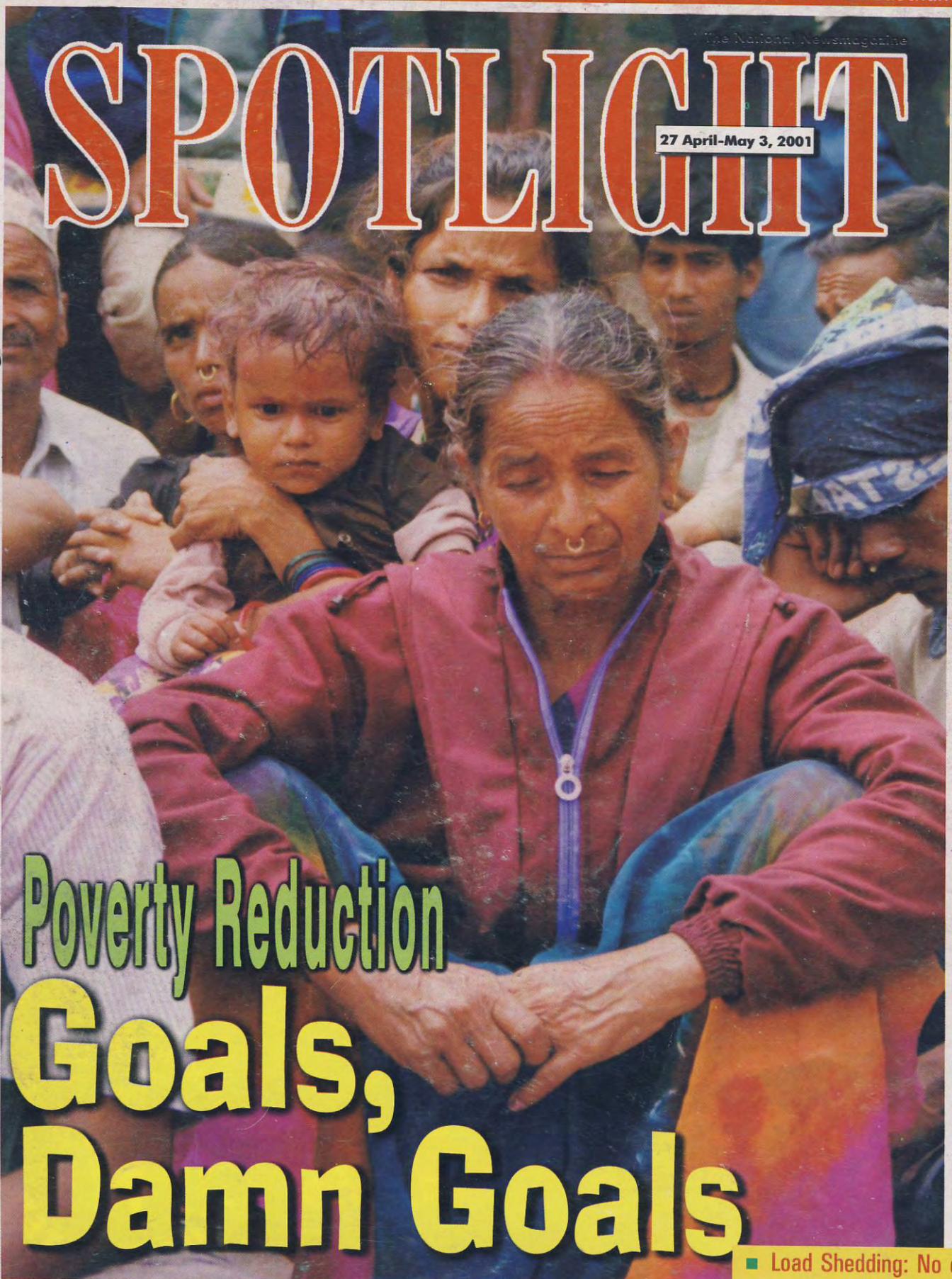


The National Newsmagazine

# SPOTLIGHT

27 April-May 3, 2001



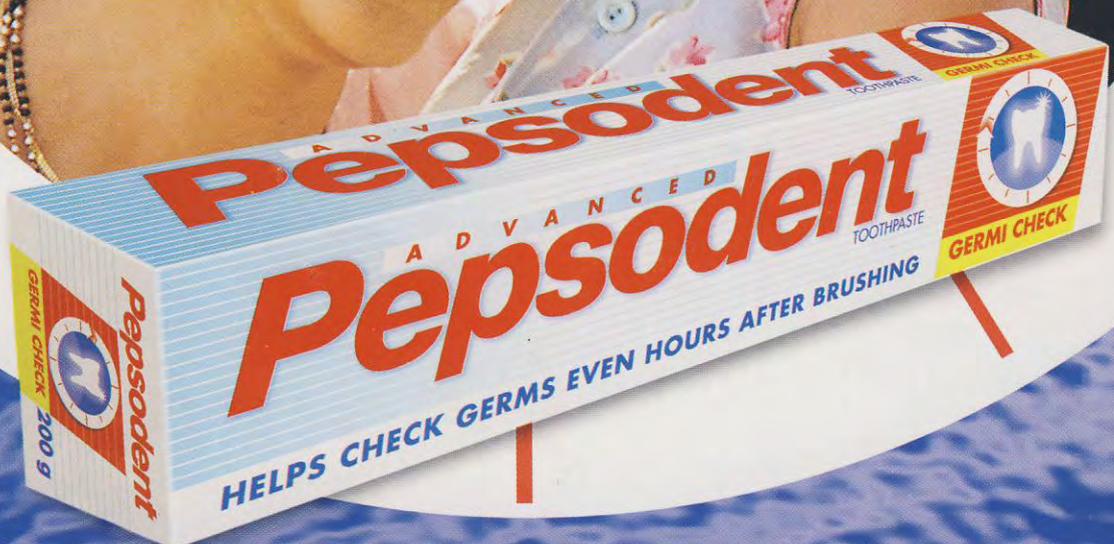
## Poverty Reduction Goals, Damn Goals

- Load Shedding: No end
- Higher Education Project
- RPP Strategy

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## COVER STORY : GOALS DAMN GOALS

Despite five decade long development planning, the incidence of poverty goes on increasing in Nepal. And, the government is finally coming up with new strategies

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## ELECTRICITY SUPPLY: Powerless Days Ahead

The inadequacy of reservoir-type hydropower projects in the country forces its people to reel under prolonged power-cuts

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## ENCOUNTER : ALEN EASTHAM

The acting US Assistant Secretary for South Asia, Eastham talks about ongoing political and other developments in the country

(Also seen in the picture is US envoy Ralph Frank)

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# SPOTLIGHT

THE NATIONAL NEWSMAGAZINE

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## EDITOR'S NOTE

The Bangladesh-India border skirmish in which precious human lives on both sides have been lost has sent chilling waves in the hearts of many Nepalese. That such close neighbors should have resorted to fire arms has not only come as a big surprise but shocked many. What prompted such a small country as Bangladesh stand up to a giant like India is simply baffling. That the Bangladeshi government was not aware of the action taken by the Bangladeshi Rifles is a statement too difficult to be swallowed. No ghost need come from hell to tell us that the Bangladeshis must have been forced to a corner from where they had no other alternative to safeguard their national interests. As we are well aware of the prowess of the mighty Indian publicity machinery, it might be difficult for us to accept the Indian reporting even with a pinch of salt. And we know others, too, might be suffering from the same constraints.

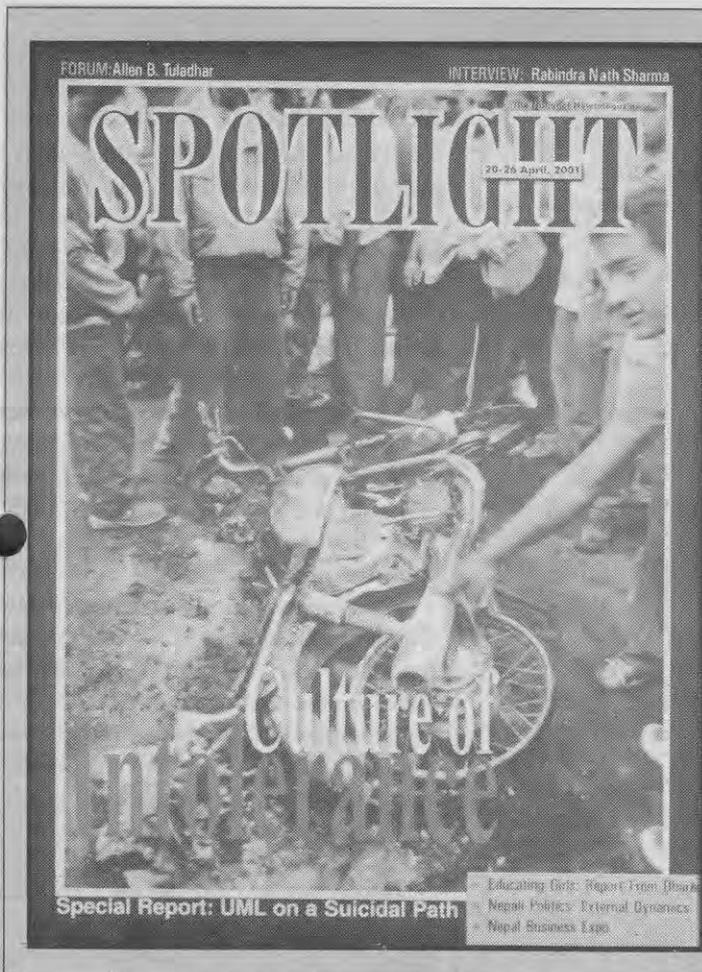
Since we cannot even imagine that Nepal-India relations will ever permit such a situation to happen, the recent event in Bangladesh has warned us not to stay complacent any more. India is not only big but a nuclear power. They can afford to take liberties in their relationships with their smaller neighbors. As far Nepal is concerned, she had had to face too many difficult situations in the last fifty four years. Even now a few burning issues like the Kalapani, the Bhutanese refugees, the non-implementation of the Mahakali treaty and above all the accusation of permitting ISI activities in Nepal have generated big fissures in the bilateral relations and Nepal as the smaller and vulnerable partner is paying through her nose. On top of that, the political destabilization due to the unrestricted activities of the RAW (Research and Analysis Wing of the Government of India) and the violent anti-government activities of the Maoists have turned the country totally fragile. India is so much engrossed in bringing Nepal under her security umbrella that she is totally overlooking the reality that a strong and stable neighbor, even though small, is a good asset in times of need. Moreover, she must not lose sight of the fact that inimical relations with all her neighbors may prove counterproductive in achieving her aspirations.

The myth of age old friendly relationship between Nepal and India has started to break steadily. Since Indian statesmen and bureaucrats have not been able to shake off the colonial legacy, the patriotic Nepalese are finding it hard to nourish the feeling India's size and might and as a close neighbor deserves. If one were to analyze the reasons for such a predicament objectively, the accusing finger is sure to lift towards India. If one did read the noted Indian columnist Kuldip Nayar's write up in The Kathmandu Post of April 23, 2001 "New Delhi's finger in Nepal's pie", one may very well understand the above mentioned accusation. It may not be irrelevant to quote a few lines from the said write up. "Nepal is poor and volatile. India should be engaging itself to win over the people of such a country, not the petty games it is playing at times to have a say in Nepal's internal politics".

It is very gratifying to note that the situation in Bangladesh-India relations are becoming normal. We do wish Nepal may never have to face similar situation. And it is in better interest of the super giant India not to let the relations with any of her smaller neighbors sink so low.



**Madhav Kumar Rimal**  
Chief Editor & Publisher



## Rule Of The Games

*It is absolutely true that tolerance, patience and respect for institutions and the rule of law are the basic tenets of pluralistic politics ("Culture Of Intolerance", SPOTLIGHT, April 20). Unfortunately, our political leaders have preferred to violate these rules of the game, thereby inviting the current anarchy in the country. Until and unless these pre-requisites of democracy are fulfilled, the nation will continue to encounter violence, conflicts, corruption and a host of other ills.*

**Diwakar Thapa**  
Min Bhawan

## Threat From Within

Your cover story "Culture of Intolerance" (SPOTLIGHT, April 20) provided an insight into our political culture — which is the root cause of all the problems the country is facing today. I found your piece to be an excellent review of the way our democratic system is functioning. The quotation from the renowned political scientist Samuel Huntington, about how threats to Third World democracies come from within the participants of the process, is quite apt in Nepal's case. It is because of the behavior of our own leaders that the system is now under threat. Are our leaders listening?

**Bishal Gurung**  
Chabahil

## Critical Point

Nepal today is in a critical point of its history ("Culture of Intolerance", SPOTLIGHT, April 20). Assaults on the present establishment are getting increasingly violent from several quarters. The birthplace of Lord Buddha faces the threat of growing intolerance. The people are confused, the leaders are indifferent, and certain elements are taking advantage of this chaotic situation. The people and leaders must now come together to forge a strong alliance to keep such elements at bay.

**Ganesh KC**  
Satdobato

## Unholy Alliances

The history of the last ten years of democracy in Nepal shows that our political leaders

have gone to unimaginable lengths to hold on to power ("Culture of Intolerance", SPOTLIGHT, April 20). They have had no qualms in sharing power with the erstwhile panchayati leaders they supposedly fought to overthrow. They have not stopped from bringing down their own government. Whether these weird actions are the result of the immaturity of our leaders or an indication of their outright disrespect to morality and ethics, they have led to growing cynicism among the people over the efficacy of the multiparty democratic system.

**Pravin Shakya**  
Balaju

## Let Nepal Learn

The recent Bangladesh-

India border clash was indeed very unfortunate. Why the two close neighbors come to blows may seem enigmatic to many? But looking at the general euphoria here generated by the violent incidents, it seems the Bangladeshis had no option. The frequent needling by the superior might, the domineering attitude of the bigger neighbor had started becoming unbearable. When the provocation became unbearable, the Bangladeshis wanted to show to the world that even a giant like India cannot subdue a small country. India's hegemonistic policies had been hurting the pride of the Bangladeshi people. Knowing fully well that they cannot match their might, the Bangladeshis were forced to act the way they did. This must come as a good lesson to the domineering Indians that it never pays to belittle even a small and powerless neighbor. If we Nepalese could learn something from such unfortunate incident, the Indians may change their behavior towards us and start honoring the international norms. Our politicians and government are too much under the Indian thumb and cannot act like the Bangladeshis. However, we here do hope that there are some nationalist forces in our country also who know how to safeguard their and their country's honor. This tragic incident may also open the eyes of the Indian statesmen that their smaller and weaker neighbors should not be taken for granted. Kindly publish this letter in your esteemed weekly so that this message should go to all patriotic Nepalis.

**The Nepali students**  
of Bangladesh

## Mother And Son Take SLC Exams

Thirty-eight-year-old mother Bharati Kharel is taking the School Leaving Certificate (SLC) exams together with her 16-year-old son, reports said. A resident of Biratnagar sub-metropolis at Jamungachhi, Mrs. Kharel had first appeared in the exam 22 years back but had given it up after she got married. Kharel,



Students appearing in exam

who is appearing as a private examinee from the Gograha higher secondary school, said she had decided to take the exams because life these days would be useless without passing the SLC. *Himalaya Times, April 22.*

## 154 People Die Of AIDS In Achham

A recent study has indicated that more than 150 people have died of HIV/AIDS in the far-western district of Achham alone. A study conducted by Save The Children (UK) in 61 out of 75 village development committees in the district showed that at least 154 people, including four children, have died of AIDS over the last decade. Most of the victims were women of so-called lower caste. The report said there are 12 persons in the district living with HIV/AIDS and 28 more with full-blown AIDS. K. K. Singh of the Reproductive Health Project, being operated with assistance from GTZ, said the figures grossly contradict those produced by the National Center for AIDS and STD Control saying that only 150 people have died of AIDS in

the entire country. Many people from this remote hilly district work in Indian cities, including Mumbai, as migrant laborers, and bring home and spread the dreaded disease, the study said. *Compiled from reports April 21.*

## Maoists Threaten Policeman's Family

The Maoist rebels in Kalikot have threatened the family of a police constable who died in the Rukumkot massacre early this month, leading them to seek refuge in the district headquarters of Manma. According to a report, the family of late police constable Raya Bahadur Rokaya fled their house after the rebels demanded Rs 400,000 from them out of a compensation of Rs 750,000 they are entitled to receive from the government. The rebels also beat

family members mercilessly, the report said. *Kantipur April 18.*

## The Costs Of 'Bandh'

A recent survey has said the tourism sector suffers a loss of nearly Rs 40 million for every day of 'bandh' (shutdown strike). According to the survey, conducted by Pro-Public, an advocacy group, each tourism-related firm surveyed said it lost Rs 235,000 in one day's bandh. The survey conducted among 169 travel trade operators said the accumulated loss for one day stood at Rs 39.7 million. The survey said over 3,700 tourists would cancel their visits to Nepal and another 3,800 shortened their visits on each 'bandh.' Over 96 percent of the respondents said they disapproved of 'bandhs' while only 4 percent said they supported them. *Compiled from reports April 18.*

## Rebels Loot Banks

Suspected Maoist rebels have looted nearly Rs 12 million in cash and kind by raiding local branches of two banks in eastern Nepal in the second week of April. According to police, nearly a dozen rebels entered the local bank branch at Ghailaduba in the eastern district of Jhapa Sunday afternoon. They covered security guards and asked the cashier to hand over them the entire booty. Within 12 minutes, they were at large with Rs 800,000 in cash and gold and jewelry worth Rs 8.3 million. They also seized five guns from guards. Police arrived on the scene nearly 15 minutes after the robbery. In a separate incident, suspected rebels raided a local branch of Rastriya Banijya Bank at Necha VDC in the eastern hilly district of Solukhumbu last Thursday. They looted Rs 3.7 million in cash and kind. A rebel was killed during an encounter. The rebels, who were engaged in a gun battle with police for nearly four hours, also looted five guns from the bank guards. *Compiled from reports April 16.*

## Army to Be Mobilized In 16 Districts

With the meeting of the cabinet endorsing the concept of "integrated security and development," Royal Nepal Army personnel will now be mobilized in 16 out of 75 districts of the country most affected by the rebel activities, a weekly newspa-

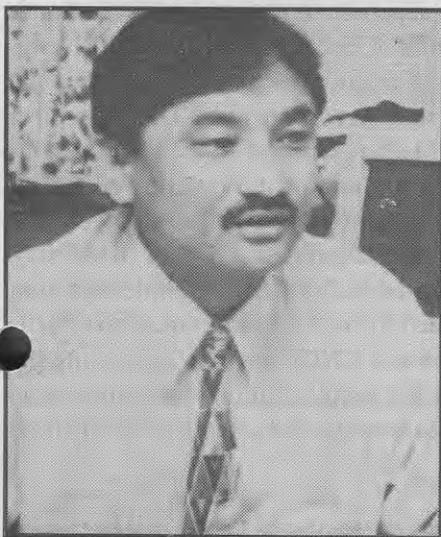


RNA personnel

per reported, quoting sources. As the King has agreed to the government's proposal to mobilize the army to maintain law and order in the country, the government's concept is likely to materialize. According to the plan, the government would launch development activities in those districts in coordination with security agencies. The army personnel will also be stationed with police at the police posts to raise the morale of the police. With the new arrangements, officials hope that they would be able to avoid incidences like the recent massacre of policemen during rebel attacks early this month. *Deshanter April 15.*

## FNCCI Suggests Measures

The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) has submitted a report along with recommendations to restore law and order to promote industry and businesses in the country. According to RSS news agency,



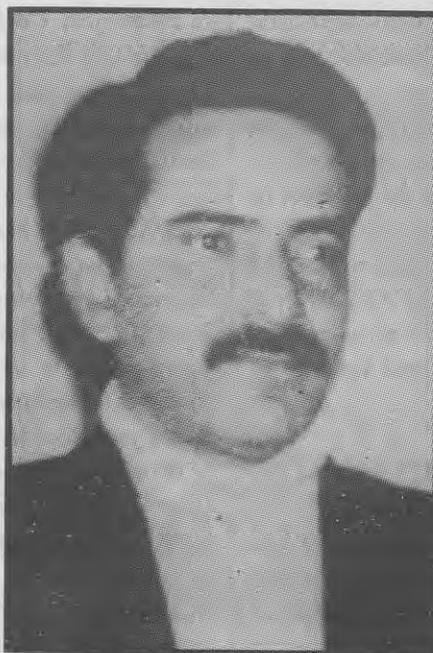
FNCCI Chief Shrestha

the report submitted to Deputy Prime Minister Ram Chandra Poudel has urged the government to take immediate measures to guarantee law and order. The government should jointly take ahead the "economic agenda" with other political parties and other forces, formulate and implement a time-bound program to ensure law and order, the body said. The FNCCI alleged that the government has been unable to arrest those involved in arson, robbery and explosions at industrial establishments. The FNCCI de-

manded that frequent strikes should be done away with and called on political parties to adopt alternative methods of protests. *Compiled from reports April 18.*

## 'Army Mobilization To Help Maoist War'

Chairman of the Communist Party of Nepal (Maoist), Comrade Prachanda, has said the mobilization of Royal Nepalese Army personnel by the "corrupt and widely discredited" government led by GP Koirala would help in the qualitative military development of the 'people's war.' It also proves the new height attained by the people's war, Prachanda said. This will also practically end the political role of the parliament and parliamentary factions in the Nepalese politics. This will lead the entire country toward a decisive fight between the revolutionaries and anti-revolutionaries, between the Maoist 'people's war' and the army. The army itself will pass through a phase of rebellion and dissolution. And, finally the people's war will attain victory. But this should not mean that we want to invite the army and bloodshed. We are still in favor of a political solution. But if the 'reactionaries' force us, we are prepared to give them a 'tit for tat.' *Janadesh, April 17.*



Prachanda

## Global Green

### New Political Power Of 21st Century

Over 700 participants from 71 countries of six continents met at Canberra, Australia, between 12-16 April 2001, where they passed the resolution to form a 'Global Green Network' of all Green Parties and Institutions working for green movements to work unitedly to improve global environment to enhance the quality of life with sense of dignity and for the promotion of value-based politics. The gathering decided to fight against poverty and political powerlessness of the impoverished and marginalized group, condemn all dictatorship and regimes that deny the human rights, uphold the rights of women, support the rights of children's, support the rights of indigenous people and support the rights or workers with assured basic needs leading to sustainable development. Global Greens will campaign for the greater power for the countries of the South, and support strengthening the role of UN as a global organization of conflict management and peace-keeping. Further Global Greens will seek to modify the role of World Bank and WTO (World Trade Organization) for the benefit of the economically poor countries adversely affected by the megamultinational and globalization. The leaders of the Global Greens movement expressed satisfaction on the encouraging growth of the Green Movements in such a short time around the world. And expressed hope that in coming two decades, the Greens shall run governments in most of the countries of the world. A dynamic team from the Green Nepal Party led by the President Kuber Sharma, with Central Executive Member Madhav Kumar Rimal, Shiva Bahadur Nepali Pradhan as delegates and Maita Lal Gurung and Mrs Gauri Rani Pradhan as observers, returned home after attending the Global Greens Conference 2001. The Nepalese delegation presented a country paper highlighting political corruption and Maoist activities. The delegation met the world leaders of the green movements who in turn expressed concern over the present unstable political environment in Nepal. ■



**Crown Prince Dipendra at a program organized on the occasion of 6th Asian Cross Country Championship**

**THE NEPALESE GOVERNMENT SIGNED THE** Cartagena Protocol on Bio-Safety approved by the convention on bio-diversity early last month, the Ministry of Forest and Soil Conservation said. The protocol aims at checking international trade in genetically modified organisms (GMOs). The technology can be used to improve strains of agricultural crops, prepare vaccines against many diseases and enhance defensive capability for fighting disease, thereby increasing production. But scientists believe that the technology is not fully secure and could have adverse effect on the environment, bio-diversity and human health.

**THE NEPAL FOOTBALL FAN CLUB (NFFC) HAS CON-**gratulated Nepal's national football team for winning its first ever World Cup qualifying match after they defeated Macau 4-1 in Iraq last week. This is a momentous occasion for Nepali football, Nepali sports and most importantly the over 23 million Nepali football fans around the globe, the club said. There is, however, a great air of sadness for the millions of Nepali football fans who have been gravely deprived of viewing this historic occasion due to the incompetence and apathy of All Nepal Football Association (ANFA) and Nepal Television (NTV). The ongoing ANFA feud is no excuse for not being able to show the games live on Nepal Television, the club said.

**THE TOTAL GOVERNMENT EXPENDITURE IN THE** first eight months of the current fiscal year 2000/01 has accelerated due mainly to a pick-up in regular expenditure despite a slowdown in development as well as freeze expenditure growth, a report published by the Nepal Rastra Bank (NRB) said. According to the NRB, during the review period an impressive growth of exports accompanied by a comparatively slower growth of imports helped narrow down the trade

deficit. Similarly, a significant growth in revenue collection coupled with an impressive growth in foreign cash grant has contributed to the growth of resources mobilization to 19.2 percent compared to 7.8 percent over the same period last year. The export of readymade garments, woolen carpets and jewelry to third countries declined whereas that of pashmina, tanned skin and pulses increased significantly.

**NEARLY THREE MILLION CHILDREN IN 72 OUT** of 75 districts of the country have been administered Vitamin A during the two-day national Vitamin A Program Friday, officials said. The capsule, administered to children between six months and five years, is part of a government strategy to reduce child mortality, night blindness, measles, chronic diarrhea and severe malnutrition in children. Officials said the program, introduced in 1993, has helped to reduce nearly 30 percent child mortality and has vastly improved the health of Nepali children.

**THE UNITED NATIONS DEVELOPMENT PROGRAM** (UNDP) has agreed to support a three-year project — Landscape Scale Conservation of Endangered Tiger and Rhinoceros Population — in and around the Royal Chitwan National Park (RCNP), reports said. According to UNDP, the project document was signed Madhav Ghimire of the Finance Ministry and Ms. Alessandra Tissot of the UNDP. A separate project cooperation agreement was also signed between the King Mahendra Trust for Nature Conservation (KMTNC), the executing agency, and the UNDP for the implementation of the project. Co-funded by the Global Environment Facility, the UN Foundation and UNDP are also supporting the project. More than 100,000 people residing in and around the corridor forest in the area are expected to be directly benefited by the project.

**NEPAL HAS MADE CONSIDERABLE PROGRESS** over the last one decade since the restoration of democracy, a senior government official said. Finance Minister Dr. Ram Sharan Mahat told a meeting of ruling Nepali Congress party workers at Dhangadhi in Kailali Saturday that the blacktopped roads increased from 7,000 km to 14,000 km in the past decade. Similarly, there was an addition of 350 MW of power during this period and some 240,000 telephone lines were installed. The minister said Nepal had made notable progress in the areas of road transportation, health, communications, electricity, among other areas, over this period. Dr. Mahat said the government had introduced the internal security and development plan to intensify development and construction works in the Maoist-affected areas. ■

**“If you have the courage, come through constitutional means.”**

*Prime Minister Girija Prasad Koirala, challenging the opposition to demand his resignation through the constitutional process, in Himalaya Times.*

\* \* \*

**“Saline administered by external forces will not save this government. Panchayat, Marcos or Estrada couldn’t survive that way and neither will this government.”**

*Madhav Kumar Nepal, leader of the main opposition and general secretary of the Unified Marxist-Leninist, when asked to comment on the recent statement by the US ambassador, in Gorkhapatra.*

\* \* \*

**“Demanding his resignation is our right, not that of the opposition.”**

*Krishna Prasad Bhattarai, former prime minister, saying that it was up to the Nepali Congress itself to demand the resignation of Prime Minister Girija Prasad Koirala, in Himalaya Times.*

\* \* \*

**“I am trying to speak in the capacity of a Mai Ka Lal (mother’s son, literally).”**

*Sher Bahadur Deuba, former prime minister, reacting to the speech by Congress leader and former deputy*



Nepalipatra

*prime minister Shailaja Acharya where she said there was no “Mai Ka Lal” in the Congress party who could replace Prime Minister Koirala, during a public program, in Spacetime.*

\* \* \*

**“Can dialogue happen by suppressing the people and beating the opposition lead-**

**ers with baton?”**

*Khadga Prasad Sharma Oli, deputy leader of the opposition Unified Marxist-Leninist party, ruling out the possibility of dialogue with the Koirala government, in Budhabar.*

\* \* \*

**“There is no denying the possibility of mobilization of the army in proper time to support the national interest and to provide peace and security as well as undertake development activities.”**

*Prajwala SJB Rana, chief of army staff, addressing a program held at army camp in Shivapuri, in Nepal Samacharpatra.*

\* \* \*

**“The hands of the army will also be tied if a state of emergency is not declared.”**

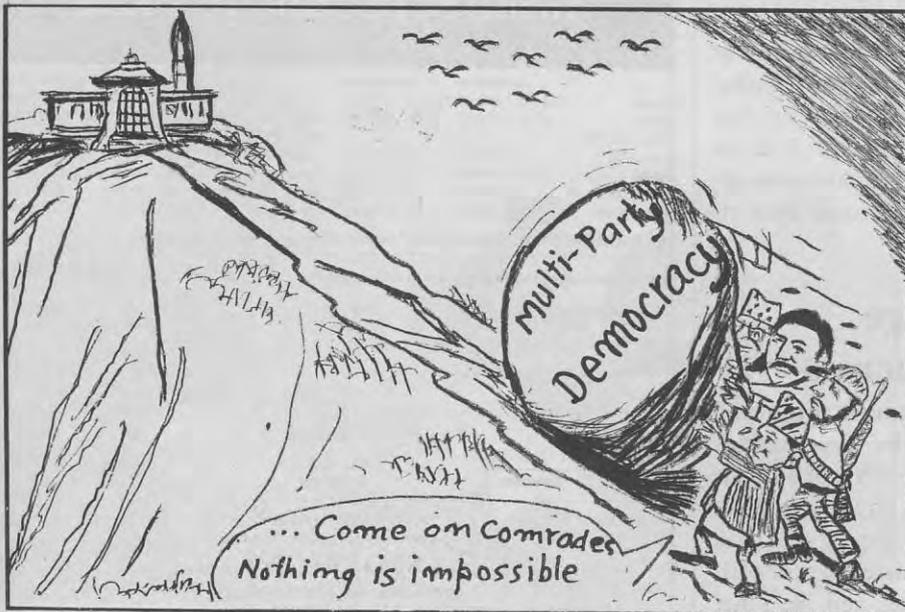
*Satchit SJB Rana, former chief of Royal Nepalese Army, in Deshanter.*

\* \* \*

**“I took Rs 200,000 to work in my latest film ‘Yo Kasto Prem’.”**

*Niruta Singh, considered to be one of the most expensive actresses in the Nepalese film industry, in Ghatana Ra Bichar.*

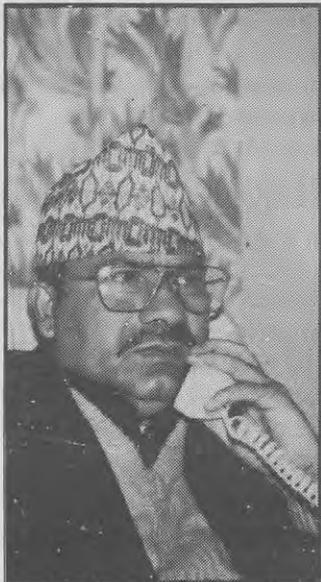
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Deshantar

## Face-saving Formula

Prime Minister Girija Prasad Koirala and shadow prime minister Madhav Kumar Nepal seem to have decided to fight it out to prove who holds the moral high ground in the current political stalemate. Although the leader of the main opposition party was sitting along with his comrades at Putali Sadak in an effort to block Koirala from entering Singh Durbar, the prime minister's driver lost little time in finding his way into the secretariat. Infuriated leftist cadres went on a rampage, tearing off sidewalk railings and throwing stones in all directions. This prompted police to fire tear gas canisters, which heightened tensions on the streets. Nepal and



Nepal : Shadow's showdown

his comrades were taken into custody for seven hours. Koirala was able to go to work; the opposition leaders could criticise him for doing so through official high-handedness. A face-saving formula for everybody.

## Old Habits Die Hard

Prime Minister Girija Prasad Koirala still appears strong enough to face any threat from the opposition parties. In his entire political career, Koirala has always been facing stiff opposition. It seems that contending with opponents is almost second nature to him. Following the restoration of democracy, he escaped



PM Koirala : Down but not out

unhurt when a group of communist workers tried to stone his car. In his first tenure as head of government, communist workers made every effort to tarnish his image. It seems Koirala and his communist opposition are natural born rivals.

## Dual-age Bureaucrats

Foreigners might be struck by the discrepancies in the ages of Nepal's senior bureaucrats. It seems almost all civil servants have at least two births date, one for official purposes and the other for personal use. Because of

these differences, some bureaucrats continue in their post well past retirement age. Unfortunately, others have to retire even before completing their terms. If one checks the certificates of the senior bureaucrats or judges, every one has record of making suitable amendments.

## Satisfy The Speaker

An irate House of Representatives Speaker Taranath Ranabhat has finally cooled down after Prime Minister Girija Prasad Koirala invited him as a guest member in the Congress Central Committee meeting.

Ranabhat is known as a man of determination and nobody is ready to predict what he might do when he is either angry or elated. He is now making efforts to bring the opposition parties



Ranabhat : In good humor

into the national mainstream. Last time around, after he felt he was cheated of his rightful victory in the central committee elections in Pokhara, Ranabhat's stubbornness was blamed for the disruption of the entire winter session of parliament. Let wisdom prevail on the Nepali Congress to keep Ranabhat in good humor.

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## RPP POLITICS

# In Search of Consensus

As the main opposition party seems to be veering towards the extreme end of politics, the RPP steps in with a moderate approach

By KESHAB POUDEL

At a time when the main opposition party CPN-UML and five other left parties are leading a nation-wide violent agitation demanding the resignation of Prime Minister Girija Prasad Koirala, the Rastriya Prajatantra Party (RPP) — the third largest group in parliament — has proposed a formula to end the current national crisis.

Heading toward the extreme end of the political spectrum, CPN-UML leaders have announced that they would obstruct the proceedings of the upcoming budget session of parliament. Although the RPP formed a joint front with the communists in the last session to obstruct the proceedings of the house, this time the RPP has not spelled out whether it would back the communists during the budget session of parliament.

"The party has not taken any decision on whether to continue to boycott parliament in the forthcoming session or not,"

said RPP president and former prime minister Surya Bahadur Thapa.

The RPP's latest move has underscored that the national political scenario is undergoing a drastic change. "It seems that the communists are heading towards the extreme end with their irrational demand. If the UML wants to be a leader of radical communists, it will have to pay a heavy political price," said a political analyst.

Interestingly, the RPP's political proposal has come a time when the UML and other communist outfits are losing popular support inside the country. Earlier, communist-led protests received strong grassroots support in the capital. But this time, their support base seems to have been drastically eroded.

Although the agitation is being organized by all major communist parties represented in parliament and is being supported by radical outfits, the participation of the common people has remained negligible.

"It seems the agitation of the commu-

nist parties has irritated the local population," said a political analyst. At this juncture, the RPP's proposal for peaceful political solution has considerable meaning," the analyst added.

The violent activities of the CPN-UML and other communist factions have created an uproar among the people. Worse, Western democratic countries have openly started to question the credibility of the CPN-UML.

The RPP's gambit seems to be a well-planned effort to gain its previous status as a major political force. Whatever the political circumstances may be, the CPN-UML leadership seems to be adopting a more extreme posture even if they do not get the desired level of the public support.

"We may disrupt the forthcoming winter session of parliament again if Prime Minister Girija Prasad Koirala refuses to resign. We will announce stronger programs to oust Koirala," said UML general secretary Madhav Kumar Nepal, addressing the reporters in Nepalgunj.

"The ongoing political turmoil will not end without the participation of the parties which do not have representatives in parliament. The weakness of the RPP's proposal is that it has sought to bypass the other forces that are outside of parliament," said Kuber Sharma, president of Green Nepal Party.

The RPP leadership, however, sees the need to bring all political forces into the national mainstream to find a way out of the current political stalemate.

"If required, the Congress should be prepared to make sacrifices and the main opposition party CPN-UML, too, has to be more flexible in its stand," said Thapa. RPP leaders have proposed a three-point framework. In the first phase, the party has called for the creation of a proper atmosphere for evolving a national consensus. Second, it wants a national conference comprising national political parties represented in parliament. Finally, it has proposed an all-party meet.

As the gap between the ruling and main opposition party seems to be widening, the RPP hopes to gain much advantage in the political process. The RPP's present strategy to maintain equi-distance between the Nepali Congress and the communists is also guided by similar concerns. ■



RPP leaders : New strategy



Bhote Koshi supply : A big support

## ELECTRICITY SUPPLY

# Powerless Days Ahead

The Nepal Electricity Authority's decision to increase the duration of load-shedding indicates that the people may have to face severe power shortages in the days ahead

By KESHAB POUDEL

**S**ales of small generators and back-up systems have sharply increased in Kathmandu, as almost all trading houses seek their own power systems in the midst of endless hours of official load-shedding.

Households in the terai districts have to spend blistering nights without fans and coolers. They are bracing for the coming sizzling days when temperatures go up to 40 degrees Celsius, as an early solution to the country's power shortage remains elusive. The severe power crisis was expected when the NEA started to use water from the Kulekhani reservoir until the last minute.

Because of growing demand, the prices of generators have gone up by as much as 15 percent. "We have received

orders for more than 100 sets of generators," said one supplier.

Even after the completion of four hydropower projects and the review of the power exchange treaty with India, Nepal's national grid does not have enough electricity to meet the demand in the peak season. The sudden power cuts announced by the NEA prove that, as long as there is no effective system in place, Nepal may have to continue facing a scarcity of electricity.

According to the NEA's load forecasting, Nepal's energy available in peak hour was 1600 GWh in 2000 whereas there was a demand of 1701 GWh. Now Nepal requires 1788 GWh of energy and the supply of electricity is 408 MW. It seems that there is a wide gap in the peak load supply. The peak demand of electricity is between 320-340 MW but the country cannot generate electricity

at the required level.

As the NEA has used storage water of Indrawati to generate the electricity during the peak season of December, the level of water is now so low that it cannot generate electricity.

Kulekhani I and Kulekhani II supply 90 MW of electricity. Although the newly installed Bhotekoshi, with its small reservoir, is said generate 36 MW in the peak hour, it is not able to fulfill the gap.

The NEA depends on four sources to supply electricity in April and May when the storage projects like Kulekhani are in no position to generate electricity, as snow-fed rivers like Marsyangdi, Trishuli and Sunkoshi have little amount of water discharge. Compared to the months of June, July, August, September and October, electricity generation in April falls to half.

According to the NEA's annual report of 2056, an average 5,000 MWh of electricity was generated in June, July, August, September and October. But production fell to about 2,500 MWh in the months of March, April and May.

"Since there is a sharp difference in the energy generation capability of each run-of-the-river power houses in winter and summer, there is sharp shortage of energy capability, which is to be subsidized by the accumulated water in storage-type power houses. This demands more storage-type power houses, which can balance and fulfill that total sharp drop found in all the river capability so far used for generation which is not the united case but cyclical per each year," said L.L. Pradhan in his article in Vidut magazine.

The NEA is meeting the deficit in the peak season through the import of electricity from India and running diesel power plants. Nepal generates 56.75 MW electricity from its five diesel power stations, including the Dhubi Multifuel I and II that have a total capacity of 39 MW. Nepal also imports up to 50 MW power from India during the season.

"The load-shedding may end only if there is heavy rainfall," said Bishnu

Bam Malla, managing director of the NEA. "The situation may also improve if enough snow melts in the Himalayas."

Others, however, do not see the latest phase of load-shedding ending any time soon. "Even with rising temperatures or some rainfall, it would be impossible to curtail load-shedding. Only the monsoon rains would be able to ease things."

The situation may have been averted if energy was used in a planned manner in the early days. The Bhotekoshi is said to be supplying 36 MW. Power generation from most of the projects goes down until May. Things will begin to improve after June.

From the month of June to September, Nepal will have surplus production and may not have to import power. If we see the trends of 1999/2000 and 2000/2001, Nepal continues to import electricity from India at an average rate of 40 MW per month.

In the last three weeks, the NEA has changed its load-shedding schedule a couple of times and has increased the duration from four hours to six hours a day. As electricity supply is interrupted

frequently, nobody knows how long the outage will last.

The load-shedding has hit normal life and brought much of the industrial sector to a total standstill. A delegation of from the Federation of Nepalese Chambers of Commerce and Industry has met Water Resources Minister Baldev Sharma Majgaiya and requested him to ensure the supply of electricity during working hours.

The NEA has cited low temperature and low rainfall for the shortage of power supply and has already expressed regret for having been compelled to announce the load shedding. According to the NEA, the water level at the Kulekhani river has gone down significantly and water discharge in snow-fed river like Trishuli, Marsyangdi, Bhotekoshi and Khimti has slowed.

Normally, water levels in rivers like Marsyangdi start to rise from April, when the snow starts to melt. The discharge increases in May because of some rain. With the onset of the monsoon, the discharge steeply rises until August. The flow is maintained in September and October due to inter-flow and the rise of

underground water and drop of river velocity on lower slope with stored water. From November, the discharge goes on decreasing until March.

If this is the situation each year, why has no one made any effort to avert the severe crisis? Simply, no one thought the situation would become so bad. After signing the agreement with India to increase the import of up to 100 MW, Nepalese officials had heaved a sigh of relief.

"Nepal will have reliable energy next year because India will start to supply power as demanded by Nepal and Kali Gandaki A, which has a capacity of 144 MW, will begin generating power. Now altogether 15 hydropower plants, including Khimti and Bhotekoshi, are generating electricity as demanded by the NEA.

In the fiscal year 1999\00, NEA availed 1701.45 GWh of energy (15.35% increase) in its power system and system recorded peak load of 351.86 MW (7.80% increase). In the fiscal year 1998\99, the available energy and peak load were 1475.0 GWh and 326.4 MW respectively. Out of total available energy in the NEA system, hydropower contributed 1233.22 GWh (72.48%) thermal energy 66.73 GWh (3.92%), import from India 232.22 GWh (13.65 %) and purchase from Nepal was 169.3 GWh (9.95 %).

Nepal needs to have a seasonal storage project like Kulekhani I and II with capacity of 92 MW. After the completion of the project, no government has taken steps to construct another reliable storage project.

After the completion of four power projects including Khimti and Bhotekoshi in the private sector, many believed that load-shedding would stop for a while. That turned out to be just another misplaced hope. ■



**Water reservoir :** More of these needed

# CHANNEL NEPAL ROW Off The Air

The government blocks the first-ever Nepalese satellite TV from taking off in the last minute

By SANJAYA DHAKAL

Just two days before it was to go on air on April 19, 2001, the via satellite, the Channel Nepal was given a sudden directive by the Frequency Management Division at the Ministry of Information and Communication asking it to refrain from going global before completing, what it called, "(final) necessary technical examination".

The move came as a bolt from the blue to the managers of the Spacetime Network Pvt. Ltd., the largest private cable operators in the country. The network had already linked itself with the Thaicom-3 satellite to launch its Nepali channel to more than 50 countries in and around the region. It could lose millions of rupees with the delay, according to its officials.

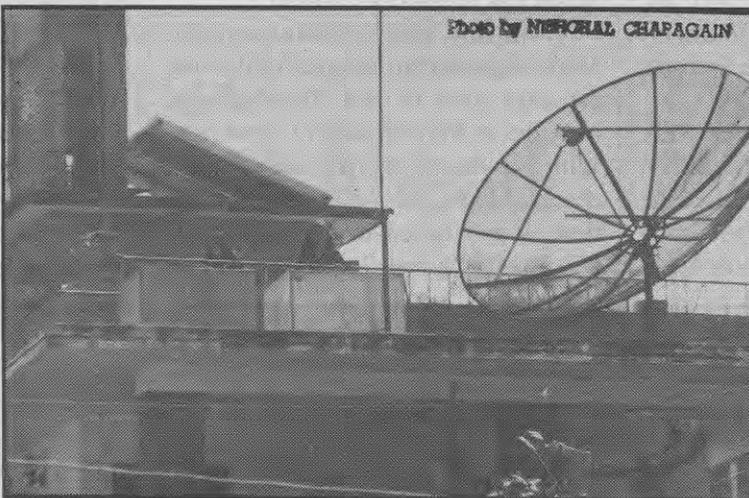
Although, the officials at the Channel Nepal (Spacetime Network) are tight-lipped about the sudden government decision to obstruct its programs, the Spacetime daily, which is owned by the network has been publishing a stream of newsreports criticizing the decision.

The officials at the network have requested the Ministry to expedite the "necessary technical examination" and fix the date so as to end this "environment of confusion". The network has even offered to take all its equipment to the ministry to speed up the examination process.

Ramesh Adhikary, the technical officer at the Frequency Management Division, declined to comment on the issue and said it would be better answered by

the ministry officials.

Ministry officials, on the other hand, are equally elusive about the issue. "It is up to the (frequency management) division. We at the ministry are not fully knowledgeable about what is going on. The only thing we can say is that the necessary procedural examinations is going on," said Hem Raj Poudel, spokesman at the Ministry, adding that such examination/inspection of equipment was a part of



A satellite dish : Limiting the sky

the condition that allowed the network license to operate satellite channel.

Channel Nepal is the flagship Nepalese channel of the Spacetime network and it was preparing to launch the first ever Nepalese channel via satellite. Even state-owned Nepal Television has not been able to achieve that feat.

Observers see the government's decision to obstruct the launching of Channel Nepal as mysterious. "The government should have encouraged the private sector as per its policy. But I don't understand why they are discouraging it," Dr. Badri Prasad Shrestha, former ambassador and economist, was quoted to have

said in the daily.

Coming at such a short notice, the decision raised many eyebrows as it coincided with the discovery of a large amount of RDX at the residence of a Pakistani diplomat, who was consequently expelled from the country.

Interestingly, the Chairman of the Spacetime Network Jamim Shah has been alleged by the Indian media to be the agent of Pakistan's Inter Services Intelligence and the front-man in Nepal for Karachi-based underworld don Dawood Ibrahim. Ibrahim is wanted in India for many crimes, including the serial bomb blasts in Mumbai in 1993, which left hundreds of people dead. Meanwhile, the House of Representatives Development Committee has already decided to invite the concerned ministers, officials and chairman of Spacetime Network to investigate the developments leading to the present situation.

In fact, the Spacetime network had run into problems with the government since long time. During the tenure of immediate past Communication Minister Jaya Prakash Gupta, the network's license to operate satellite channel was revoked for reasons unexplained.

His successor Shiva Raj Joshi, the sitting minister, had overturned the decision prompting Gupta, who was then the Minister for Agriculture, to resign citing the discontinuity in the policy of the

same government. And now as it began to appear that the Channel Nepal was finally going on air, the mysterious development emerged just two days prior to the launching. Whatever the reasons that prompted the government to act in the way it did, the obstruction of the Channel Nepal can not be a good news to the investors, media as well as the general public. If it was allowed, the channel could have given the required voice to the Nepal in front of the international audience. This was felt to be more necessary in the aftermath of IC 814 hijack episode during which time the country's perspectives was not adequately represented. ■

# 'Family Planning Should Be Focused More On Rural Areas'

— K.B. GHARTI

*K.B. GHARTI is a gynecologist and regional field officer for the United Nations Population Fund (UNFPA) in Pokhara. Gharti, who has worked in the most remote parts of the country in several family planning programs, spoke to SPOTLIGHT on some of his experiences.*

**On how attitudes toward family planning have changed:** In 1989, I was working in Jhapa at His Majesty's Government's Family Planning Association. A woman came up to me and asked me to perform a vasectomy on her husband. I asked the husband to come to me the next day. I remember he was a very tall, healthy person. I told him that his wife could not bear the burden of another child, as she already had too many. He told me he would rather leave the country than undergo the operation. Now such attitudes have disappeared. Everybody seems to be aware about family planning. But the government should focus more on rural areas.

**On how the work environment has changed:** Before 1991, there were many doctors in every district as they were assigned as hospital in-charge. Later the government changed the organizational structure of health system and assigned doctors as district in-charge. They were given the job that used to be handled by the district health officer. Doctors now have to look after public health programs. The result is that there are many districts where there are no health officers. When the doctor is assigned as the district in-charge, public health officers come under him. Before, these officers were autonomous. The new mechanism has created a lot of misunderstanding.

The officers say, "Why should we function under the doctors?" When we visit some districts, we find simple problems created by such misunderstanding. If a doctor is assigned to a district, his whole day is spent on signing documents. This leaves the doctor with no time for preventive and curative health care.

**On misuse of resources:** Earlier, doctors had no control over the money allocated for the district. But there are cases today where money meant for the district public health system winds up in their pockets. Donor agencies like the UNFPA have provided vehicles that are supposed to be used for supervision and monitoring. But they are being used for private purposes.

**On his early days in the profession:** My career started in 1986. In those days, doctors went wherever the government assigned them. Now things have changed. Everybody seems

to have a hook in place and they use all means to avoid going to rural areas where doctors are required the most. Each district has a Central District Officer, police officials, and army personnel. If doctors refuse to go to the remote districts, how can we expect to provide proper health services to the people? My first government job was in Jhapa. My family was opposed to that. They felt bad that after my studies, I was being sent to a desolate place like Jhapa. But I thought of the challenges and went on to stay there for 26 months. My now dearest friends are in Jhapa.

**On how training has changed:** There is a vast difference in training. The director of the

He told me he would rather leave the country than undergo the operation. Now such attitudes have disappeared. Everybody seems to be aware about family planning. But the government should focus more on rural areas.

Family Planning Association then was Dr Tika Man Baidya. He told me to perform a vasectomy. Seniors in Jhapa taught me and I did one vasectomy in front of him. I was certified. Today training is more focused on competency, proficiency and skill. But have those training skills been utilized in Nepal? As I see it, people who have acquired such training have not been able to perform to the desired extent.

**On why some doctors avoid going to rural areas:** After 1991, we have seen so many great changes in civil aviation and telecommunications. Health facilities have also mushroomed. There are so many polyclinics in the capital today. A fresh graduate doctor in Kathmandu now can easily earn about 25,000 rupees a month and is considered eligible for further studies. On the other hand, if one is to spoil a doctor's career, all that is needed is to send him to rural areas for four or five years. He will be used to being the senior district in-charge. Moreover, he will constantly feel that he cannot compete with doctors in the capital.

**On his first camp:** It was in Dhading. Although I did not know what a camp really meant, I still feel that it was very organized. At that time, the government regarded population control as a vertical program. Since they were more focused on family planning, it was a very tightly organized camp. I worked in Prasuti Griha, Kathmandu, for another year. I worked in Bir Hospital and at the family-planning

program in Bharatpur after that. I left for further studies in obstetric and gynecology.

**On his experience with UNFPA:** I started working for UNFPA in 1995. I did not know that UNFPA was involved in this kind of work. I was to provide technical support for UNFPA's programs in Nepalgunj. One of the main components of the UNFPA was field planning. I have visited 48 districts, including very remote ones, in the course of conducting family planning camps.

**On risks in the profession:** I remember an incident in Nepalgunj when someone telephoned me saying he wanted to meet me. I told him I was available for an hour and he came. He was a simple-looking bearded-man with a bag. I closed the door and asked him what he wanted to take about. He said, "Don't ask what my name is or where I came from. We have been observing you so closely. You do not hesitate to go to Rolpa, Rukum, Pyuthan, Salyan, Jajarkot and Pyuthan." He asked me whether I was afraid of visiting places affected by Maoists. I told him that I did not go there to suppress the Maoists. I went to provide health services for anybody in need, including Maoists. I told him if I could provide a little more happiness to some people, why should I fear the Maoists? He asked me what plans were required for those areas, saying he would brief someone above him. I do not know who that person was. I told him that Dr Babu Ram Bhattarai and I studied together at Amrit Science College. He felt uneasy after that and said he would call me later.

**On an incident that shocked him:** In Salyan, I created an operation theatre. When I asked who would assist me in the operation, they showed me a nurse. She asked me if we were to make incisions for a mini-lab that was to be done. I was shocked. Because mini-lab is done through only one incision. I told that I would give a class on mini-lab the next day and that year the number of cases in Salyan increased.

**On the challenges ahead:** Family planning awareness exists among the people but there are no doctors in rural areas. I do not know where the fault lies — with the government or the doctors. Doctors are not available at the right time in rural areas. The budget allocated for the districts takes a while to get there. People need service but we have not been able to provide that. The problem in rural areas is that people die in front of your eyes and you, being a doctor, cannot do anything because you lack very basic equipment. ■

# DIPLOMACY High Drama

The expulsion of a Pakistani envoy raises troubling questions

By A CORRESPONDENT

Nepal seems to have become an unsafe place for foreigners—including diplomats—not because of the Maoist insurgency but because of acts of the government itself. Two actions taken against Pakistani envoys in as many years show how Nepal Police can harass diplomats representing one country to prove allegations leveled by another.

After a senior Pakistani diplomat was manhandled by police and expelled by the government in violation of the Vienna Convention just 13 hours before his scheduled departure, the core question remains: what benefit did Nepal get out of the episode?

Can Nepal be turned into a playground of a neighboring country? The dramatic events that took place in connection with Mohammed Arshad Cheema, the outgoing first secretary of the Pakistan Embassy in Kathmandu, showed how Nepal's internal security system was used to harass a diplomat of one friendly country to buttress allegations of espionage and subversion hurled by another friendly country.

"The incident was utterly unbelievable. How could a man even think of placing such a huge quantity of explosives at his residence?" asked a former police officer.

The actions of Nepal Police went on to prove allegations made by the Indian government and media that Pakistan's intelligence agency is active in Nepal in its effort to foment sabotage in India. "It is very unfortunate that we are being used to discredit another friendly country. If Pakistan chooses to retaliate against Nepal, what would our situation be?" asked a former Nepalese diplomat on condition of anonymity.

The undiplomatic action of the Nepalese government has exposed the feebleness of its commitment to the Vienna Convention. By expelling Cheema in violation of internationally accepted norms, Kathmandu have gone out of its way in accepting New Delhi's accusations at face value.

"Nepal should not become a place for any foreign-inspired conspiracy against any of our friendly countries," said Hiranya Lal Shrestha, former MP and CPN-ML leader.

Nepal Police arrested Cheema on April 13 after seizing 16 kg of RDX explosives from the ground floor of the house he was residing in. Interestingly, police were said to have preinformed the general manager of Nepal Television and journalists of some leading private-sector daily newspapers before their action.

This suggests that the police operation was well planned. Otherwise, how did Nepal Police know it would recover something at the residence of the Pakistani envoy that would make headline news. It was believed that Nepal Police was tipped off by diplomats of a neighboring country, which has been harping on its theory that Nepal has become a base

for Pakistan's Inter Services Intelligence (ISI).

Nepal Police had arrested another Pakistani envoy last year on charges of accumulating counterfeit Indian banknotes at his residence. After the expulsion of the diplomat, the government neither published a detailed report on the matter nor made any other effort to inform the people.

Everyone is familiar with the level of efficiency of Nepal Police's intelligence network. How a security organisation that is caught off guard by each successive Maoist attack managed to blow the cover off such a sophisticated international plot remains unclear.

As senior Indian government officials and media organizations have been making every effort to project Nepal as a haven for ISI-led subversion against India, even a slight mistake committed by Nepalese officials could boomerang on our interests. ■

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## SOUTH ASIAN ENERGY MEET

# Power And Productivity

South Asian energy experts discuss ways of restructuring the region's energy sector

By KESHAB POUDE<sup>1</sup> in New Delhi

The electricity suddenly went off as a seminar on energy regulatory issues in South Asia commenced at the one of the five-star hotels in New Delhi. Because of automatic power supply, within a fraction of a second the hotel's

have strong regulatory bodies and regulations regarding the generation, distribution and transmission of power.

Load shedding and power interruption in South Asian countries is likely to continue for many years as governments have yet to take bold initiatives on introducing more effective regulatory mechanisms.



**A strong current river : Lying untapped**

own system started to generate electricity. Nobody knew what the rest of the people in the Indian capital were enduring.

The situation in Nepal is much worse. The country under the grip of a severe load shedding of six hours a day, with Nepal Electricity Authority citing inadequate rainfall and fluctuating temperatures. Regular interruption of electricity supply is a common problem in most South Asian capitals. The problem in the countries of the region is that they don't

Frequent political intervention and policy shifts have the disturbed the policy to establish regulatory agencies, finally pushing the energy reform process in back burner. India, Sri Lanka and Bangladesh have already established regulatory commissions to reform the energy sector.

"If South Asian countries want the energy they require for development, they must build regulatory bodies. In a situation when the regulations and regulatory mechanism are virtually non-existent, no

one will come to invest," said Mary Webster, presenting a paper titled "Energy Regulatory Issues in South Asia: Why It Matters".

Because of unscientific tariffs structures, transmission and distribution losses, nobody considers investment in the power sector in South Asia as profitable. If private foreign investment does not come, it will be impossible to generate the power required to maintain the economic pace.

Although South Asian nations have the potential and resources to produce adequate energy, frequent interruption of power supply is a common phenomenon. Their power systems simply cannot keep up with the rise in demand.

Restructuring is the transformation of the power industry from a government-owned vertical monopoly to a privately owned, regulated competitive market with distinct parts for generation, transmission and distribution.

In almost all countries, the power sector is still virtually monopolized by the government, including generation, transmission and distribution. Because of the government control, the electricity is subsidized heavily in South Asian countries and nobody talks about price structure reforms.

"South Asian countries need to have a regulatory body to maintain energy supply," said Don Priestman, chief of South Asian Regional Initiative on Energy. "As long as the energy sector does not reform, one cannot see investment for its reform."

As the power sector in South Asia needs more investment from the private sector, it cannot lure such investment as long as the tariffs are not set in accordance with the cost of production. In most South Asian countries, the tariffs do not reflect the cost.

Restructuring of the electric power industry is taking place all over the world and is especially important for the South Asia. If South Asian policy makers and planners do not realize this reality in time, the region cannot hope to avoid more sudden and prolonged blackouts in the days ahead. ■

# POVERTY REDUCTION More Rhetoric Than Substance

Despite five decades of planned development and billions of rupees' worth investment in the name of reducing poverty, the number of poor people has been increasing in Nepal. Will the poverty reduction strategy the government is working on reverse the trend ?

By BHAGIRATH YOGI

**A**s the ruling and opposition leaders were flexing their muscles in the streets of Kathmandu over whether the prime minister should be allowed to go to his office at Singha Durbar, at least 25 families in the remote mid-western district of Rolpa were preparing to leave their village and, their country, on the eve of the Nepali new year 2058 B. S.

"Whatever household property we had has already been sold for buying

food and what we have is an empty house," Chandra Bahadur Oli, a resident of Rank village development committee in the Maoist-affected district told Kantipur daily.

Several families like Oli's leave their villages looking for seasonal job and employment at Kalapar and other parts of India each year. Declining agricultural production, dearth of employment opportunities and lack of security over the last few years have forced thousands of people out of their villages. Some of them return home with a little money to support their family or even bring back

the 'unwelcome gift' of HIV/AIDS to their family members as seen in far-western district of Achham.

Poverty, social discrimination and hardships are not new for hundreds of thousands of Nepalese people. According to Nepal Living Standard Survey (NLSS) 1996, about 42 percent of the 22 million-plus people in Nepal live in poverty. But the number varies with the definition used. For example, if the people earning less than US dollar a day is taken into consideration, the incidence of poverty turns out to grip more than half of the population (53.1 percent).



**A farmer woman** : Declining productivity

Despite a five-decade long tryst with the planned development, the number of people living below the line of poverty continues to grow. According to studies, the number of poor people has increased from 5.7 million in 1976 to an estimated 9.2 million 20 years later (in 1996). Of course, there have been some achievements in the social sector such as education and health, but the plight of the majority of the Nepalese people remains unaffected even at the turn of the century.

There are wide variations of poverty in Nepal based on rural-urban divide, geography, ethnic group and occupational caste. (See: Box) It is estimated that 44 percent of the rural households and 23 percent of the urban households lie below the poverty line. Nearly 88 percent of the total population of Nepal lives in rural areas.

More than 42 percent of the adult population cannot read or write; only less than half of the population has access to safe drinking water and the infant mortality rate is 75 per thousand in Nepal. The level of social development is low in Nepal even by South Asian standards.

A survey conducted by Nepal Rastra Bank in 1984/85 estimated the poverty incidence to be 41.4 percent. The Nepal

Rural Credit Survey 1991 estimated rural poverty incidence to be 34 percent in the terai, 64 percent in the hills and 64 percent in the mountains.

The results from the comparison of 1984/85 and 1995/96 data indicate that the nationwide incidence of poverty has increased slightly, from 41.4 percent in 1984/85 to 44.6 percent in 1995/96.

#### **Causes of Poverty**

Poverty in Nepal is the product of three factors, writes Dr. Devendra Raj Panday in his book "Nepal's Failed Development (1999)." They are: (i) unsatisfactory growth in aggregate output, (ii) historical effect of unequal distribution of assets and social and economic status among different groups of citizens including the caste-related and gender-related biases, and (iii) inequities born of recent development efforts that have generated further iniquitous income and assets distribution.

Studies show that over the last three decades, Nepal's economy has been growing at an average pace of about 4 percent, which only marginally exceeds the rate of population growth of 2.37 percent. The growth rate in the agriculture sector over the same period is even smaller, less than 2.5 percent. The slower rate of agricultural growth, that contrib-

utes to more than 40 percent of GDP and absorbs over 80 percent of the labor force, is largely responsible for the existing higher poverty incidence and severity of it in the rural areas, say experts.

The non-agriculture sector, that generates 60 percent of GDP, grew by 6.5 percent in the 1990s. It has helped to reduce the incidence of urban poverty, but has not been strong enough to have a desirable effect on the rural poor.

Why? It is because "Poverty in Nepal is deep and complex, and only a concerted effort to improve public interventions while mobilizing community initiative holds hope for a reduction in poverty," said a World Bank report entitled "Poverty in Nepal: At the Turn of the Century" published in 1998. Poverty is more widespread and deeper in the more remote areas in the mid- and far-western development regions and the mountain belt. Poverty in rural Nepal is too deep and too entrenched to be rapidly or widely alleviated. Still a steady, sensitive effort at combating and reducing it can bring progress in the new century, said the report.

Poverty is generally signifies a situation when there is inadequacy of food and clothes, people have no access to education and health facilities, and they have very poor access to economic resources.

According to the Asian Development Outlook 2001 launched last week, with per capita Gross Domestic Product (GDP) of US\$244, Nepal ranks among the poorest countries in Asia. Reducing the level of poverty remains the government's major development challenge. The rate of poverty has not changed significantly over the last 30 years, partly because of the high population growth rate in the country (2.4 percent in recent years). Income distribution is skewed in geographical, social and gender terms.

According to latest studies, the share of total income of the bottom 40 percent of the population decreased from 23 percent in 1984/85 to 11 percent in 1995/96 while the share in total income of the wealthiest 10 percent of the population increased from 23 percent to 52 percent during the same period, indicating the



**A village scene :** Out from mainstream

worsening situation of the income distribution situation in Nepal. Unless this trend is reversed Nepal's poverty situation will worsen over time, say experts.

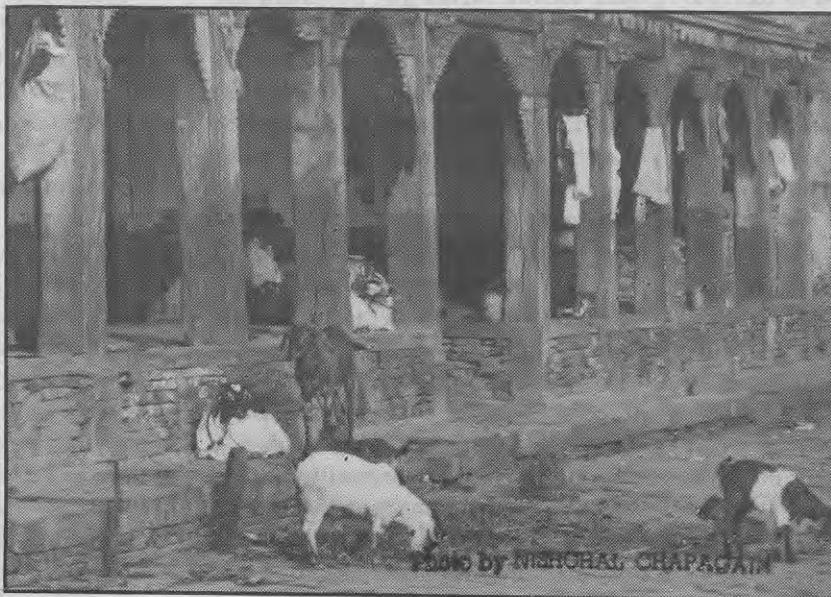
#### **Planning for Poverty Reduction**

The sixth five-year plan in 1980 clearly stated poverty reduction as one of the main goals of planned development in Nepal. The seventh plan (1985-90) formulated a separate plan with long-term perspective for poverty alleviation but was abandoned later amidst ensuing political upheavals. After the restoration of democracy in 1990, the Eighth (1992-97) and Ninth (1997-2002) plans have poverty reduction as their main objective.

The Ninth Plan has aimed at bringing down the incidence of poverty from 42 percent to 32 percent by the end of the plan period. The long-term vision is to reduce poverty incidence down to 10 percent within the next two decades. The Ninth Plan intends to reduce poverty via sustained and broad-based growth, development of rural infrastructure and

social priority sectors, and specific programs targeting the poor.

Nepal initiated the economic reform program in 1991 but even the officials now agree that it didn't have positive impact on the agriculture sector. Real GDP grew marginally by an average rate of 4.8 percent in the 1992-2000 period compared to 4.6 percent during the 1982-91 period. The 20-year-long Agriculture Perspective Plan (APP) formulated in 1995 aims at raising the annual agricultural growth rate from less than 3 percent



**A poor household :** Beaten by economics

tin the preceding two decades to 4 percent during the Ninth Plan period and to 5 percent during the next 20 years.

Since early 1990s, various targeted and sectoral poverty alleviation programs have been implemented in the country. Majority of these programs, which were mostly centrally planned or implemented, ignored community preferences. Poverty Alleviation Fund (PAF) is an umbrella fund, which mobilizes resources available from the government and donor communities for launching poverty reduction programs in a coordinated manner.

"We have been moving in the right direction since the opening up of economy in the nineties," said Dr. Shanker Sharma, member of the National Planning Commission. "But we need to focus on effectiveness of the development programs, good governance and people's participation to actually reach the poor." (See box)

The government has recently prepared an Interim Poverty Reduction Strategy Paper (I/PRSP), which provides a more focused and comprehensive framework for poverty than the plan. The paper emphasizes that the government should consider the impact on poverty when it prioritizes development projects.

According to officials, the major objective of the I/PRSP is to formulate a three-year, time-bound action plan for poverty reduction in Nepal. Its major

features include employment creation, macro-economic policies for supporting poverty reduction, priority in public expenditure to social sectors.

The strategies proposed by the I/PRSP include macro-economic framework, broad-based economic growth, social sector development, targeted programs and employment generation, improved public expenditure management, governance, poverty assessment and monitoring.

Of late, the donor

agencies are also coming up to assist the government in its initiative to prepare strategies for reducing the poverty. The Asian Development Bank (ADB) has also prepared a draft country strategy for poverty reduction in Nepal. It has identified constraints on the poverty reeducation efforts in Nepal including weak legal and regulatory functions, weak overall institutional capacity on the part of government, weak redistribute capacity to the government and weak implementation of the Agriculture Perspective Plan.

"If poverty incidence is to be reduced in Nepal, it will be private-sector initiative and productive activity on the part of the poor themselves, within the context of a just and civil society, are critical. There simply is not enough money in Government coffers or donor-agency budgets for income transfers to achieve this goal. A main hurdle, therefore, is societal institutions that allow the poor to release themselves from their poverty," said Dr. Richard Vokes, Resident Representative of the Asian Development Bank in Kathmandu. (Box)

The World Development Report 2000/01 entitled "Attacking Poverty"



**Two elderly people :** Tough life behind

published by the World Bank says that poverty amid plenty is the world's greatest challenge. To meet this challenge, the Bank has recommended action in three areas, namely promoting economic opportunities for the poor, facilitating empowerment by making state institutions more accountable and responsive to poor people, and enhancing social security.

Analysts say Nepal needs to shift from centrally planned and managed development model to a paradigm that would support and enhance self-help efforts at the local level to reduce poverty. After the restoration of democracy in 1990, the number of non-governmental organizations (NGOs) is estimated to have grown to more than 20,000. Though majority of

them are concentrated in the central development region, nearly half of them are working in the community development

Similarly, there are now an estimated 20,000 community based organizations (CBOs) involved in managing community irrigation systems alone in Nepal, says a study on rural hills potentials and service delivery systems prepared by SAPPROS Nepal, a think tank, early this year. The formal forest user groups manage about one-fourth of the forests in the hills whereas

a significant forest area is being managed by the informal CBOs. Besides, the communities through their own CBOs build most of the rural infrastructure works such as roads, trails, suspension bridges, and drinking water.

Even misplaced donor support has made the matter complicated rather than help reduce poverty in Nepal. Despite huge investment of almost 66 billion rupees in the irrigation sector, due to poor quality infrastructure, the impact on agricultural production is minimum, say studies "The pouring of resources alone cannot reduce poverty and cause growth as is amply demonstrated by interventions in Rapti and Karnali zones by some donors over a long period of time," said the SAPPROS report. "What is really required is improved institutional performance through people's involvement in development and with holistic intervention on the part of both donors and the government."

That is easier said than done. Amid political instability, growing corruption, rising insurgency and lack of opportunities to lead a life with dignity, people like Chandra Bahadur Oli of Rolpa will continue to flee their houses for some more time to come. But this trend must be discouraged and addressed immediately to save thousands of Nepali families from disintegrating further and mobilizing whatever assets they have in national development — sooner than later. ■

## Reducing Poverty: Experiences From Far and Near

China achieved poverty reduction through sustained and rapid growth and integration with the world markets. In South and South East Asia, agricultural dynamism spurred economic miracles based on manufacturing. According to a World Bank study, the Indian state of West Bengal reduced poverty at the rate of 4.2 percent per year between 1978 and 1994 under Chief Minister Jyoti Basu government. Mr. Basu introduced land reforms in the form of Operation Bargara, registering and giving permanent tenancy rights to sharecroppers. Studies say this had had a significant impact on agricultural productivity. More important was the spread of rural electrification and Green Revolution technology. The Communist leader broke the monopoly of state-owned electricity utility and invited RP Goenka's CESC as the prime supplier of electricity. Though Basu failed to industrialize his state due to his patronizing of unruly trade unions at the cost of businesses, his achievement in reducing poverty is unparalleled in India.

# 'Civil and social order are fundamental for sustainable poverty reduction'

—DR. RICHARD VOKES

*One of the leading donors of Nepal, the Asian Development Bank is currently working on preparing its country strategy for Poverty Reduction in Nepal. Of late, the ADB has given top emphasis on reducing poverty among its developing member countries. Resident Representative of the Manila-based Bank in Kathmandu, DR. RICHARD VOKES is actively engaged in these areas for quite some time now. He found some time to speak to SPOTLIGHT early this week on the related issues. Excerpts:*

## **How do you see the current state of poverty in Nepal?**

The response to this question should be seen in the context of Nepal's current situation with respect to poverty, summarized as follows:

First, while the country's current overall level of poverty incidence is 42 percent, this aggregate statistic hides wide disparities in poverty incidence, intensity, and severity that appear when comparisons are made on the basis of geographic region, rural vs. urban areas, gender, caste, or ethnicity. Second, relative to the overall population, women, lower-caste groups, marginalized ethnic minorities, and some groups of landless persons face poverty that is particularly resistant to 'traditional' poverty-reduction interventions, since it is driven by social exclusion reinforced by long-standing custom.

Third, poverty in Nepal is intimately intertwined with lack of access to the very resources necessary for escaping it—as reflected in Nepal's current low ranking with regard to human development indicators, even when other South Asian countries are used as comparators.

Fourth, ADB's Poverty Assessment recently completed for Nepal suggests that poverty incidence, intensity and severity have not improved over the past quarter century.

## **What are the areas of focus in ADB's poverty reduction strategy?**

ADB's strategy for poverty reduction

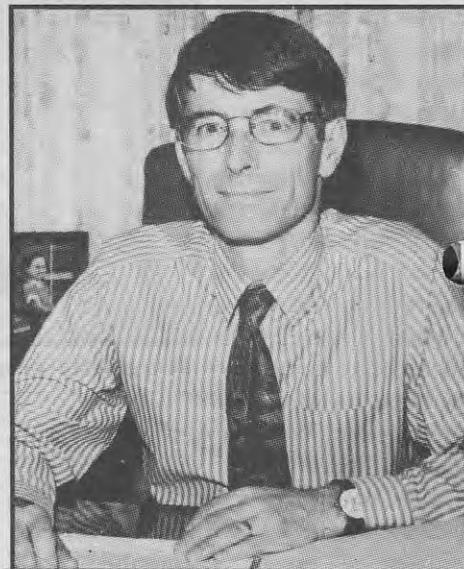
will be consistent with the Government's Interim Poverty Reduction Strategy, and will lead to a Partnership Agreement for Poverty Reduction between the Government and ADB. The strategy aims at (i) reducing the incidence of poverty, (ii) reducing the degree of social exclusion facing women and disadvantaged groups; and (iii) reducing disparities in income over time. ADB's approach to sustainable poverty reduction in Nepal is through (i) broad-based and pro-poor economic growth, (ii) improvements in basic social services for human development, and (iii) good governance. All of this requires that Nepal develop effective institutions. Unfortunately, at the moment, many institutions in Nepal lack efficiency, predictability, transparency, and accountability—all which are critical to their effectiveness.

With respect to the sectors in which ADB will apply its strategy, they are agriculture, irrigation, roads, power, finance, education, water supply and sanitation, and environmental improvement.

## **What are the main hurdles to alleviating poverty in Nepal?**

Among the main hurdles to alleviating poverty in Nepal, and perhaps a reason for the slow progress in this area, despite considerable donor support, are (i) the lack of supportive enabling environment for pro-poor economic growth, (ii) weak redistributive capacity on the part of Government; (iii) weak institutional capacity of the Government; (iii) inequality of access to the resources necessary to fully participate in the development process owing to social exclusion on the basis of gender, ethnicity, caste, and religion; and (iii) slow overall economic growth in the face of relatively rapid population growth.

Conditions to support broad-based economic growth include appropriate legal and regulatory functions to ensure a stable, predictable environment for private-sector initiative and to discourage rent-seeking behavior. In the context of Nepal, legal and regulatory functions need to be



strengthened for various poverty-reducing reforms, policies, and programs to achieve their intended impact.

Weak redistributive capacity refers in part to the Government's (i) inability to prioritize expenditures to key social sectors, and among projects — so as to maximize development impact on poverty; and (ii) low internal revenue generation — suggesting the importance of reform and its effective implementation. Weak institutional capacity of the Government has contributed to inefficient use of both donor and Government resources for development.

Key to poverty reduction in Nepal are Government programs and policies that assist poor households to raise their income levels, which in turn requires increasing poor households' access to critical resources including economic resources (such as land and capital), human development resources (such as education and health), and social resources (such as political influence). In rural areas of Nepal dependent on subsistence agriculture, improvements in agricultural productivity and output growth may rely more on the provision of physical and social infrastructure (e.g., basic health services, educational facilities, safe drinking wa-

ter, irrigation facilities, microcredit, and roads). This suggests poverty-reduction interventions that increase access to basic services necessary for increasing agricultural productivity, or programs directly targeting the most disadvantaged groups among the rural poor, may be more effective in reducing poverty incidence.

Finally, if poverty is to be reduced in Nepal, private-sector initiative and productive activity on the part of the poor themselves, within the context of a just and civil society, are critical. There simply is not enough money in Government coffers or donor-agency budgets for income transfers to achieve this goal. A main hurdle, therefore, is societal institutions that allow the poor to release themselves from their poverty.

### **Will the deterioration of law and order affect the poverty reduction programs in the country?**

Yes. Civil and social order are fundamental for effective development efforts and sustainable poverty reduction, as violence targeted at Government and local communities hinders delivery of basic services and operations of businesses in these mostly poorer parts of the country.

### **Is ADB satisfied with the manner in which its programs are being implemented in Nepal?**

The performance of ADB's portfolio of loan projects/programs in Nepal has improved over the last 4-5 years. Overall, performance can be said to be satisfactory. Contract awards and disbursement performance has improved. The problem of frequent transfers of project staff is now much less of a problem that it was a few years ago. However, the sustainability of projects after the period of major funding has ended remains a concern. We are also concerned about the poor quality of civil works in a number of projects. This is particularly a problem for civil works in more remote areas and points to the need for better project management and monitoring of implementation performance both by the Executing Agencies and other relevant HMG/N agencies, such as the National Planning Commission (NPC). There is also a need for stronger monitoring by HMG/N of the impact of projects so that, where necessary, adjustment can be made to the project design, scope and implementation, to ensure that projects do achieve their intended benefits. ■

## 'We Will Start From Redefining The Role Of The Govt.'

- Dr. Shanker Sharma

*Member of National Planning Commission, DR. SHANKER SHARMA, is actively involved in formulating the Poverty Reduction Strategy Paper. He spoke to SPOTLIGHT on the related issues:*

### **Why is the government preparing the Poverty Reduction Strategy Paper? When will it be finalized?**

Poverty reduction is a major agenda both for the government and donors. In the Interim Poverty Reduction Strategy Paper (I/PRSP) we are identifying areas on which to focus on, prioritize, allocation of budget and the role of donors etc. We are almost at the final stage and it will be submitted to the board meeting of the International Monetary Fund (IMF) in June this year after our cabinet approves it.

### **What were the shortcomings in the previous programs that targeted at poverty alleviation?**

The policies we have adopted and direction we have taken since the early nineties is not wrong. The main shortcoming was that we did not prioritize programs in the poverty related areas and the resources were thinly spread. At the same time, there was no clarity on the job to be done by the government and other actors. So, we want to start from redefining the role of the government so as to focus on prioritizing the poverty related programs. Earlier, we gave more focus on providing inputs, now we will be focusing on monitoring the output. We will be regularly monitoring the progress made toward alleviating poverty in every five years. In between, we will conduct studies, surveys and mapping etc.

### **So, how will the new strategy be implemented?**

Some components of the strategy are being introduced right from this fiscal year and the PRSP will be implemented from the next year's annual budget. As the time frame of the PRSP will be three years and that of the Tenth Plan five years, we are planning to merge both of them. It will be more clear than the Ninth Plan and there will be detailed programs for each area.

### **Why is it that poverty could not be reduced over so many years?**

First, the growth rate of agriculture in the 1990s has been 2.5 percent on an average. Second, we could not enforce the concept of public resource management in the poverty



related areas. Third, the monitoring of the poverty targeted programs was very weak. To sum up, such programs did not reach to the hard-core poor and the waste of resources was quite high.

### **What will be the role of the government now?**

At present, the government is making huge investment in the hydropower, communications etc. Once the private sector is encouraged to invest in these areas, the government will have more resources at its disposal to invest in the poverty related programs. The government will function with the objective of attaining the high pro-poor growth.

### **Will there be more focus on generating employment opportunities?**

We need to expand labor intensive employment opportunities targeting the pro-poor economic growth. Under the targeted programs, self employment needs to be focused. Similarly, there will be programs to provide value added training to those who want to go abroad to work as laborers. We have launched micro enterprises development programs in 10 districts with a view that all of the trainees be absorbed in the market.

### **How important is political stability?**

Political stability is essential to effectively implement poverty related programs. At the same time, the ownership of such programs should be taken by concerned ministries which is quite weak right now. ■

# 'Maoist Problem Not A Threat To Multiparty Democracy'

— ALAN W. EASTHAM

*ALAN W. EASTHAM, acting United States Assistant Secretary for South Asia, is the first high-ranking US official to visit Nepal after President George W. Bush took office in January. Eastham has a long experience in South Asia, including Nepal where he served as a counselor for three years. He also served in different positions in India and Pakistan. During his stay in Nepal, Eastham met King Birendra, the prime minister, deputy prime minister, and the army and police chiefs. After his meetings, Eastham spoke to the press. KESHAB POUDEL compiled the following excerpts from his remarks.*

## **How do you see the recent statement of US Ambassador to Nepal Ralph Frank? Is it not interference in Nepal's internal affairs?**

Well, as far as the United States of America interfering in Nepal's domestic affairs is concerned, the opposition has the liberty to interpret Ambassador Frank's expressions of American policy in any way they wish, just as others are free to interpret them as well. However, I recommend taking it on face value as an expression of global US policy in support of democracy as the best instrument of governance and its support for good governance as a principle. It is a very plain way of speaking, reminding ourselves and the people of Nepal what the people of America stand for. You and your colleagues are also free to editorialize in any way you wish. The last line of the statement clearly leaves it to the people of Nepal to decide what they want.

## **What is the stand of the new US administration on the Bhutanese refugees issue and how do you see the progress on verification after the visit of the US assistant secretary of state in December last year?**

We are very pleased that Nepal and Bhutan were able to put together the joint verification team and to begin the verification process. We hope that it will proceed in deliberate speed for

humanitarian reasons, as these people have been in an uncertain situation for many years. We fully support the process the two governments have begun to solve this problem with a cooperative and peaceful spirit. We continue to keep an eye on events to try to understand and to help in any way we can. At this stage, with the verification process proceeding at a very deliberate pace, I don't see any cause for concern.

## **You have arrived in the midst of an opposition-led agitation against Prime Minister Girija Prasad Koirala. What did you discuss with the prime minister?**

It will be highly presumptuous for me to describe in detail the conversation I had with the prime minister. We talked about all the issues that affect Nepal today. However, the concentration was on bilateral issues and the diplomatic process. I briefed him on United States policy towards Nepal. This was my first opportunity to meet the prime minister and I was very grateful to him for having received me. There is absolutely no connection between the current anti-government agitation and the timing of my visit. I don't believe in timing diplomatic missions of these sorts to coincide with developments in internal politics. So, it is purely a coincidence. I have also business in India and Pakistan and I am going on to Central Asia.

## **How do you see the future of the democratic process in Nepal?**

I also talked with His Majesty on US-Nepal relations and the process of democratization in Nepal. I have consistently said to the people I have met that there are few fundamental principles in American's policy towards Nepal. In the first instance, we have supported, for nearly fifty years ever since we have established diplomatic relations, the independence, territorial integrity and national sovereignty of Nepal. We have also consistently been supporting Nepal's economic development. We also support Nepal's democratic development. With the events of

*"However, I recommend taking it on face value as an expression of global US policy in support of democracy as the best instrument of governance and its support for good governance as a principle"*

1990 and after we have been close observers and supporters of multiparty constitutional democracy that exists in Nepal. I have found in discussions in Kathmandu a great commitment on all sides and all parties to the democratic process.

**What will be the policy of the new US administration toward Nepal? Do you see any significant changes in policy?**

I don't think it will change very much. I have been associated with this country for 20 years and there is one unique factor of US-Nepal relations that is worthy of notice. It is the tremendous power of people-to-people connections between Americans and their Nepalese friends. There are 4,000 people who have served in this country as Peace Corps volunteers. I know that a fair number of people still maintain connections, interactions and advocacy for Nepal. Such things I have not found in many other countries. This people-to-people contact is very strong. It seems to me that we can do a better job in building these contacts and turning them into awareness about the unique culture, geography and people of Nepal in the United States.

**What is the emphasis of US policy?**

There may be some different emphasis in terms of global power. You may notice that there is a strategic review under way in the Washington. There is also review on India and Pakistan and on the issue of sanctions. The new administration will seek ways of having a better and more effective policy that supports US national interests and builds friendship. The world has changed a lot in the last 10 years. Nepal and Nepalese are going through a similar process.

**How do you see the Maoist problem in terms of a threat to multiparty democracy?**

Well, I don't want to characterize it as a threat to multiparty democracy because I suspect that the multi-party democracy is resilient enough



to deal whatever threat there might be from the Maoist situation in Nepal. I think that if one has political grievances and wishes a change in government, in a multi-party democracy, murdering policemen is not the way to go about it. There is a political process in this country. We would call for the Maoist to reject violence as a tool of politics and find a way in entering the political mainstream.

**What is your stand on good governance?**

Good governance is a fundamental principle of democracy, as democracy does not work without good governance.

**Is there a possibility for the US to play mediator's role in the Kashmir problem?**

The new administration encourages a process of dialogue between India and Pakistan that accommodates and takes into account the wishes of the people of Kashmir. An American mediating role is not on the cards unless the parties wish us to be available. We would encourage India and Pakistan to conduct a dialogue with all of the concerned parties, with each other, as well as with Kashmiris. We believe that a way to settlement is dialogue. Nevertheless, India, Pakistan and Kashmiris will continue to move towards dialogue and reconciliation. ■

*"I think that if one has political grievances and wishes a change in government, in a multi-party democracy, murdering policemen is not the way to go about it. There is a political process in this country."*

## FOOTBALL

# Unimpressive Show

The ill-prepared Nepalese team receives a thrashing in the World Cup qualifying tournament

By SANJAYA DHAKAL

The recent patch-up effort to downplay the deep-seated differences among football officials could not save Nepal from receiving a severe thrashing from its opponents in the field.

In the recently organized first leg of the World Cup qualifying matches in Iraq, Nepalese booters were made to bite the dust in front of an Arab audience.

high point was the last match of the first leg tournament in which Nepal thrashed minnows Macau 4-1. Macau is the fourth team of this group.

But the second leg of the match, which was held in Kazakhstan, proved to be somewhat a relief for the Nepalese booters. Nepal only conceded four goals to nil against the Kazakhs and could even reply back two goals against the mighty Iraqis. Iraq beat Nepal 4-2 in the match played in Almaty, Kazakhstan.

The thrashing of the Nepalese team



Nepalese footballers : Lacking experience

First, the Nepalese footballers were downed 6-0 by the impressive Kazakh team. Even the full-fledged support from the Iraqi audience could not instill the sense of confidence in them.

But that turned out to be a mild gesture as Iraq came all out in offence to hit them nine goals to one. The only

was expected. However, it is especially painful if one ponders at the developments in the last couple of months that led to the venue of this match being shifted from Nepal to Iraq and Kazakhstan.

As the two All Nepal Football Federation (ANFA) - one supported by

FIFA and the other supported by the National Sports Council (NSC) - engaged in a tug-of-war over their legitimacy, FIFA snatched away the game from here. Despite concerns over the very danger expressed from several quarters, the bickering sides did not bother to bury their differences in time.

It was only in the eleventh hour that the two sides reached a compromise to send the national team to play in Iraq. "If they can reach a compromise now, what stopped them from doing exactly the same two months ago. That could have saved Nepal a chance to host such prestigious tournament," rued one football critic.

It has been more than six months that the Nepalese football has been held hostage to the differences between football administrators Ganesh Thapa and Geeta Rana, with the government playing the role of a mute spectator.

The dismal performance by the Nepalese team could be attributed to the lack of training and preparation. Only a few weeks before they left for Iraq, the Nepalese players did not know whether they would be participating in the tournament or not. There was no question of training or other preparation.

The blame lies squarely on the NSC, which should have taken the initiative a long time ago. That would not only have saved Nepal the opportunity to host the tournament but also increased chances of our players displaying better football in front of their home crowd.

Meanwhile, in a latest development, the officials of Asian Football Confederation (AFC) has said that it is considering to invite all the bickering parties of the Nepalese football to Singapore (for a meeting) soon in an effort to find a way out of the present deadlock.

Sports lovers in the country only hope that the current patch-up in Nepalese football will be given a lasting touch by the authorities. ■



Tourists at TIA : Cherishing happy moments

## TOURISM

# Targeting India

Nepal Tourism Board launches a program to lure tourists from India

By A CORRESPONDENT

As Royal Nepal Airlines Corporation (RNAC) flights to New Delhi continue to be disrupted, the Nepal Tourism Board (NTB) has launched a program in India to lure tourists to Nepal. Over the past one month, when the main opposition party disrupted the winter session of parliament and is launching street agitation on the issue of leasing an aircraft, RNAC has canceled more than four dozen flights to New Delhi.

At a time when the shortage of air seats on the New Delhi sector is creating inconvenience to many, launching a tourism fair in India has little importance. "The fair should be launched along with more reliable and regular flights to India by the national flag carrier," said a tourism entrepreneur.

For the first time in the last two years, the NTB has launched a tourism fair in India to encourage Indian tourists to visit Nepal — Festival of Life: Fun Next Door Like

Never Before.

"The Festival of Life, 2001 is a 90-day celebration of life, people, cultures, religions, adventure, luxury, shopping festivals where nature and people come together in a grand spectacle celebrating life," said Pradeep Raj Pandey, chief executive officer of the NTB. After the dramatic hijacking of an Indian Airlines plane in December 1999 and the Hrithik Roshan episode of last December, the number of Indian tourists visiting Nepal has plummeted. Indian tourists contribute a major portion to the country's tourism revenue.

"If Indian tourist arrivals continue to decline, it will have significant impacts in the tourism sector," said Pandey.

That was a point stressed by Minister of State for Culture, Tourism and Civil Aviation Mahadev Gurung at New Delhi. "We hope the tourism fair will help to lure Indian tourists to Nepal as they are backbone of our tourism sector." ■

## STUDYING IN INDIA Transparent System

The Indian Embassy launches a website providing information on cultural scholarships

By A CORRESPONDENT

The Indian Embassy in Kathmandu has placed the results of the common entrance exams 2001 for study in India on its website <[www.south-asia.com/Embassy-India](http://www.south-asia.com/Embassy-India)>.

Nepalese students have selected for courses in bachelor of engineering, MBBS, bachelor of pharmacy, bachelor of veterinary science and B.Sc. Agriculture. Some 1,025 students appeared for the engineering test and 1,088 in MBBS, 182 in pharmacy and 173 in agriculture and 187 in veterinary science, according to an Indian Embassy press release.

The embassy has placed the names of nominated candidates on its web page, including the percentage scored by each student.

Each year, India provides scholarships to Nepalese students in engineering, medicine and other areas. In the early days, the candidates were selected on the basis of personal contact. The new system will help to make the selection process more transparent.

After the introduction of the website, every potential candidate can apply for a cultural seat and other scholarships provided by India. Publication of the result on the website will help applicants to review and compare their performance.

Apart from the cultural seats administered through the embassy, hundreds of Nepalese students go to India to acquire technical education each year through self-finance and other means. ■

## ADB REPORT

# Promising Trends

The latest report by the Asian Development Bank says Nepalese economy is making progress despite many hurdles

By A CORRESPONDENT

Despite on-going political instability and widespread Maoist insurgency, Nepalese economy shows encouraging signs and has performed better compared to previous years, a recent report by a leading multi-lateral donor agency said. The Asian Development Outlook 2001 prepared by the Manila-based Asian Development Bank (ADB) said the Gross Domestic Product (GDP) in Nepal increased by 6.4 percent in 2000, up from 4.4 percent in 1999. Continued sound macroeconomic management, coupled with another year of relatively strong agricultural growth, is expected to support

growth of 5-5.5 percent in Nepal's economy in 2001, said the report.

Given appropriate economic policies, Nepal has potential for growth rates exceeding 5 percent a year. However, actual performance is still vulnerable to changes in weather and the Indian economy given India's dominance as a trading partner and Nepal's narrow industrial base, said the report.

The report further said in the calendar year 2001, agricultural growth is expected to decline slightly to about 4 percent. Over the same period, industrial growth is also expected to moderate somewhat to 7-8 percent (down from 8.7 percent in 2000). The service sector growth is expected to remain stable at about 6 percent.

The report predicted that the Nepal government's ambitious development expenditure and revenue targets in 2001 will be difficult to achieve, especially

since pay rises and a voluntary early retirement scheme were introduced for civil servants. (The report doesn't mention about the government's decision to



Trucks carrying imported goods : Lifeline of the economy

mobilize army personnel to check illegal trade). Development expenditures are projected to grow by 45 percent financed mainly by increased foreign grants, while domestic revenues are projected to grow by 21 percent.

Launching the annual report here last week, resident representative of the Bank in Kathmandu Dr. Richard Vokes said the medium term outlook for sustained growth of the Nepalese economy looked positive if the government pushed forward with the implementation of the second generation of economic reforms as promised by itself.

The ADO 2001 projects the current account deficit to rise slightly in 2001 as aid-related inflows continues to increase. Strong economic growth in India will continue to bolster Nepal's exports. However, exports to other countries, in which garments have been important, will face increased uncertainty over the medium term given the gradual removal of quotas as part of the WTO agreement on textiles and clothing.

Noting the importance of agriculture development in addressing poverty in Nepal, the ADO notes that the government's continued commitment to the Agriculture Perspective Plan is critical. Another key to poverty reduction is the introduction of meaningful civil service reform and governance reforms.

Given the economy's limited access to foreign capital markets, the savings rate is too low to support the investment needed for sustainable reduction in poverty. The financial sector is another key area where extensive reforms are needed, the report said.

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**TRANSITION**

**APPOINTED:** Chandi Prasad Shrestha, as the regional administrator for the Eastern Development Region, Ananta Raj Sharma Pandey, as the regional administrator for the Central Development Region, Dhrubaji Adhikary, as the regional administrator for the Western Development Region, Prem Nidhi Sharma Gyawali, as the regional administrator for the Mid-Western Development Region and Sushil Prasad Bhattarai, as the regional administrator for the Far

West Development Region, by the council of ministers.

**TRANSFERRED:** Mukti Narayan Shrestha, secretary at the Ministry of Agriculture and Cooperatives, to the Ministry of Population and Environment (as the secretary), Poshan Nath Nepal, secretary at the Ministry of Science and Technology, to the Ministry of Labor and Transport Management, by the council of ministers.

**INSTALLED:** Bhanu Prasad Acharya, as secretary to the Ministry of Industry, Commerce and

Supplies, Khem Raj Nepal, as secretary to the Commission for Investigation of Abuse of Authority, Shashikanta Mainali, as secretary to the Cabinet Secretariat, Dinesh Chandra Pyakurel, as secretary to the Ministry of Work and Physical Planning, Lokman Singh Karki, as secretary to the Ministry of Water Resources, Damodar Dhakal, as secretary to the Public Service Commission, Mahesh Man Shrestha, as secretary to the Ministry of Science and Technology, Lava Kumar Devkota, as secretary to the Ministry of Education and Sports,

Ratneshwor Lal Kayastha, as secretary to the Ministry of Agriculture and Cooperatives, Mahendra Nath Aryal, as secretary to the Ministry of Health, Mohan Bahadur Karki, as the chief officer at the Special Police Department and Bansidhar Ghimire, as accountant-general, by the council of ministers.

**AWARDED:** Daulat Bikram Bista, senior litterateur, with the Basundhara Shree Award and Binaya Rawal, young litterateur, with the Man Shree Award, by the Basundhara-Man Academy. ■

# Child Labour: Individual Effort Will Make A Difference

Child labour, a word that is heard very commonly today, spelled disaster for Nepal's carpet industries about a decade ago after foreigners stopped importing their products, citing the exploitation of children. In the last decade, NGOs, INGOs, UN bodies, the business community, along with the Ministry of Labour, are involved in various activities addressing the issue of child labour. In 1990, after the restoration of multiparty democracy, children became a focal point of national concern. Under Nepal's new democracy, the international Convention on the Rights of the Child was ratified, the declaration of the World Summit for Children was signed, and children found their rightful place in the constitution.

Child labour is not a new phenomenon; it has been a part of our feudal economy. However, it is only in recent years that we hear of carpet and garments industries, confectioneries, brick kilns and stone quarries employing children for their submissive and inexpensive characteristics. The issue of child labour cannot be viewed in isolation, because this is a consequence of the country's exploitative socio-economic and political reality.

The number of working children is higher in rural areas than urban. In the urban areas, children are found more in the manufacturing sectors such as clothing, carpeting, and footwear industries. This problem is more prominent in Third World countries like ours. In Nepal, 31 percent of the population in the 10-17 years age group is reported to be economically active.

Some studies have found that both boys and girls begin their working lives when they are about six years old. In most of the cases, children are forced into the labour market to sustain the family. In search of market, children are even sent outside the boundary of their own birthplace. A number of Nepali children also travel to major cities of India.

Five major sectors have been identified as employing child labour in our country: agriculture, service, trade and commerce, industry and construction, and transportation. Over 94% of child workers have been absorbed by the agriculture sector alone. Service, construction, transportation, and communication have 1.6% each, and less than 1% of the children are involved in technical and production works.

All attempts at eliminating child labour problems are still in various phases of implementation. The irony of the mushrooming of INGOs and NGO is that only few are effectively operating to resolve child-labour problems, while others are just pawns in the game of greed and corruption. Organizations like UNICEF, Rugmark, ILO, CWIN, NESPEC and the government are taking commendable initiatives to eliminate the problems related to child labor.

Nepal has ratified the Convention on the Rights of the Child (CRC) and ILO Minimum Age Employment Convention. It has adopted the Labour Act 1991 and Children's Act 1992 based on these convention and has declared illegal the employment of children under the age of 14. The by-laws of the Children's Act 1992 have also provided special rights to the children to be protected from harm and exploitation, including child labour exploitation.

The question that arises here is whether the ban on and elimination of child labour really appropriate and rational in a country like ours.

The claim here is that eliminating child labour without first providing alternative sources, may lead to more problems. An unqualified ban on child labour, without ensuring children's rights, can easily result in the eradication of the child itself. The common trend until now has been to lobby for the eradication of the problem "child labour". Instead, why cannot people think of alternative ways to handle child labour problems?

In the course of our research, we did a field survey and distributed questionnaires to the public to seek their response regarding the solution to child labour. We found the follow response: 45% of respondents thought education was the solution, while 33.4% called for greater awareness. Effective government policy was favoured by 11.7%, and the setting up of rehabilitation centers was urged by 6.7%. Rugmark certification was sought as a solution by 3.4% of the respondents.

The results of the questionnaire depicted that the people believed education and awareness as being the most important solutions, and other solutions as moderate.

Child labour is not a problem just for the child but one for the whole society. There is no one such solution that can eliminate child labour. If it were so, then the problem would have been solved a decade ago when we first felt the blow. This problem should be handled collectively as well as individually. Setting up organization after organization will certainly not solve the problem until the whole mass is aware about the problem, as is evident from the response of the people.

Thus, we all should make an effort in whatever way possible to solve the problem. Reference to a small anecdote may help us to understand what each individual should do to solve this problem. There was once a young boy who would go to a beach every morning. The night waves would wash away many fish to the shore, some even alive.

The young boy would every morning religiously throw one fish back into the sea. An old man noticing this peculiar behavior of the young lad asked why he would do so; throwing just one fish would not matter as there were many fish still left on the shore. To this, the young lad replied that it certainly would not solve the whole problem but it would certainly make a difference to that "one little fish".

Therefore, the lesson here is that the magnitude of the child labour problem is so huge that it cannot be solved instantaneously. Despite all the planning and organizations out in the field, child labour will still be around for years to come. We will be hearing about it now and then. So the next time you hear words "child labour", don't merely acknowledge that the problem exists. Instead, make an effort or take an initiative in any way you can to resolve the child-labour-related problems and issues. It is individual effort that will make a difference. Therefore, let us all take a step towards a solution of the child labour problem. ■

*(This article was jointly prepared by Chiti Shrestha, Nischal B. Shrestha, Sapana Sharma, and Upasana Shrestha, MBA students of Kathmandu University School of Management)*

*Now In Town*

**BOOK**

<b>Annual Survey of Nepalese Law 2000</b> Kumar Regmi / 2000	Rs. 250.00
<b>The Ancient Settlements of the Kathmandu Valley</b> S.R. Tiwari / 2001	Rs. 300.00
<b>Constitutional and Political Development in Nepal</b> R.K. Dahal / 2001	Rs. 595.00
<b>The Coinage of Nepal</b> N.G. Rhodes / K. Gavrisch / C. Valdetaro / 1989	Rs. 5500.00
<b>Domestic Conflict and Crisis of Governability in Nepal</b> Dhruba Kumar / 2000	Rs. 525.00
<b>Land and Social Change in East Nepal</b> Lionel Caplan / 2000	Rs. 325.00

<b>Nepal's Foreign Policy During Nepali Congress Government</b> Y.P. Adhikari / 2000	Rs. 200.00
<b>The Newar Merchants in Lhaas</b> Kesar Lal / 2001	Rs. 150.00
<b>Nepalese Postage Stamps : Different Themes Single Denomination</b> D.P. Pandey / 2001	Rs. 150.00
<b>Nepal Yearbook 2000 Events of the Year 1999</b> R.C. Arya / 2000	Rs. 300.00
<b>Privatization : Expectation and Reality</b> R. Adhikari / K. Adhikari	Rs. 150.00
<b>Resource Allocation in the Agricultural Sector in Nepal : Analysis and Impact of Policies</b> Milan Adhikari / 2000	Rs. 1330.00

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

**Video (English)**

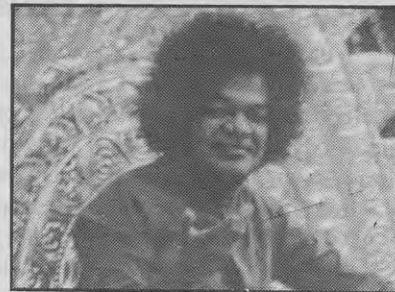
- The Tailor Of Panama
- Blow
- Tomcats
- Say It Isn't So
- Along Came A Spider
- Russian Maha
- The Mexican
- Exit Wounds
- Disappering Acts
- 300 Milestograce Land



**Hindi**

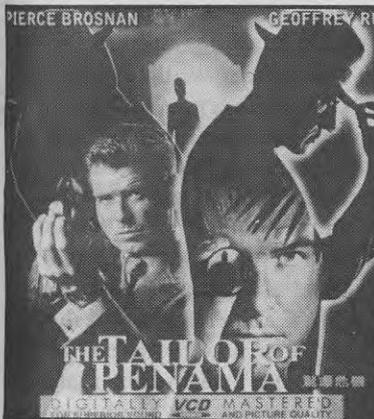
- Albela
- Jodi No 1
- Chori Chori Chupke Chupke
- Rahul
- One 2 Ka 4
- Kasoor
- Chhupa Rustam
- Mohabatein
- Raju Cha Cha
- Hadh

(Source : Super Star Video, New Road)



"Do not yearn for physical joy and, by so doing, discard the more permanent joy of inner calm and contentment."

**- SATHYA SAI BABA**



# CANBERRA CONFERENCE

## Global Green Movement

The political philosophy of 21st century

By A CORRESPONDENT

The recent Global Greens Conference 2001 at Canberra, Australia has set the tone of global politics for the 21st century. During the past thirty years the Global Greens movement has been growing steadily. Greens from different countries first got together informally at the Rio Earth Summit in 1992. Before that Greens had started getting elected to some European parliaments. In the last thirty years, the Greens have been gaining strength. The Global Greens Conference 2001 of representatives from more than seventy countries of the world has given a very straight and unambiguous message to the oppressed people of the world, the ecological and environmental degradation, the globalization and the rampant corruption that has become a kind of plague in many countries including Nepal, that the days of deliverance are not far off. The first ever global conference on such a huge scale, the Canberra Conference worked on the Global Greens charter and emphasized the need of the richer greens of the world coming to the support of Greens of poor countries. The infectious enthusiasm pervading the whole duration of the conference filled the hearts of all the

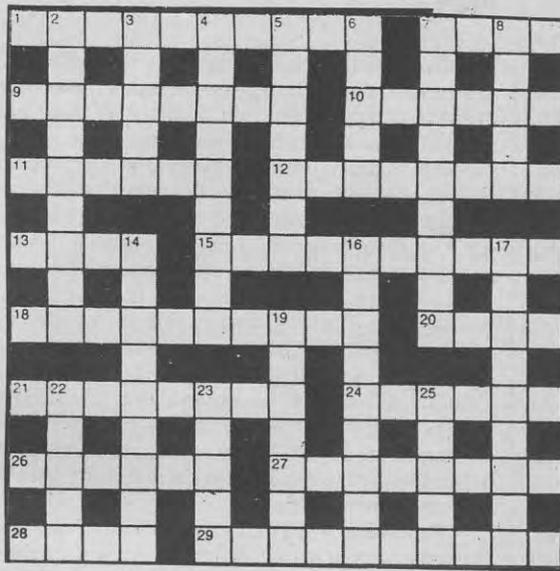


delegates with great optimism. The Nepalese delegation headed by the president of the Green Nepal Party met with almost all the important delegates and apprised them about the political situation in Nepal. Nepal also presented a brief country paper and took most active part in all deliberations. Most of the countries represented at the conference assured the Nepalese delegation of their cooperation and support. Senator Bob Brown, a green

parliamentarian of Australia, the host of the conference, was very emphatic when he said, "We know that if we put the smile back on the faces of future generations, we can smile again ourselves. To win these smiles, we are challenged to reverse global warming, restore forests, refresh the rivers, and aid the recovery of the planet's fisheries as well as close the gap between the rich and the poor." Bob, who had visited Nepal last year and discussed the development of Green Nepal Party, promised to extend all possible help and cooperation to GNP. But it is the people of Nepal, who can contribute GNP to grow and provide it an opportunity to save the country from the clutches of corrupt politicians. Be that as it may, the recently concluded Global Greens Conference 2001 at Canberra, Australia was very well organized and the host, the Australians, deserve commendation from all the participants. That the conference has generated a new hope in the hearts of the millions of poor and unfortunate peoples of Asia, Africa and Latin America and that the Green movement and the Green Parties will lead them to a healthier and happier world is a reality very few people will dare refute. ■



# CROSSWORD



**ACROSS**

1. Character pictured after tuning radio, angry (6,4)
7. Spice Girl embracing Conservative leader (4)
9. Old Italian, that is to say, steeped in violent nature (8)
10. Right to make move overseas — going by ship? (6)
11. Oriental's holy book containing some point (6)
12. Hit man being an idiot, when wrong (8)
13. Island surfer's language? (4)
20. Fare printed in timetable at station (4)
21. Possible setback with deliveries coming to end (4,4)
24. Doctor could be imprisoned for caper (6)
26. Composer taking chance with new intro? (6)
27. Old age that is possibly perfect for me? (3,5)
28. Bury, say, is a town near Manchester (4)
29. Instrument used to jam TV (7-3)

**DOWN**

2. Treating stoop, he may take a short time (9)
3. Guarantee son's lost temper (5)
4. Casual references to people in jail? (9)
5. Loot perhaps includes smuggled wine (7)
6. End of play worries dramatist (5)
7. Low light conceals new load of rubbish (9)
8. One barking first couple of orders previously caught soldier (5)
14. Doctor we call on a lot, perhaps (9)
16. Considers, say, some poultry for printers' picnic? (9)
17. Awkward situation n̄ is one in a stew? (3,6)
19. As usual, beautiful woman cut-short upstart (7)
22. Green seen from field on both sides of fairway (5)
23. In classic situation, man (American) contracted disease (5)
25. Fly, for instance, lower, needing to climb (5)

**Across:** 1. Dorian gray 7. Mace 9. Etruscan 10. Aboard 11. Korean 12. Assassin 13. Java 15. Make weight 18. Philosophy 20. Eats 21. Blow over 24. Gambol 26. Wagner 27. Ego ideal 28. Hyde 29. Squeeze box

**Down:** 2. Osteopath 3. Inure 4. Nicknames 5. Ransack 6. Years 7. Moonshine 8. Corgi 14. Allowance 16. Wayzgoose 17. Hot potato 19. Parvenu 22. Leary 23. Virus 25. Midge

# SOLUTION

# BRIDGE

**NORTH**

- ♠ Q J 2
- ♥ A 8 5 2
- ♦ Q 10 7
- ♣ A J 7

**WEST**

- ♠ K 9 6
- ♥ K J 10
- ♦ 8 4 3
- ♣ K 8 6 4

**EAST**

- ♠ 5
- ♥ 7 6 4
- ♦ A K J 6 5 2
- ♣ 10 9 3

**SOUTH**

- ♠ A 10 8 7 4 3
- ♥ Q 9 3
- ♦ 9
- ♣ Q 5 2

Vulnerable: North-South  
Dealer: North

The bidding:

North	East	South	West
1 ♣	2 ♦	Dbl.*	3 ♦
Pass	Pass	3 ♠	All pass

\*Negative

Opening lead: Diamond eight

**“The liberty of the individual must be thus far limited: he must not make himself a nuisance to other people.**

— John Stuart Mill

In former years, a player lucky enough to hold an opening bid could look forward to a peaceful auction. Defensive pre-empts were few and far between. Not so today, especially at duplicate. Here, nonvulnerable opponents take liberties and seize every opportunity to interfere.

However, it's not always a one sided affair. Often a wise declarer can benefit from an opponent's announced weakness.

South ruffed the second diamond and led a low trump toward dummy. West took his king (East could hardly have the ace) and returned a trump to dummy's queen. South ruffed dummy's last diamond with his 10 and then took a winning club finesse to dummy's jack.

South cashed dummy's trump jack to remove West's last safe exit card and then led a low heart from dummy. When East played low, South confidently inserted his nine, losing to West's 10. West was hopelessly endplayed and had to lead way from one of his kings. Either one would give South a free finesse, enough to give him his game.

How did South take advantage of the "nuisance" bidding? He knew East promised weakness and long diamonds. West's top-diamond nothing lead marked East with the top diamonds, so he could hold little else in high cards. This made West's hand an open book, and South took full advantage to bring home a good score.

# Lessons From The California Blackout

By S.B PUN

In the last decade globalization, liberalization and privatization have very much been the clarion calls in all developed and developing countries. The liberalization of the power sector has been one of the major sectors that this call has focussed on. We, in Nepal, are no exception to this global effect and power sector restructuring is very much on our agenda also. But how do we go about it? What are our neighbours doing? Which model do we follow? Do we blindly follow the model that others prescribe? Ukraine, wanting to look very different from Russia, followed the British model blindly only to regret it three years later. Many of the European countries' power sector, still in the clutches of the government in one form or the other, are restructuring in "a cautious and careful" manner. Our policy makers and chief executives need to do a thorough homework before applying the surgical knife. There is no question that our power sector is on the "frying pan". But in the haste to get us out of this frying pan, we do not want our chief executives to throw us "into the fire" instead. It is in this context that they must learn lessons from elsewhere particularly from the American experience of the recent Californian black outs.

It is sad that our media in Nepal refused to take notice of this Californian blackout particularly at a time when our power sector restructuring is on the anvil. California, home to the Silicon Valley and one of the richest states in America, has always been dubbed as the global doyen of the reform process. It was one of the first American States to espouse the principle of free market in its power sector in 1996. The icons of deregulation made grand promises of lower electricity tariff, more secure supply and bigger businesses for all in the power sector. Just five years down the deregulated road that is from the 17th of January 2001 a one-hour rolling blackout has hit the consumers of Northern California. The only time the Californians ever had power blackouts were in the 1940s during the time of the Second World War. The two major utilities Southern California Edison (SCE) and Pacific Gas & Electric (PGE) that supply two thirds of California are literally bankrupt with debts exceeding US\$ 10 billion. The ultimate sufferers are, like in Nepal, the consumers who do not know where they are being hit, whether legally above the belt or illegally below the belt. Power sector analysts in California merely shake their heads and say, "Do not make the mistakes we made." The Californian Governor, Mr. Gray Davis, in typical politician style rants that deregulation is a "colossal" failure, the Independent Power Producers are all "state criminals" and the out-of-state profiteers can not hold Californians "hostage". These are very strong words indeed, emanating from the Chief Executive of the State. They are, however, no different from the outbursts of our legislators regarding our Khimti and Bote Koshi power purchases. Even the Chairman of the Federal Energy Regulatory Commission, Mr. James Hoecker, somberly admits that the muddled power sector will require fixing "on several fronts over a period of time — in California's case three to five years."

From the little information that we can get in this part of the world, an attempt has been made to analyze this blackout. The Californian regulator put a "cap" on the retail prices that the utilities charge to the consumers but gave a free hand to the wholesale price so that the utilities had to purchase on the spot market at the rate that the IPPs bid daily. This is exactly what we are doing here in Nepal with the retail and wholesale prices though our contracts with the IPPs are on long term basis. The Silicon Valley boom in California meant an insatiable appetite for power that resulted in a whopping load growth of 8% per annum (2% is the thumb rule in developed countries) in a system of 55,000 Mw. This was quite contrary to the pundits' forecast that there would be a fall in the consumption of electricity. With gloomy forecasts like that and the fact that the government brought in tough environmental laws plus the classic "not in my backyard" syndrome, the utilities were in no mood to install new power plants. So when the supply could not meet the demand, the market forces pushed the wholesale price for peak power on the spot market from 5 US Cents per unit to 15 Cents and in recent times to an incredible 30 to 40 US Cents per unit. With the rise in the wholesale price for peak power

from three to six/eight times, the utilities naturally asked for a raise of 30% in their retail tariff. The legislators, as in any part of the world mindful of their voters, approved only 10%, only for three months and that even subject to reversal! I hope our policy makers in Nepal read and reread this previous sentence carefully, bearing in mind that such tariff increase reluctance is a normal affair even in one of the richest States of the one and only superpower, America. So the utilities started to bleed red and were forced to borrow heavily from the financial institutions to solve their liquidity crunch. When the credit rating agencies lowered the credit worthiness of the utilities, none of the financial institutions came forward with the loans. The IPPs, when payment is not made for the power already sold, naturally halted their generation to put the "squeeze" on the utilities. This is the cause of the IPPs being branded as "criminals" by the Californian Governor. Temporary power relief from California's east neighbouring States was restricted by the transmission line's incapability to wheel more power. The irony was, after deregulation, no IPPs or the utilities wanted to risk investment in transmission lines for this kind of probable eventuality.

Politicians whether in America or Nepal are a weird lot. The Governor wanted to circumvent the utilities' creditworthiness issue. So legislation was passed in the State that permitted California's creditworthy Water Resources Department to directly buy additional power under long-term contracts and sell it to the utilities at a fraction of the current spot market rates. This very much brought deregulation back to square one, that is the State re-regulating again. Power trading by the Water Resources Department may be a short-term remedy. This could give a breathing space to the Californian government to rethink on its deregulation and carry out the necessary fixing. On the billions of dollars of loans, the utilities are expected to be given more time to pay off their debts. But the ultimate sufferers of this bungled deregulation are certainly the hapless Californian consumers and the utilities' shareholders, the former to be burdened with higher tariffs and the latter with the liquidation sword hanging precariously over their heads. In fact the Pacific Gas & Electric utility has already filed for bankruptcy. To keep the two Californian utilities (Pacific Gas and Southern California Edison) going through the hot coming summer, a tariff increase of about 46% is being contemplated. But the mood of the consumers is reflected by Harvey Rosen, president of the Foundation for Taxpayer and Consumer Rights in Santa Monica, "We are being held hostage by a handful of energy companies that, under deregulation, got control of our electricity supply." Hence the promise of lower tariff, more secure supply and bigger business through deregulation is apparently going to the operation theatre for necessary "fixing" even in the richest State of America, a State considered the mother of all deregulation. It is in the above context that the chief executives of our government need to learn lessons and accordingly proceed with our power sector restructuring. We should be particularly careful with our government's present fundamentalist belief that the bulbs in the Nepalese homes and factories will continue to glow even brighter once the power sector reforms as prescribed by the multilateral agencies are religiously implemented as the Fatwa/edict. The government's white paper as outlined by the National Planning Commission calls for the restructuring of the power sector, with some pundits wanting this to be done and be finished with it in an incredible time frame of two to three years. The Californian debacle is a grim reminder to us that deregulation is having its hiccups even in the richest State despite what we believe an "all enabling environment". Finally, besides the lower tariff and a quantum increase in the accessibility of electricity to more Nepalese, the overriding concern of deregulation in Nepal must be that the bulbs in our homes and factories continue to glow in the coming decades! So let us learn lessons from the California black-out and take a more cautious and careful approach to power sector deregulation.

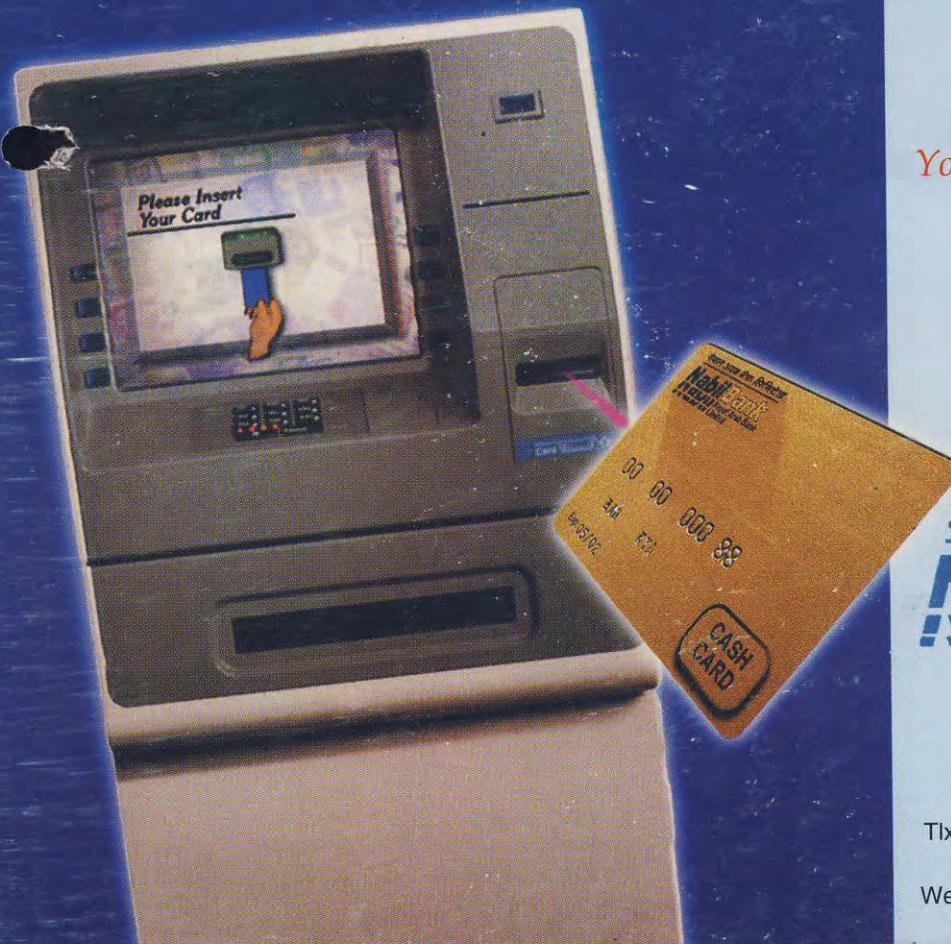
*Pun writes on water resources issues.*

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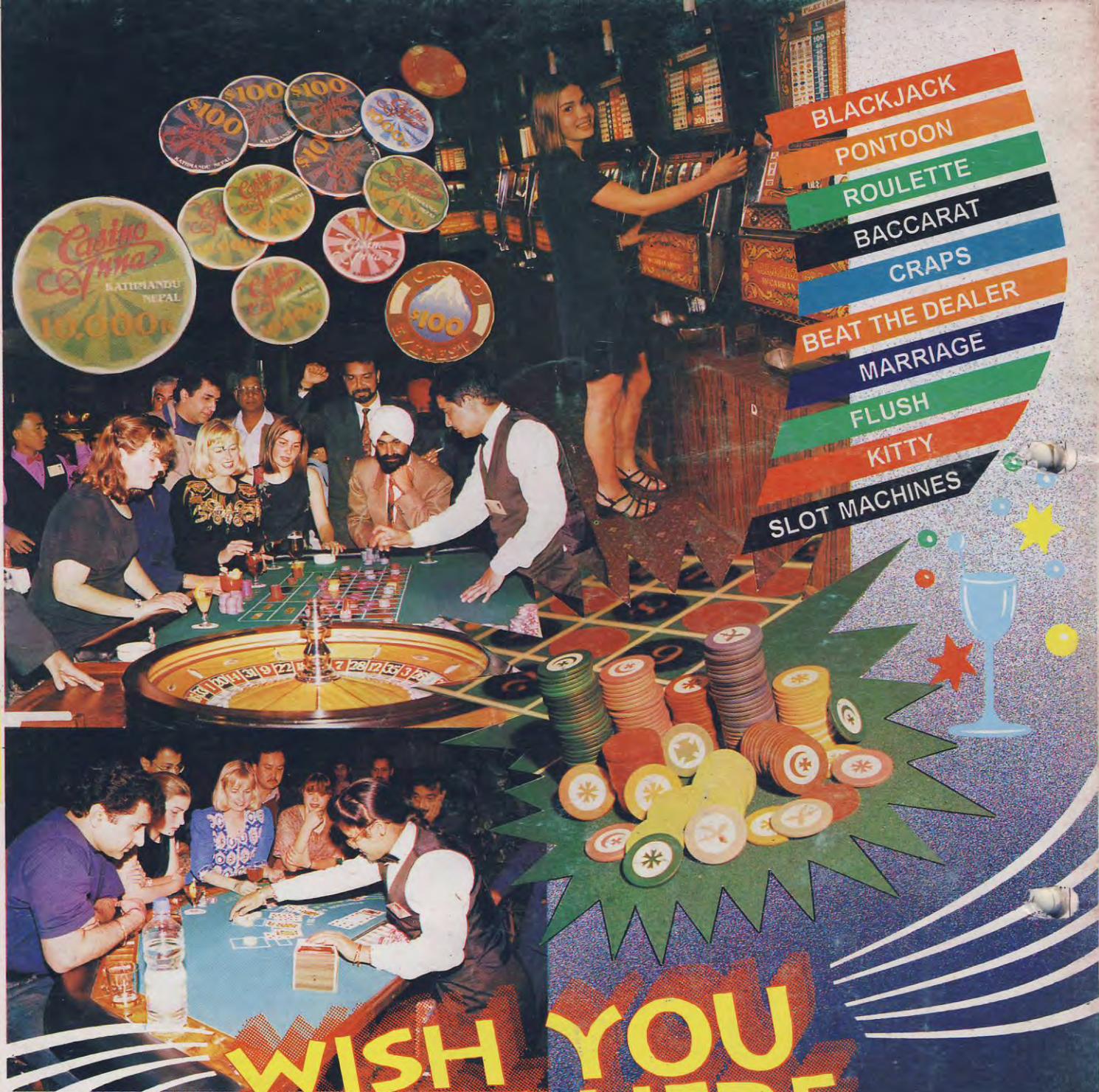
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