain quality in expressing his inner feelings. From life to death and social reality to the beauty of the natural splendor, Majgaiya has given form to emotions through his words. Born in Dang, in the mid-western region, Majgaiya played a very active role in the struggle against the partyless Panchayat system. He powerfully expresses his feelings for his birthplace in his works.

In a poem dedicated to B.P. Koirala, Majgaiya describes him as a man of courage, who spent all his life for the cause of democracy. Majgaiya describes B.P. as a nationalist leader who will be remembered forever.

In another piece, Majgaiya expresses frustration over the pollution that has gripped Kathmandu valley. As a city of countless gods and deities, Majgaiya sees Kathmandu as an ancient place of rich heritage that everyone should preserve.

Majgaiya praises the natural beauty of Nepal and its historical pride in a piece titled "My Country". The poem also reflects the depth of patriotism in his heart. The poet compares his birthplace Dang Deukhuri, perched between the Mahabharat range in the north and the Chure to the south, with heaven. He also writes on the mystery of the origin of Dang valley.



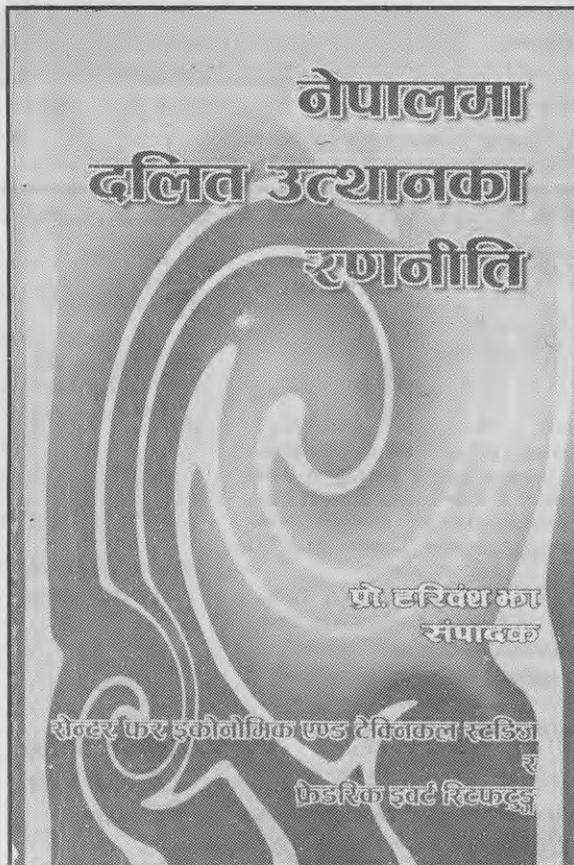
Strategy for the Upliftment of the Oppressed
 Edited by Professor Haribansha Jha
 Published by Center for Economic and
 Technical Studies and
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 Price: Not mentioned, Pages: 144

High Inequality

Ethnicity and the plight of the oppressed class are popular themes among Nepalese intellectuals. This book highlights different facets of the situation of the oppressed class, including their social status in the context of Nepalese society. Interestingly, Brahmins still lead the process of social reform in the terai and hills. A terai Brahmin himself, Dr. Jha comes out with important issues of discrimination against the community. The book highlights the plight of the large segment of the oppressed class that continues to be deprived of its right to equality.

The book, which is based on articles presented at seminars organized by the Center for Economic and Technical Studies, provides a historical perspective of the oppressed class. Whether in the terai or in the hills, Nepalese society has evolved through the tenets and structures of Hinduism. According to the Manu Smriti, society is divided into two classes, "touchables" and "untouchables". The class division is based on the profession of the individual.

Although Dr. Jha tries to make a distinction between the "untouchables" of the terai and the hills, he has not been able to show any significant differences in the way they are treated in those regions.



*Belpatra, Written by Bal Dev Sharma Majgaiya
 Published by Sabitri Sharma
 Price: Rs. 55, Pages: 56*

By M.S.KHOKNA



TRANSITION

ELECTED: Former member of parliament and senior advocate **Sindhu Nath Pyakurel**, as president of Nepal Bar Association (NBA). Heading a joint left panel, Pyakurel defeated

Jivan Ram Bhandari of the pro-Nepali Congress 'democratic panel'.

LEFT: Dr. Mohammad Mohsin, chairman of the National Assembly, for Phnom Penh, Cambodia, heading a five-member parliamentary delegation to the first convention of the Association of

Asian Parliaments for Peace (AAPP).

Dr. Dilli Raman Regmi, senior politician, for Bangkok, Thailand, for medical treatment.

FILED: A writ petition at the Supreme Court, terming the government's practice of de-

claring public holidays through directives and notices as unconstitutional, by **Bharat Jangam**, chairman of the Forum for Independent Thinking.

ATTACKED: Gopal Shiwakoti Chintan, human rights activist, by unidentified people, in the capital. ■

NEPALESE YOUTH Political Pawns

With few opportunities and fewer role models, the youth feel they are getting a raw deal

By AKSHAY SHARMA

The hordes of young people that are a regular sight in front of Singha Durbar entrance mysteriously disappeared last week. On any given day, rural and urban youth alike can be seen waiting dutifully for their turn to meet their elected representatives.

The purpose is clear. Ministers and members of parliament say they receive each day several young constituents who are in search of employment. Jobs have always been scarce. But today's youth won't take no for an answer. They seem to be surviving in a world of their own.

"Nepal's society in a transition phase because of illiteracy," says sociologist Padma Lal Devkota. That process has created a confusing image of rural and urban youth, which goes on to raise questions about the role they are expected to play in society. "Are the youth to be exploited as anarchists, political activists or members of other organizations that pose a threat to the future of the country?" asks Anil Chhetri, a student. He feels the country has more pressing social problems to attend to.

Giridon Bisson declared in 1793, "It is necessary to define anarchy. Laws that are not carried into effect, authorities without force and despised, crime unpunished, property attacked, the safety of the people corrupted, no constitution, no government, no justice, these are the features of anarchy."

Many youth blame today's corrupt politics for the way they are being misled. Kushal Timilsina, a student, says the youth are easily exploited by various organizations under the banner of nationalism.

"We should try to create an organization to raise awareness among the youth and to channel their energy in the right direction. Nepal's youth need not be portrayed around the world as the youth in the book 'The Lord of the Flies' are," he says.

A study says 300,00 young people enter the job market every year. Very few from this pool end up getting jobs. The rest go on to provide fertile recruitment ground for political parties.

"The youth must be given the opportunity to acquire knowledge," says Dr Jagdish Chandra Pokhrel, a member of the National Planning Commission. Few youngsters would dispute that. But they say they need time and space to develop themselves as productive individuals and members of society.

"Why are we being exploited by individuals and organizations from all sides when we should be focusing on future of

the country," asks Kushal.

The adage that the children of today will determine the future of tomorrow has added relevance in a country like Nepal, which is trying to craft a secure future from the turmoil of today.

It is not clear whether the disappearance of the youth from the Singha Durbar entrance last week had anything to do with the Nepali Congress convention being held at Pokhara at the same time. But any student of Nepal's politics and its youth would be tempted to establish a link. ■



Singha Durbar : Where has the crowd gone?

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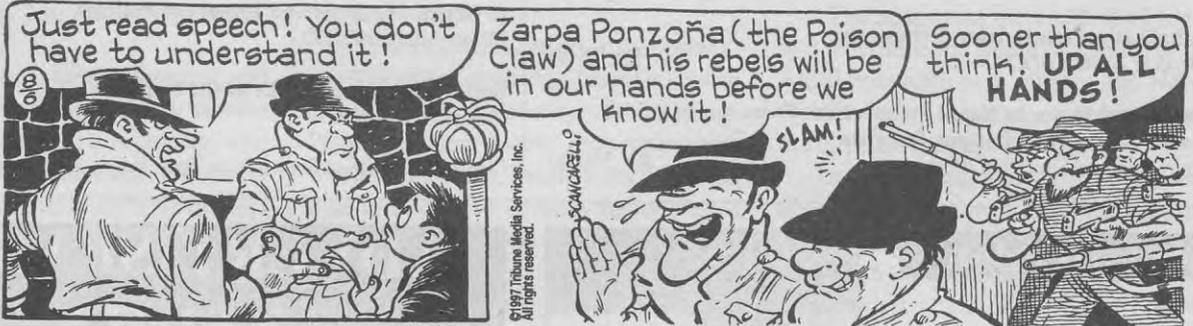
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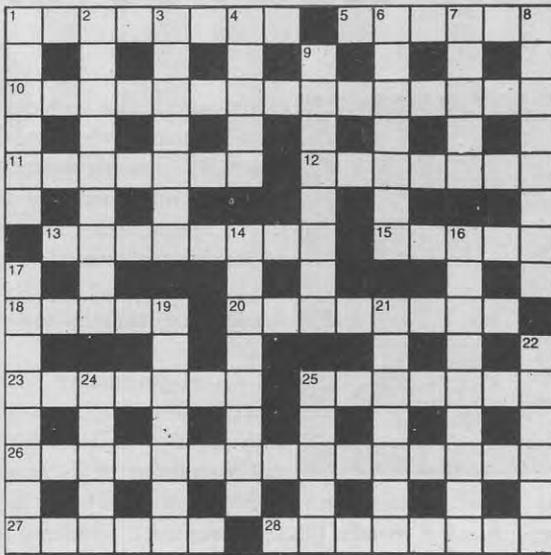
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5. Nervous leaders of army facing assault (6)
10. Retrospective of passion play (4,4,2,5)
11. Jet's designer had to make repeated cuts (7)
12. Alcove for statue made of clay, intrinsically effective (7)
13. Joker, say, can be a match for any character (4,4)
15. No end of sweat, using this tool? (5)
I must leave recount, to return after an interval (5)
20. Attractive fields taking long to cross (8)
23. Cut corners in room that's fine for bachelor (7)
25. Conductor's strange variation (7)
26. Admitting recreation I preferred for a spell? (15)
27. Old fool injecting almost extinct bird with preservative (6)
28. Lack of air sounded a difficulty where highest peaks are (8)

DOWN

1. Find a wife in orican country or another (6)
2. I'll shoulder my equipment, stay with the leader, and make notes (9)
3. Given some money back as disputant switches sides (7)
4. Secret source of timeless prestige (5)
6. Flatter type of fabric (7)
7. What green may mean, in painting's special language (5)
8. Delighted, possibly having ended on the rocks, welcoming rescue craft (8)
9. Idle dogs resolved to knock off (8)
14. First appearance of Hook, or second, in theatre (8)
16. Two types of wood that may be used for kindling (9)
17. Parliamentary officer threatening the bar (5,3)
19. One clarifying limits of rule right to support penalty? (7)
21. Withdraw as reaction to superficial irritation (7)
22. One-time goddess describing progress in AA? (6)
24. Somewhere to sleep, when starting a course (5)
25. In South Africa, general signs of pollution (5)

ACROSS : 1. Maverick 5. Afraid 10. Look back in anger 11. Whittle 12. Lunette 13. Wild card 15. Lathe 18. Later 20. Pleasant 23. Chamfer 25. Sargent 26. Reconstructible 27. Dotard 28. Asphyxia
DOWN : 1. malawi 2. Violinist 3. Rebased 4. Cache 6. Flannel 7. Argot 8. Darkened 9. Dislodge 14. Asprate 16. tinderbox 17. Black rod 19. Rifiner 21. Stratch 22. Athena 24. Ascot 25. Smuts

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“He who knows the secret of my divine birth and action, his body left behind, is never born again; he comes to me.”

SATHYA SAI BABA

Helping Nepalis Seek Nepali Solutions

By SUE WARDELL

In recent years much has been written and spoken about the link between good governance and development. It is, as if out of the blue, a new panacea has been found for failures in achieving development objectives in the past. Some say good governance is the current flavour of the month in the world of development.

However, history books tell us that recognition of the need for good governance has been around for much longer than the current pontificators may realise. Interestingly, the British government-assisted Enabling State Program (ESP) that focuses on good pro-poor governance was launched on Prithvi Jayanti, the birthday of the founder of Nepal as a unified country who also propounded ideas of good governance. It might be useful to reflect on King Prithvi Narayan Shah and his approach to governance.

Born in 1723, and ascending the throne at the age of 20 in 1743, learned historians tell us his rule was noted for his proficiency in leadership and his emphasis on justice, efficiency and tolerance — all important ingredients for good governance. He passionately believed that if the people are the real wealth of the nation and that if the people prosper ... the country becomes strong. His policies focused on the development of agriculture, trade, cottage industries and mining. Economic prosperity was therefore one of his central aims and clearly he was a person concerned about human resource development, to use today's terminology. He recognised more than two hundred and fifty years ago the responsibility of leadership to lift people out of poverty. There may not have been specific international development targets in those days but he was certainly heading in that direction for the people of Nepal.

King Prithvi Narayan Shah recognised the importance of an effective bureaucracy. As a ruler he was noted as a sound and quick decision maker, he modernised the administration of his enlarged domain, he introduced land classifications for raising revenues, and he gave top consideration to merit in all his appointments to important positions in government. If we convert this to today's concerns he avoided procrastination and took action in a timely manner, he instituted civil service reform, he increased the revenue base of government, and he promoted ability rather than relatives through meritocracy rather than nepotism. We can therefore see he addressed some of the important tenets of good governance.

King Prithvi Narayan Shah was also concerned about corruption. He is reported as saying those who offer bribes and those who accept bribes are equally guilty and are the enemies of the State. He put in place anti-corruption measures and severely punished those found guilty of corrupt practices.

He also recognised the diversity of religious, traditional rites, customs and manners in his new kingdom. He won the hearts of the people by respecting these diversities. At the same time his unification strategy ended the perpetual internal squabbles between different groups that had dogged the country for so long.

So here we are today, two hundred and fifty years later, launching the ESP that seeks to assist Nepalis find Nepali solutions to their



current governance problems. And that agenda includes, among other things, lifting people out of poverty, ensuring economic growth and stability, reforming the civil service, human resource development, institutional strengthening, eradicating corruption, resolving conflicts, and giving voice to civil society. This agenda would not be unfamiliar to King Prithvi Narayan Shah.

Good governance, and pro-poor governance in particular, is essential if democracy is to work and for the state to deliver on the hopes and aspirations of its people. Dealing with inadequacies in governance is critical if better delivery of development is to take place. Governance problems block reform and progress and finding solutions to those problems is an agenda that cannot be avoided. Nepal recognises this and hence the need to establish processes that will address the concerns and difficulties.

The ESP aims to provide Nepalis with the opportunity to better understand their governance problems and to find solutions, that will work in a Nepali context, to address them. Through a process of problem definition, problem analysis, solution seeking and support for change activities it is envisaged that governance problems will be reduced and a climate for progressive improvement established.

Although many of the outcomes of ESP will take the form of specific projects to bring about reform, the primary aim is to develop and support Nepali change advocates and Nepali change agents in the complex arena of governance.

There are unlikely to be quick fixes. The processes of change and reform take time. The DFID recognises this and accordingly is taking a long-term view by supporting ESP in the first instance for eight years. Regular reviews of outcomes will inevitably lead to revised approaches but the essential feature of Nepalis seeking Nepali solutions will remain intact. ESP will not just focus on the centre in Kathmandu. The programme involves establishing a number of peripatetic, or mobile, ESP units that will operate at district levels. These aim to give voice to the broader segment of Nepalis who do not reside in the Kathmandu Valley. Their role will be critical to the success of the programme and the reform process that must impact all Nepalis.

The ESP can only succeed if all sections of Nepali society become involved. This includes not only the public sector, but also the private sector, the non-government sector, voluntary organisations, and civil society. A state that enables, and a state that is enabled, has to interact with all if change and reform is to be accepted and embedded. It is therefore not insignificant that ESP will be reporting directly to the Prime Minister's Office where all aspects of governance will be monitored.

The Nepali and British governments reaffirm their commitment to pro-poor governance and to actions that will ensure it comes about for the benefit of all the people of Nepal. The challenge is substantial but not insurmountable. ■

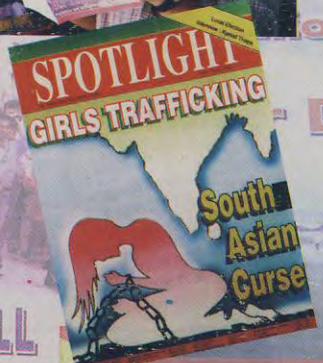
This article is based on a speech Sue Wardell, chief of DFID Nepal, delivered at the ESP launch ceremony earlier this month.

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