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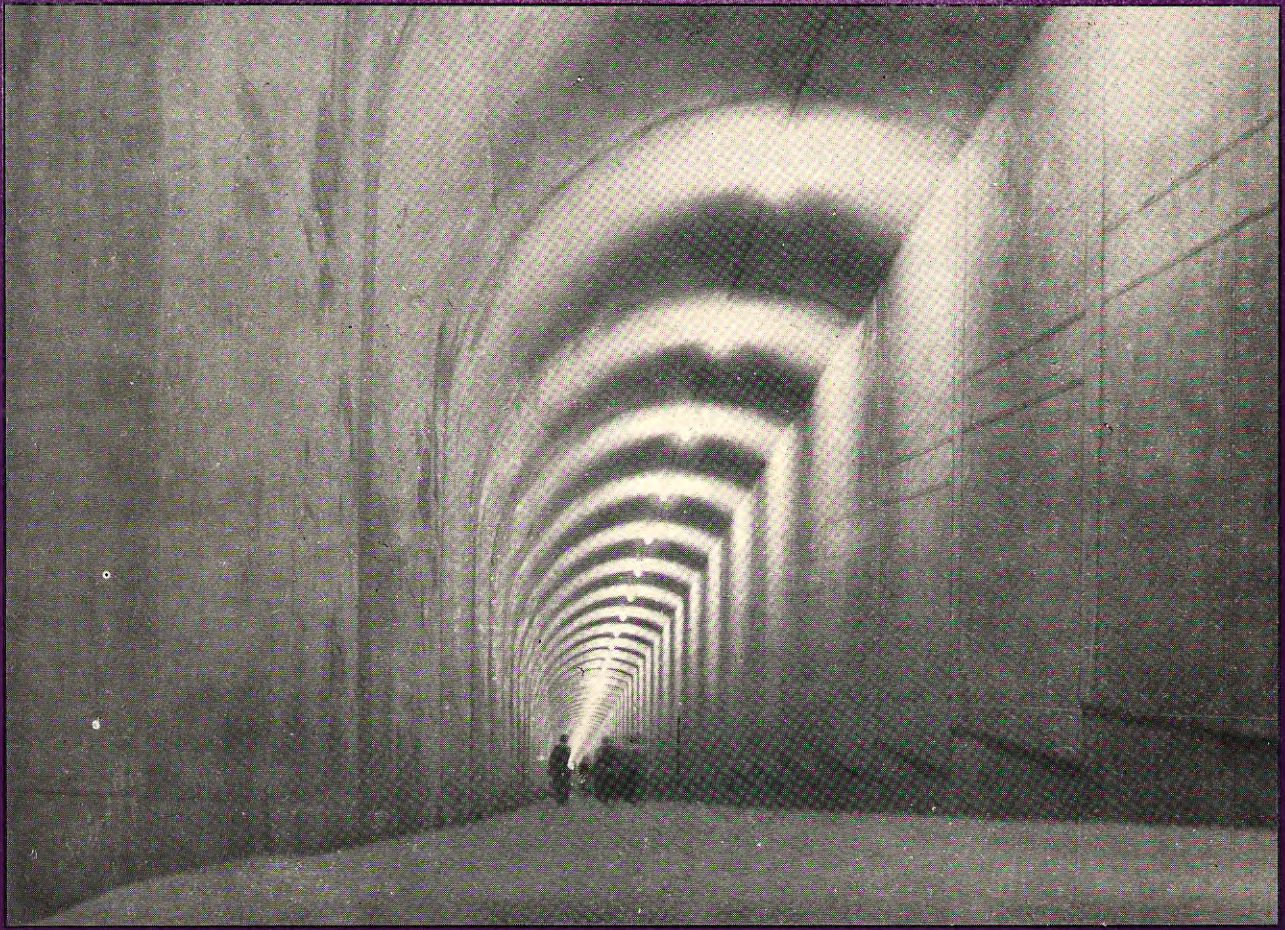
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HIMAL

HIMALAYAN MAGAZINE



What to do with Foreign Aid?

Please, Minister
Programmed Poverty
Banks & Agencies
ICIMOD's Promise

West China
Langtang Cheese
Poison Honey
Parallax

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COME, COME, BE A SPORT!
SWALLOW IT WITH A BIT
OF WATER



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Cover picture by Gopal Chitrakar shows the access tunnel leading to the underground powerhouse of the Kulekhani-I Project south-west of Kathmandu. Completed in 1982, the project was funded by loans and grants from the EEC, the Kuwait Fund, OECF/Japan, OPEC, UNDP and the World Bank. Kulekhani-II, a subsequent project which utilises water from Kulekhani-I's tailrace, was completed with grant aid from Japan.

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HIMAL

Vol. 5 No. 2 Mar/Apr 1992

अस्त्युत्तरस्यां दिशि देवतात्मा
हिमालयो नाम नगाधिराजः
पूर्वापरौ तोयनिधी वगाह्य
स्थितः पृथिव्या इव मानदण्डः

*The Abode of Gods, King of
Mountains, Himalaya
You bound the oceans from
east to west
A northern yardstick
To measure the Earth*

- Kalidasa (Kumara Sambhava)

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MAIL

HINDU VALUES & KATHMANDU

Your special issue on the "weakening spirit of Kathmandu Valley" presents a terrible, tragic but inevitable future for the Valley. However, all that was said could be applicable to the country as a whole. Lack of popular participation is the main factor which has led to the stagnation of Nepali society in general and to the problems of Kathmandu Valley in particular. What the Valley and Nepal need today is a new, secular, "collective forum", one which will allow the population to plan and work together. In the absence of such a forum, no amount of government planning or paraphernalia will make a difference.

In this connection, to consider the Hindu value system (called "fatalistic" by Dor Bahadur Bista, whose book is also reviewed in the same issue) as the sole responsible factor for the

of the West. The disorientation of present-day Nepal can actually be ascribed to the growing ineffectiveness of the Hindu value system, which loosened the only "emotional tie" that was holding the society together.

The Hindu social organisations, such as the *ashram* and *varna* systems, in spite of many inadequacies, were capable of mobilising the masses in reciprocal self-help through the division of labour. Other forms of social organisation, such as the family, clan, kinship and lineage, are less effective in providing a secular forum for popular participation. While they have lost "the religious tie of social linkage", both Hindu and Buddhist societies have been unable to put forward a defence mechanism against the overwhelming influence of the West.

Youba Raj Luintel
Centre for Nepal & Asian Studies, Kirtipur
Kathmandu

CORRUPTION AND FATALISM

None of the many writers addressing the death of Kathmandu mentioned the most glaring cause of the butchery of this Valley we all continue to love so much, despite the fact that she has turned from a living goddess to a sorry creature in front of our eyes. Virtually every government officer who issues a building permit, or approves of a new road, or certifies that any construction by a citizen is in concurrence with any government regulation ever put into force to protect the environment — is corrupt.

In such a situation, how can any regulations ever be put into place to arrest the damage and attempt to restore the Valley? For example, the officer who is to certify that your building meets the "code", will whip off his HMG hat and jam his "private consultant" hat and hand you a card, directing you to his private office across the street. For a fee, his brother shows you how to fix your plan, and the next day you receive your permit.

This consulting gimmick is not unique to Nepal. But elsewhere, you pay to move your file faster — in Nepal, Nepalis pay other Nepalis to do things that are contrary to the self interest of

all Nepalis. Therefore, the Government could start by firing half of the 150,000 bureaucrats before trying to do anything about anything else.

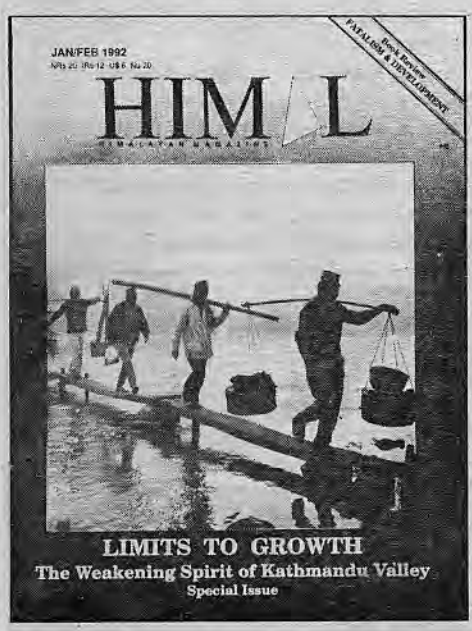
Having done that, the Government could easily shift all industrial development outside the Valley, introduce or enforce zoning, forbid the conversion of farmland to other uses, build a sewage treatment plant, ban the sale of plastic bags, lift all import duties on electric cars, forbid the import of non-electric vehicles, and so on. The solutions to the problems are obvious, but none will be implemented until the administration is first cleaned out.

On another matter, Anup Pahari's academic critique of the book *Fatalism and Development* was silly. Dor Bahadur Bista is the "grand old man" of Nepali studies and his book is the jewel in the crown of that discipline. The book, in my opinion, is the single most important book ever written by a Nepali. I can say this with a straight face since so far as we know the Shakya Sage never wrote a book.

Bista wrote his book not to satisfy the obtuse parameters of academia, but to draw attention to the root causes of the problems facing Nepal today. Pahari is confusing the map for the territory. He is more interested in exhibiting his academic skills than bothering to comprehend what the book is trying to tell us. The review does not detract one ounce of validity from the accurate description of the Nepali mindset presented by Bista. In fact, we are all lucky that he has been able to transcend the academic strictures and integrate his lifetime of experience into a useful description of the terrifying position Nepal finds itself in today.

Pahari's critique shows a lot of learning but no wisdom. On the other hand, Bista's long-ago education has fermented, over the course of a lifetime, into that rare essence of knowledge called wisdom. If the destruction of Kathmandu Valley is arrested, it will be done by Nepalis who have integrated the message contained in *Fatalism and Development*.

Thomas Laird
Correspondent, Asiaweek
Kathmandu



stagnation of Nepali society is really a "fatal myth", the term used by your reviewer.

The Hindu value system (whether regressive or progressive) has been ineffective in Kathmandu for the last four decades, during which our society has come under the influence

REALISTICALLY SPEAKING

With reference to your cover feature on Kathmandu Valley, please take these comments of mine as utilitarian, realistic, and from an anthropological perspective. One should not overplay the need to preserve the three historical towns of the Valley. Today, people expect to live little better, with better education, better sanitation, and better transportation. None of this, of course, can happen without unleashing a degree of change in the physical plan of the towns, in the outlook of their people and in their traditional values.

In contemporary times, attempts at modernisation have proven to be drastic and unsettling, leading to cultural alienation. Even so, after a certain amount of initial loss, culture stands a good chance of being "rediscovered" or reinstated, albeit with some modifications. Everywhere, culture has inevitably to go through this cycle of decline and resurgence.

One could posit that some modernisation and education actually allows a person to better appreciate his/her cultural heritage. There should be some amount of development first, even though that may mean some cultural weaning away. Understanding of history is much better when there is an intervening time gap. As Al Ghazale, a Persian philosopher of the 12th century wrote, "The first condition for belonging to a tradition is that one does not know it."

It serves no purpose to equate the historical towns of Nepal and Germany, to take one example, when talking about the preservation of old quarters. The Germans have the economic freedom to rediscover their past, restore it, or even to fake it and recreate what has been lost. The situation in Kathmandu is, as we all know, quite different. Nepal does not have the resources for preservation and conservation works. While many European cities might have been able to keep their old sections well-preserved, it is only the exterior that is kept old. The insides of even the oldest houses and medieval castles are all furnished with modern amenities such as hot and cold water and central heating.

How can we force Nepalis of the old towns to live in buildings that are old outside, and dingy and dilapidated inside? Can any serious-minded scholar condemn the people of Kathmandu to live in their medieval surroundings forever? Can anyone wish that they continue to live in their cultural ghettos against their wish? Aesthetics is a matter of taste and affordability. In all this, when we talk of maintaining old style of housing, we must also remember that cement has been a friend and saviour of the poorer people. It is durable, and requires little maintenance.

Prayag Raj Sharma

CNAS Kirtipur

Kathmandu

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BABBLER BATTLE

I was surprised to read the letter by Pralad B. Yonzon (Sept/Oct 1991) commenting on *Himal's* report on the Spiny Babbler, published as far back as Nov/Dec 1989, and on various points that I had made to your reporter Sichendra Bista, including that the bird is endemic to Nepal.

The Spiny Babbler is given an "endemic status" by all reputed scientists, including the Inskipps in *Field Guide to the Birds of Nepal*, where it is called "the only endemic species of bird in Nepal". They wrote, further, that "the bird may occur in the west into India; however, there are no definite records." Akshob Singh of Kumaon has commented that this rare bird "has never been seen by me or any friends during my

many years of bird-watching in Kumaon" (*Himal Jan/Feb 1990*). He further stated that H.S. Nepali, quoted in the original *Himal* article, can retain his confidence that the bird is endemic to Nepal. Endemic status of the bird has also been accepted by Dr. A.J. Gaston in the *Journal of the Bombay Natural History Society* (Vol 81). Bittu Sahgal, editor of *Sanctuary* magazine, writes that "today the specimen is almost restricted to Nepal, where too habitat is vanishing." The endemic status is also accepted by *XX Congressus Internationalis Ornithologues* (December 1990).

No doubt, there will be endless quibble over the bird's primitiveness, and many morphological, behavioural and genetic features

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Back Issues of Himal:

Vol.	No.	Colour	Date	Cover Story
0	0	Green	May/1987	The Valley Chokes
1	1	Green	Jul/1988	Highlanders on the Move
1	2	Blue	Nov/Dec 1989	<i>Dharma's</i> Changing Landscape
2	1	Red	Jan/Feb 1989	World of the Girl Child
2	2	Purple	Mar/Apr 1989	Prosperous Himachal Pradesh
2	3	Orange	Jul/Aug 1989	An Obsession with Tourism
2	4	Green	Sep/Oct 1989	Changing Food Habits
2	5	Blue	Nov/Dec 1989	Development Refugees
3	1	Red	Jan/Feb 1990	The Shangri-La Myth
3	2	Grey	May/June 1990	A Nepali Interregnum
3	3	Green	Sep/Oct 1990	The Tarai, A Backwater?
3	4	Blue	Nov/Dec 1990	Hill Poverty
4	1	Purple	Mar/Apr 1991	Tibetan Diaspora
4	2	Grey	May/June 1991	Troubled Waters
4	3	Orange	July/Aug 1991	Nepalis in Foreign Uniform
4	4	Green	Sep/Oct 1991	Keeping Women Down
5	1	Red	Jan/Feb 1992	Weakening Spirit of Kathmandu Valley

of the species are yet to be explored, but the spiny shaft is the primitive feature which gives the bird its name. Sleeping in a compact puff ball is another primitive feature along with pair territorial habit and poor flight adaptation.

I am continuing my research and expect to unveil more details about the bird's primitiveness. I would be glad if Yonzon would give his reasons as to why he considers the bird not to be primitive. This is a rare bird and it was fortunate that I was able to rear it in captivity. Due to its shy and elusive character, we have yet to study the pair bonding in nature and captivity. We also have to compare the Spiny Babbler's habits with those of common love-birds and other species. The degree of attachment can be studied by radio-tagging birds in the future.

The Spiny Babbler is a species which is more heard than seen. Many mysteries could be unravelled from studying the captive bird, as I have done. Since the study of the bird both in the wild and in captivity will require long-term research, it is the job of Nepali ornithologists to unveil the secrets of the bird.

While I am thankful for Yonzon's interest in the Spiny Babbler, an endemic bird of Nepal, his comments appear to be unscientific and perhaps motivated by unscientific feeling against my humble attempts to study the Spiny Babbler.

Tej Kumar Shrestha

Department of Zoology

Tribhuvan University, Kathmandu

WHITHER HIMAL?

I have been watching the space underneath your cover logo closely these past four years. First, you described your magazine as being "For Environment and Development. Then it was "Development and Environment", to be followed by "Alternative Bimonthly". According to the Jan/Feb 1992 issue, *Himal* is now a "Himalayan Magazine." Will the editor please explain?

Bholu Acharya

Kathmandu

Editor's Note: "Environment" came before "development", until we realised that development (with people) must come first. Later, as the two terms became progressively cliché-ridden and misused, we felt that their use needlessly pegged *Himal* into a limited sphere. (Incidentally, we used the terms "environment" and "development" in tandem even before the Brundtland Commission discovered it.) We went for "alternative bimonthly" in the belief that *Himal* was addressing concerns not covered by the plains-based mainstream media. Also, some readers began thinking *Himal* was a quarterly (alternate + bimonthly). A few issues older, we arrived at the conclusion that *Himal* was actually a "mainstream" publication after all, as far as the Himalayan region was concerned, because there is little else. So today we are a "Himalayan Magazine", of Himalayan society. Thank you for bearing with us as we continue to try to discover ourselves.

UNBELIEVABLE

I refuse to believe that things are as bad in Kathmandu as an overall reading of your issue on the "weakening spirit" of Valley suggests. Certainly, we are adjusting to new cultural realities, and the air is dirtier than it used to be. But as the old is inexorably left behind, due to the one-way road to "modernisation", so is a unique new culture being defined which is, also, uniquely the Valley's own. This new culture is being born among the Newars, Parbateys and the highlands groups that make up the Valley's present milieu — sometimes together sometimes separately. We must try to understand this process rather than endlessly engage in western-centric breast-beating about the Valley's endangered natural and cultural heritage. Both, it seems to me, are more resilient than we give them credit for.

R.B. Basnyat

Katmandu

PATER GREUBER

Honoured with the reputation of having been the first Austrian ever to visit Nepal, I try to keep up on how the relations between our two countries develop. The provocative article "Little Water, Dirty Water" by Ajaya Dixit (Jan/Feb 1992) was an eye-opener. It likens the amount of money that has already been pumped into Kathmandu's water supply system with a flood. It describes the "extraordinary ineptness" of the Nepal Water Supply Corporation (NWSC) in implementing earlier IDA loans and water supply programmes. And it questions the wisdom of the Norwegian and Austrian Governments in providing additional grants and commodity assistance, in the form of pipes and fittings, "given the Corporation's past record..."

This is the cue for me to add some information. In order to appreciate why a donor country like Austria would render such questionable assistance to a recipient known for "ineptness", it is important to understand the motives behind such a deal. These motives, by their very nature, are not always revealed to the public, as in the present case.

Of the five-million dollar loan committed by Austria last year to Nepal, only 30 per cent can be used for the purchase of products from Nepal or from third countries. The major part of it, 70 per cent (some NRs 160 million) has to be spent on "commodities" from Austria — as agreed, on steel pipes and fittings for NWSC. (Though this is of interest to the supplying company in Austria, it remains to be seen whether it's also in the interest of Nepal.) It looks as if Nepal will get a low fraction of the loan's value. Up to half of it may have to be spent on the costly transport of 275,000 metres of steel pipes all the way from the Tyrolian Alps to the Himalaya.

The steel industries of nearby India or China would probably be able to supply many

more kilometres of pipes for less money, and at much lower transport costs. But under the terms and conditions of the loan deal, it was intended *a priori* that the bulk of the money was to stay in the Austria, conveniently disguised as Third World assistance. And this is not the end of the story. As the grapevine reports, only one Austria bid to the Austrian Government's invitation for tenders, and this company's offer was 30 per cent above the existing market rates for such steel pipes in Europe. Not a bad business, if true. A bit murky perhaps, but not more so than the colour of the piped water in Kathmandu.

Officials in Vienna have declined any information on this to the interested media, and none of the concerned parties want to take about the details of the deal. But I know the history of it all because, to confess, it is partly my own doing!

On my first mission to Nepal, a long time ago, I thought it appropriate to present the King of Kathmandu with a gift of potentially mutual benefit: it was a telescope, to help the King see his enemies close-up. But my gift did not boost Austrian exports to Nepal, not of telescopes or gun barrels, or of any other pipe products we wanted to sell. The next Austrian was Adolf Hitler who sent a telescope in 1937, though this time it carried a "Zeiss" trademark and with more German than Austrian interests in mind. Even this did not help Germany or Austria gain a foothold in Nepal.

Only last year, finally, the Austrian efforts bore fruit when a well-proven device was applied to the problem: we call this the state-subsidised loan and export business — "development aid". We prefer to strike our deals behind closed boardroom doors not only because our industrial neighbour in the west (the OECD countries) keep criticising us for overstretching this way of cheating but also, as your article seems to infer, the "intended beneficiaries" (whoever they are) may start asking questions. Which would mean unnecessary trouble given the present democratic fervour in your country. Anyway, it is the Austrian taxpayer who will have to foot the bill in case the intended beneficiary is not able to do so. I only pray to God that the Austrian "beneficiaries" may remain as anonymous as the ones in Kathmandu. Amen.

Pater Johannes Grueber, S.J.

Linz on the Danube, Austria

Himmelfortgasse

Editor's note: The signature above obviously indicates a pseudonym. But we present the letter anyway because of the information it contains. The real Father Johannes Grueber arrived in Nepal more than 300 years ago. An Austrian, he was the first Westerner to have visited Kathmandu Valley. He is said to have presented King Pratap Malla of Kathmandu with a telescope in 1660 AD.



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Shambala

An Open Letter to the Minister

**To: Mahesh P. Acharya
Minister of State for Finance
Ministry of Finance, Bagh Durbar, Kathmandu**

From: Madhukar S.J.B. Rana

Subject: The need to reform foreign aid administration for a "New Nepal".

Excellency,

Shortly, like Ministers of Finance before your turn, you too will lead the Nepali delegation to the annual Nepal Aid Group (NAG) Meet to be held in Paris — Europe's metropolis *par excellence*.

Unlike Ministers of Finance before your time, you will be participating as the first post-revolutionary personage with the mandate of a sovereign people, to seek the "New Nepal" which your party and Government wishes so dearly for the kingdom.

No "New Nepal" is possible without an effective Nepal Aid Group mechanism when 60 per cent of His Majesty's Government's development expenditure and 40 per cent of its total expenditure are derived from foreign aid. Also, there has to be a willingness in the donor community to accommodate within its development paradigm the Congress Party's manifesto. Hence this letter.

The challenge before you is immense. Aid is becoming scarcer and more conditional. Longer and larger strings are being attached to foreign grants and loans. In an environment of globalisation, the aid dialogue appears to transgress upon the traditional concepts of economic and political sovereignty. With aid diplomacy becoming ever-more commercialised, diplomatic finesse yields to mutual benefit and frankness, which oftentimes could appear too personal and improper. And not least, of course, there is the world economic recession and hard times for all; and also the grave reluctance of the international commercial banks and transnational corporations to invest in the developing countries, especially the least developed ones like ours.

Challenges not only constrain. They also provide opportunities. The first and foremost opportunity emanates from what you said before the Local Level Donors' Meet on 17 February: "*Ever dedicated to principles of democratic socialism, the government of the Nepali Congress is committed to uphold basic human rights, political pluralism and good governance.*" This suggests like-minded ideology between Nepal and the donors. Hence the climate for dialogue is optimal for both.

You also seem to convey to the donors locally that His Majesty's Government of the Congress-variety is more "bold" and "committed" to the World Bank-IMF Structural Adjustment Programme (SAP) than was His Majesty's Government of the Panchayat-variety. Hence, not only is the ideological ambience in harmony but, the policy goals are equally in tune of privatisation, market-friendly approach, globalisation of the Nepali economy, liberalisation of the foreign trade regime, effective public expenditure management, rural development with "people in front" for poverty alleviation, meeting basic needs in agriculture, health and education, and last but not least, reforms in the development administrative system.

Excellency,

As you prepare for the dialogue with the donors, I am inclined to believe many concerns will be uppermost in your mind: Will the donors provide more aid than ever before so that Mahesh Acharya outdoes Devendra Raj Panday, Bharat Bahadur Pradhan, Prakash Chandra Lohani, Yadhav Prasad Pant, Surya Bahadur Thapa (who, serving also as Prime Minister

could not lead the delegation, which was led in turn by the Finance Secretary Devendra Raj Panday) and Bekh Bahadur Thapa? Will the donors' programmes and projects conform to the *Approach Paper for the Eighth Five Year Plan, 1992-1997*, which only recently has been endorsed by the Congress Party Convention at Jhapa? In the era of competitive politics, how will the opposition parties evaluate the results of the NAG-92? Just how much synchronisation with the donors is good for "democratic socialism", or the Party's *entente cordiale* with India? In the face of His Majesty's Government's lacklustre performance in the field of economic management, how does one reassure the donors of better 'absorptive capacity'? Would it yield sympathy to put all the blame on the *ancien regime* for the structural weaknesses, graft and corruption, and unaccountability in aid management? And will it be wise to do so given the fact that these very donors (save Sweden) were development partners of the past regime?

You have raised many excellent issues about foreign aid. It can not, however, be said that they were not raised before by other Finance Ministers. One vividly recalls the Nepali presentation to the 1983 NAG Meet by Prakash Chandra Lohani who, it should be noted, was the first-ever elected Finance Minister. He came to hold that post after a historic vote of no confidence motion against an incumbent Prime Minister! Graft and corruption were one of the major charges for the change of government then. One should review the 1983 NAG document's content and tenor and wonder why nothing came out of it? I had the privilege to be associated with its drafting, as Chief Economic Adviser. Even now I wonder if they were taken seriously by the donors as they know very well how hypocritical we in the developing world are, specially the least developed ones.

One paragraph in your statement particularly struck me. I quote: "*In the past, the commercial interest, rather than the needs of the country, used to supersede economic and technical considerations in the selection projects and their design. The government is now determined to arrest the influence of the suppliers of goods and services and their agents in decision making process. I am hopeful that we will receive your full support in this regard.*"

It is nice to be ethical and moral. But let us also not be naïve. Are we really hoping that the donors, whether bilateral or multilateral, will come up with solutions to deal with this issue? Let me remind the Honourable Minister that while doing my stint with the Ministry of Finance, a proposal was formulated to involve the British Crown Agents for monitoring commission-taking, over- and under-invoicing of exports and imports, supplying goods and services contrary to contract terms and conditions, and so on. What happened to that file? I know that it moved reluctantly from the Finance Ministry to the Commerce Ministry and then the Nepal Rastra Bank and thus returned to the originating Ministry. Many of the presently incumbent senior executives are familiar with its content and routing, including a very senior executive in the present Cabinet Secretariat. Why was there no implementation? Perhaps, Your Excellency will deem it fit for yourself and the Administrative Reform Commission to find out? The



Minister of State for Finance M. Acharya (fifth from left) with his team.

people of both the donor and recipient countries are being cheated by nefarious commercial and bureaucratic alliances, which yet goes unheeded. One recalls the expert from the British Crown Agents saying to the then Finance Minister that the introduction of this monitoring and surveillance system in Indonesia increased that country's customs revenue by 50 per cent in the first six months of its implementation!

Those outside the Government consider the NAG Meet a useful forum. But not an effective one. Much room remains for improving its worth.

The Nepal Aid Group meet is useful because it is difficult to deal with each of the 36 or so bilateral and multilateral donors. Although most countries participating in the meet are like-minded in their perspective on development, yet co-ordination is needed because of the variances in their capabilities and interests.

It is useful since a dialogue is possible between the highest levels of technocracy among the donors at one time, which saves much cost, time and effort. In the international aid business it is always an opportunity to meet and hear the major decision-makers so as to hone national bargaining skills. And they are busy people having to deal with over 160 countries.

It is useful because it "disciplines our political decision-makers," says Devendra Raj Panday. The World Bank does provide an annual microscopic examination of the economy's performance, policies and strategies based on a wide cross-section of views, data and information. At its own discretion, which should be changed, it decides on a "national need" for the year and then goes on to do an in-depth analysis on the subject matter. (For example, this year domestic resources mobilisation, at other times human capital formation, poverty alleviation, exports, women in development, and so on.) Further, it projects the three famous economic gaps, namely 1. Savings and Investment 2. Export and Import and 3. Government's Deficit Financing. Based on the above analyses, the World Bank proceeds to estimate our "aid need". As it happens, Excellency, their estimate is always superseded by actual pledges, which makes us wonder as to its effectiveness when aid utilisation has remained constant over long periods, between 52 to 56 per cent of aid commitment? What is the gain from having an overloaded aid pipeline when the aid tap is dry and the bucket awaiting the aid flow is filled with the interest on the loans? We should henceforth move from measuring the success of aid diplomacy from its stock position to its flow and, indeed, its impact on the quality of our lives.

The aid group meet is ineffective because we, on our part, react to the World Bank's Country Memorandum rather than proacting. As you know, we prepare two documents: one, the so-called "Volume I", which primarily is a defensive expression of our (poor) performance, policies and strategies; two, the so-called "Volume II", which is a shopping list of projects and their size of investment arranged by sectors.

It is said that David Hopper, former World Bank Vice President for Asian affairs, had mentioned at the time of the first NAG Meet held at Tokyo in 1976 that the occasion marked Nepal's "maturity as a developing country". Indeed, if one considers that the "lesser developed" Bhutan and Maldives only have Annual Round Table Meets chaired by the UNDP, it may be so by comparison. But it must not be forgotten that all our diplomatic efforts from the mid-1960s were given to having an aid consultative mechanism like that for India, Pakistan and Sri Lanka, which, after all these years, clearly the NAG Meet is not. Our NAG Meet is an exercise in "co-ordination of projects". India's Aid Consortium Meet, which can take place on a back-to-back basis with us, is an exercise in "dialogue over policies and pledging". What one wishes to emphasise is this: Nepal is yet, after 16 years, at the stage of the NAG Meet whereas in the meanwhile Bangladesh has "matured" even further to have its own Aid Consortium Group Meet on par with India, Pakistan and Sri Lanka.

Excellency,

One views the NAG Meet to be ineffective precisely because we have the worst features of both mechanisms, namely project-lending with macro-cum-sectoral policy conditions. As the parliaments of the bilateral donors decide on the allocations for each country irrespective of the World Bank meets, it is unlikely that more can be pledged. For Nepal the worse scenario is that it can regress into it, as Bekh Bahadur Thapa says, "An exercise in collective vanity among the donors." The NAG mechanism is ineffective for its cost effectiveness. Projects are donor-oriented and therefore highly capital-intensive involving inappropriate technology and excessive technical assistance components. As projects get bigger and bigger the conditions set have naturally extended themselves towards policy reforms and hence have programme implications (for example, change personnel policies in the irrigation sector, create health user associations, merge departments to form national authorities, revise pricing, and so on). As the experienced former Finance Secretary Lok Bahadur Shrestha says, "Often we find that it is the tail that wags the dog in aid negotiations."

Actually, one must objectively recognise, Excellency, that some progress towards programme lending had been made through negotiations between the Asian Development Bank and the Nepali side under the leadership of Bharat Bahadur Pradhan. The years 1987 till 1989 were good for the further "maturing" of Nepal in international economic relations, with agreements on the ADB Industrial Programme and the ADB-Finland-Germany Forestry Programme. We must continue with negotiating programme loans, and for this our priority target countries should be those that meet the Pearson Commission Report of committing one per cent of their GNP for foreign aid (countries such as the Netherlands, Sweden, Norway, Denmark and Finland).

Under your leadership Nepal can move rapidly to programme lending and hence to the Aid Consortium status, if we can improve our "absorptive capacity". This calls for administrative reforms for sound financial management, good public audit and superior technical competence. So far, the professionals engaged in finance, audit and technology have been the backroom boys and girls of our development drama. They must now be brought to front stage as leading actors.

It is hoped that you will be successful in obtaining a Memorandum of Understanding (MOU) at the Nepal Aid Group Meet towards moving to an Aid Nepal Consortium. Some features of this MOU could involve the following: termination of carry-over projects from one plan to another; intensive local-level dialogue to develop priority programmes for donor funding, based on the Approach Paper to the Eighth Plan; new modalities for standardisation of project and programme administration in the light of decentralisation to the sectoral ministries and local government institutions; policy and institutional support for project identification and appraisal by local consultants; joint audit of projects for propriety and impact; augmenting the role of the local aid agencies in the generation of baseline data, needs assessment and project identification by working with national institutions and consultants, and so on.

Excellency,

When all is said and done, what it boils down to in simple language is that you must not be reluctant to say "No" to donors as it is not aid commitment which is important but disbursement and foreign debt. Because of your Party's focus on village development the question is how to innovate with village-level planning and in so doing involve the donors.

Because of the extravagance and wastefulness of current foreign aid delivery, the other challenge is: how to curtail the cost of projects? Donors repeatedly call for empowerment of the poor and enhanced accountability to the poor. In the interest of these aims and also in the interest of project cost-effectiveness, why not transfer aid directly to the households to enable them, with money on hand, to demand the designated goods and services?

The World Bank itself admits that its Structural Adjustment Programme has not had a human face as the sufferers are the poorest of the poor. Can we in Nepal innovate on suitable mechanisms for not only our benefit but those of the world's poor too?

For 41 years of aid history, the Government and bureaucracy have been "serving" the people through what I call "the mechanics of supply creating demand." Let us now reverse the process to have "demand creating supply." This can happen when money for the poor households' education, health, agri-extension services, and so on, could be directly channeled to them. With money in the pockets of the absolute poor, there will be empowerment. There will also be accountability, as the middle class who provide the services now have to depend on the poor for their wages and salaries. There will result a competitive marketisation for the supply of services. Thus we would safeguard the rights and sovereignty of the consumer, which today stands compromised by the collusion of political and business interests — not least also by the attitude and behaviour of state welfarism.

Forums like the Nepal Aid Group are useful to donors, too. Interdependence means that the North cannot survive without cooperating with the South. Foreign private investors from the North also find such forums useful, since the IMF annual health of the economy certification, which takes place at the NAG Meet, informs them about a country's investment climate.

Excellency,

Nepal is not seen by anyone as a hopeless case of underdevelopment. All or most donors are reasonably optimistic as to our future. It is for the development worker, consultant or the aid bureaucrat still one of the better places to be. As to whether or not we really have the trust and confidence of the donors to be able to move to programme-lending rather than remain in the realm of project grants and loans, one may conclude this epistle with a quote from Neal P. Cohen, which appeared in the USAID publication entitled *Four Decades of Development: The History of US Assistance to Nepal, 1951-1991*. It reads thus: "From the Ranas through the Panchayat years, officials were often "paid" in privileges. It was expected that officials would use their positions to increase their incomes. Government was essentially extractive: removing wealth from the economy to improve one's personal position. The essence was control, not development."

I think, Excellency, this sentiment pretty well encapsulates the innermost feelings of the foreign aid establishment about Nepal.

Madhukar S.J.B. Rana is a development economist and management consultant. He has served as an UNCTAD official and as advisor to various Ministries of the Nepali Government.

INTERVIEW

MAHAT ON AID

Ram Sharan Mahat was appointed Vice-Chairman of Nepal's National Planning Commission, the highest policy-making body, after the Nepali Congress Government came to power in May 1991. He recently spoke to *Himal*. Excerpts:

ON PRIORITIES OF FOREIGN AID:

They are changing. We are making efforts to cut down on foreign technical assistance programmes and make more use of Nepali professionals. We want to be particularly selective on the loan front. We would like to take loans to finance capital-investment sectors such as transport and power, which give immediate and far-reaching returns. It is a matter of concern that loans for social sectors such as building schools or paying for recurrent programmes such as salaries have risen considerably in the last few years. The use of loans in the social sectors must be minimised. Our own resources, local initiatives and community involvement should help finance the social sectors. Through better taxation and other policies, we are also looking for ways to mobilise our domestic resources to finance the Government's expenditures. Our national savings, too, need to be raised.

ON DONORS:

We are seeking to change the approach used in giving us aid. Often agencies do their own surveys and research, identifying the sectors in need of assistance, saying that they have to make up for Nepal's lack of experts. With impressive feasibility studies prepared by the donors, and equally impressive budgets also made available, and no homework on Nepal's side, the Finance Ministry, in the past, had little option but to accept the what was offered. Now, we are saying that we should do the research ourselves. Projects should be regarded as part of His Majesty Government's

programmes and not of this or that aid agency's. We are also questioning whether every sector considered by the donors as needy of aid, is really so. The plan is to go into donor-proposed budgets of development programmes, making changes wherever they conflict with our national priorities. The donors, by and large, are agreeing to this proposal.

ON NEPAL'S DEBT BURDEN:

It is an unfortunate legacy of the past. Repayments on bilateral loans have been going on for almost two decades, of course. However, our multilateral loans have added to the burden. Though we are still at the early stages of repaying principals, our repayment obligations are quite awful. The first few loans do not mature for at least another five or 10 years, but we will eventually have to pay up. The devaluation of the Nepali rupee also adds to the problem because it makes even "soft" loans not so soft. This is one reason we are now seriously considering the real needs for loans before accepting them.

ON THE NPC'S EVALUATION OF 316 PROJECTS:

They represent 50 per cent of total projects of the Government, and 80 per cent of total development projects. This is the first time that the Planning Commission is carrying out such a massive evaluation. The projects are being judged on the basis of their local sustainability, performance and environment-friendliness. We hope to give the green light to projects that are sound; yellow to those that need to show more commitment to work; and, red to those that are just bad.

ON THE NATIONAL PLANNING COMMISSION:

We are more assertive than before, and have strengthened the institution professionally. In the aid sector, we are defining the priorities so that Nepal's needs do not become donor-driven. I am satisfied with the credibility that the NPC has been able to generate over the past few months, and am happy with the seriousness with which donors now consult us. The Government, too, has assured us of its total support for our initiatives.

Planning: Never without Aid

Foreign assistance in Nepal has involved multiple donors, billions of rupees and numerous projects — all funding remarkable portions of all Five Year Plans.

by Ashutosh Tiwari

The year 1951 was remarkable for two events that dramatically altered Nepal's political and economic directions. The first, of course, was the end of the century-old Rana regime, stirring political consciousness that swept hill and Terai. The second was that foreign aid made its debut in January of that year, about a month prior to the *FagunSaar* democracy proclamations. The United States Government's gift of NRs 22,000, provided under President Harry Truman's Point Four programme, was the first droplet of foreign aid, which was soon followed by grants and technical assistance programmes from India and others. For a country that had been heretofore rigidly isolationist, Nepal decided that it liked the taste of aid, and opened the faucet wider. For whatever good it might have done, foreign aid had since come to stay, in a flurry of donor dollars, marks, yen and pounds. According to an unofficial estimate made by a member of the National Planning Commission (NPC), the total aid (including loans) that Nepal has gathered since 1951 to 1990 from both foreign governments and international banks, stands at a stunning current-price figure of around NRs 85,000 million.

What does the Nepali government do with foreign aid? The most visible way it utilises the contributions is, of course, by having them pay for all or most of increasingly ambitious Five Year Plans. Every *paisa* of nearly NRs 383 million spent in the First Five Year Plan (1956-61) came from the United States, India, China and the former Soviet Union. Though such 100 per cent foreign financing was true only in the case of the First Plan, aid has nevertheless paid for a large portion of subsequent Plans. The share of aid in Plan expenditures declined to an all-time low of 45 per cent towards the end of the Fourth Plan (1970-75), but rose up to a high 50 percentage of the total expense through the Fifth, Sixth and Seventh Plan periods. (See table)

The volume of total aid per year, however, continued to increase with each Plan: the gross aid that defrayed the cost of the Seventh Plan (1985-90) was about 75 times larger than the amount received during the First Plan. The volume of foreign aid grew at the rate of 21.6 per cent per year between 1975 and 1990, compared to its slower annual growth of 16.2 per cent during 1960-75. The fast-paced expansion of the role of foreign aid in the Nepali economy is quite alarming in the face of the relatively slow annual

growth of Nepal's Gross Domestic Product (GDP). An analysis of the GDP and aid data from 1975 through 1990 shows an increase in the proportion of aid in relation to GDP. To put in numbers, in every 100 rupees of GDP in 1975-76, about three rupees of it came from outside. By 1989-90, that outside share had risen, to a little over seven rupees. The pace of aid influx continues to rise faster than Nepal's general economic growth.

WHY AID?

Why does Nepal need more aid with each passing year? Some analysts go so far as to point out the sheer economic necessity of it. A look at Nepal's domestic investment and domestic saving patterns since 1971 shows that investment has consistently outpaced savings by a margin of nearly 10 per cent. The gap widened even more to over 11 per cent by 1989-90. The argument for aid runs like this: when Nepal spends money to build factories and schools and its savings do not cover the total expense, how is it going to pay for excess expenditure? By letting foreign aid fill the gap.

For a country that has been receiving aid for more than four decades, Nepal has yet to define its foreign aid policies and priorities. This prolonged absence of guidelines on the home turf has distinctly added to Nepal's disadvantage on the aid-negotiating table. Lacking both the data on sectors needy of aid and the results of

periodic governmental assessment of foreign aid, Nepal has never been able to assert how much aid it needed for a particular sector from a certain donor. Nor has it been able to explain what type of aid it did not need. Such meekness on Nepal's part has decidedly made it easier for the donors, especially the multilaterals, looking for ways to justify their own existence, to point out Nepal's needs through their own surveys and research, and dole out the largesse. Thus, with the donors in the driver's seat of the Nepali foreign aid superstructure, no wonder that a mishmash of loans, grants and technical support for misplaced or unfeasible priorities have found their way to Nepal, increasing both the total volume of aid and the clout of the donors.

THE DONORS

So who has been providing aid over the past 40 years? Three types of donors stand out: bilateral, multilateral and international non-governmental organizations (INGOs). The first refers to foreign governments or their aid-administering bodies in Nepal such as the United States' USAID, Japan's JICA, Germany's GTZ and Switzerland's SDC. The second identifies international agencies, differentiated by the varying degrees of power that the industrial west and Japan exercise in their governing boards. Their sampling would include the World Bank, the Asian Development Bank (ADB) and the UN sisters,



Dilli Raman Regmi, then Minister for Education signing agreement for teacher training project with United States Operations Mission (USOM), 26 June 1954.

Share of Foreign Assistance in Development Expenditure (in million NRs. rounded figures)

	Development Expenditure	Foreign Grants	Foreign Loans	% of 2 to 1	% of 3 to 2	% 3 to 1
	1	2	3	4	5	6
First Plan (1956-61)	383	383	-	100	-	-
Second Plan Year (1962-65)	615	478	-	78	-	-
Third Plan Year (1965-70)	1,639	920	15	56	2	> 1
Fourth Plan (1970-75)	3,357	1,609	311	45	21	9
Fifth Plan (1975-80)	8,833	4,241	1,616	48	38	18
Sixth Plan (1980-85)	22,093	10,587	5,835	48	55	26
Seventh Plan (1985-90)	48,346	28,838	20,647	60	72	43

Source: *Foreign Aid and Development in Nepal, IDS 1983; Budget Speeches: 1981-1991.*

FAO, WHO and the UNDP. (The UN agencies provide mostly technical assistance and grants, whereas the international development banks dispense both hard and soft loans.) And the third indicates private organisations such as CARE, the United Mission to Nepal, OXFAM and others, which have laid stress on the growth of social sectors such as primary education, public health, micro-hydro power and so on.

Bilateral donors were most active in giving aid, predominantly in the form of grants, till the start of the Fifth Plan in 1975. Since the mid-1970s, however, multilateral donors, especially the international banks, have moved in with bigger aid-packages, overtaking, in terms of the total aid disbursed to Nepal, their bilateral counterparts by 1983. In the 1950s, more than 80 per cent of aid came from two sources — the USAID (then USOM) and the Indian Corporation Mission (ICM). The Americans concentrated more on social sectors such as village development projects that included irrigation, high-yielding crops and provision for improved agricultural equipment. They also helped eradicate malaria, and establishment of the College of Education and the Laboratory School. The USAID had thus provided the highest volume of aid till the closing of the Second Plan in 1965. Then, what with the Vietnam War, oil shock, recession and changes in American foreign policies, there was an ebb in their aid, helping India emerge as Nepal's number one donor. Indeed, between 1965 and 1975, 50 per cent of the total aid to Nepal came from India.

Unlike the Americans, the Indians pushed infrastructural growth. The Tribhuvan Highway, which opened up Kathmandu to other parts of Nepal, the airport in Kathmandu, postal and telecommunication facilities, irrigation in the Gandak and the Kosi Rivers are some notable examples of Indian projects. Until the recent emergence of Japan and Germany as the two largest donors, India's support remained the most significant.

China shouldered the responsibility for about 10 per cent of the total aid that was used in

the Second Plan. Beijing's magnanimity paid for over 16 per cent of each of the Third and the Fourth Plan expenditures. Chinese assistance emphasised the growth of both the import-substituting industries, i.e. leather shoes and brick and tile, and road construction projects, such as the building of the Kathmandu-Pokhara and Kathmandu-Kodari highways. The only country that actually cut back drastically on aid to Nepal was the former Soviet Union: its share of 13 per cent in the Second Plan which financed the construction of the Janakpur Cigarette Factory and Kanti Children's Hospital, plunged to about two per cent in the Third Plan. Thereafter, its support was virtually nil, although it did show renewed interest in the mid-1980s.

Since the signing of the Colombo Plan in 1952, other countries also appeared on the aid horizon. The United Kingdom provided technical assistance and built Dharan's main road link-up to Joghani. It boosted up its scanty share of one per cent in the Third Plan to six and seven percent in the Fourth and the Fifth Plans. Canada's initial help came in the form of wheat that compensated for Nepal's bad harvest in the mid 1950s. Its loans to help build Royal Nepal Airlines' fleet was agreeably converted to grants in the mid-1970s. Japan brought in its technical assistance programmes through Japan Overseas Co-operation Volunteers (JOCV). It also helped build, among others, the Teaching Hospital in Kathmandu. Switzerland started by providing experts to develop dairy products in high Himal, while West Germany helped set up public companies such as the Himal Cement Company. Other countries that began aiding Nepal in the mid-1970s include the Netherlands, Finland, Austria, Australia and France. In addition to providing straight grants to the Government, these countries, together with the United Nations agencies, are also active in running technical assistance programmes: scholarships to Nepali students, their experts to oversee aid-funded projects and to advise the Nepali Government.

As for the multilaterals, the increase in their total disbursement of aid, both in terms of

loans and grants, has been sharp. They contributed NRs 175 million in 1975-76, which made up about 35 per cent of the total aid received in that fiscal year. The total volume had gone up by 22 times to NRs 3,892 million by the end of 1990-91, composing over 60 per cent of that year's total aid received. (Comparatively, for the same period, the rise in the volume of bilateral aid was only eight-fold, from NRs 330 to NRs 2554 million, which actually represents a reduction — from 65 per cent to 39 per cent — in the bilateral share of the total aid.) International lenders such as the OPEC Fund and the World Bank, together with its soft loan affiliates, the International Development Agency (IDA) and the Asian Development Bank (ADB), have been the major providers of multilateral loans. Much of their money has gone into power, telecommunications and air transport. Others, such as the UNDP, the world's largest grant-giving multilateral, has primarily been providing grants for the growth of social sectors such as education and public health. Practically every UN specialised agency from ICAO to ILO to WHO has been active in providing technical assistance in the areas of its domain.

Because of such an increasingly complex aid scenario involving multiple sources and numerous projects, the World Bank thought it was advisable to form a Nepal Aid Group (NAG) in 1976. The purpose was to do three things: to facilitate the aid-giving mechanism by sharing information, to co-ordinate the objectives of aid-funded projects to avoid duplication, and to increase the impact of aid through well-monitored projects. Composed of six member countries in the beginning, the Group now includes 16 countries (Australia, Austria, Belgium, Canada, Denmark, France, Finland, Germany, Japan, Kuwait, the Netherlands, Sweden, Saudi Arabia, Switzerland, the United Kingdom and the United States) and seven multilateral agencies (the International Monetary Fund (IMF), European Economic Community (EEC), UNCTAD, IDA, ADB, UNDP and the World Bank).

Through its meetings and policies, the NAG is thought to have benefitted Nepal in two ways. First, Because of its diverse membership, aid coming from the Group is seen as being relatively independent of political attachment, which might not be the case with bilateral assistance. Second, some observers say that the total aid that this Group has given to Nepal is actually higher than what would have amounted if individual donations had been in place.

LOANS

Until 1959, each foreign aid package entering Nepal was either in the form of outright grant or technical assistance programme. Nepal profited from both: free money poured in from various sources, projects were underway in different parts of the country, and all this without Nepal owing a single *paisa* to the international community.

Rural Development Projects Programmed to Forget the Poor

When the donor agencies and the Government both are so enmeshed in self-serving manipulations that they lose sight of the "intended beneficiaries", the morality of aid must be questioned.

by Bihari Krishna Shrestha

The cause of the poor directly and indirectly constitutes the basis for practically every foreign-aided development project in Nepal. The state of poverty in this poorest of poor countries manifests itself in many ways, and this provides many opportunities for "donor intervention" in the form of the projects.

Because Nepal has all along been a poor, rural country, it would have been natural to assume that this fact would be taken into account in designing development projects. In reality, however, international assistance programmes have not been consistent in providing for rural development.

Following American assistance for community development in the mid-1950s, and the subsequent Indo-American competition in this field in the late 1950s, the Swiss-aided Jiri Multipurpose Development Project (1964-70) was the only foreign-aided rural development project in Nepal during the entire decade of the 1960s.

It was not until the reorientation by the World Bank of its lending policies to poor countries during the early 1970s that rural development projects became part of a legitimate as well as fashionable aid portfolio for many donors. The period between the mid-1970s and early 1980s saw the initiation of seven major rural development projects, which covered almost one-third of Nepal's 75 districts.

EXTERNAL PRESCRIPTION

A study of rural development projects of the past decades show a reluctance on the part of the donor agencies to encourage national assessment of problems and needs. It is a task that they prefer to handle themselves, to the extent that they display intolerance of national initiatives, probably because they would lead to designs that differ from the donor's prescriptions.

Indeed, an enormous row broke out in 1978 when a team of Nepali officials working in a Royal Palace-related think tank produced a policy paper on Nepal's rural development under the title, Integrated Panchayat

Development Design. This report emerged at about the same time that a World Bank team working from the local Soaltee Hotel had just delivered to their Resident Representative a Strategy Paper on Nepal's Rural Development.

The idea that Nepal should come up with an approach paper different from the one prescribed by the Bank was a source of considerable consternation to both the visiting officials and Bank office in Kathmandu.

The imposition of external policy prescriptions is facilitated by the unquestioning obeisance of Nepali officials towards donor counterparts. For example, the World Bank's Strategy Paper never received rigorous scrutiny from the Nepali concerned officials. Its only review was done by a Swedish expert in town, at the behest of one of the top officials at the National Planning Commission. Not that it did much good, for the Strategy Paper soon came under the imprint of the Ministry of Finance and was presented as the Government's policy paper on rural development to the Nepal Aid Group that same year.

Lack of unity of purpose among officials has long been the hallmark of the Nepali development bureaucracy. This is aggravated by intense inter-personal rivalry and intolerance. A conscientious official might try to scrutinise a project proposal, but he can be overruled (and invariably is) by seniors or by interested politicians. The donor agencies are not above using this top-down route to bypass "troublesome" officials and to get things done their way. A smart donor will throw in a little something for the Minister's constituency to ensure the latter's dogged backing of the entire project package.

Most Government officials find a project proposal attractive if it includes foreign visits, vehicle-support and other perks. The opportunity to travel overseas can also be used by Nepali project officials to "buy out" recalcitrant colleagues. Project designers in donor agencies are quite aware of the power of the "foreign travel" component and use it deftly to guide

a proposal's passage through Government corridors. The Chief Technical Advisors (CTAs) of individual projects also use "study tours" to keep Nepali officials sufficiently pliable.

Nepali officials, for their part, have different reasons to keep their expatriate counterparts in good humour. It could range from a job in the donor agency to getting a son or daughter admitted to an overseas college. Some years ago, a Project Chief concerned with women's development in Nepal used the project's funds to publish a calendar which showed a flower pot being watered by different jugs, each representing a specific donor by name. The plant itself (representing the project) comprised a number of branches, each one a district in which the project had a tiny activity or two. The image carried no development message and was used solely as a means to gratify donor officials for the Project Officer's personal gain.

THE FINANCE MINISTRY

It so happens that the cash from foreign aid projects constitutes an important source of foreign exchange, to be used to maintain Nepal's always-precarious balance of payments.



Burden of aid.

USAID



the third trimester. The Canadian International Development Agency (CIDA), trying to be even more innovative, asked that the Government provide the "base level funding", while it would provide the additional expenditure. This has led to an enormous volume of unspent donor funds. While funding provided by most donors is reflected in the annual budgets of the concerned ministries, the German agency GTZ transfers all its funding exclusively through the Ministry of Local Development for disbursement by the Local Development Officer at the district level. This officer has to use all his public relations skills in cajoling line ministry colleagues to utilise the available funds.

The Government has thus allowed the parallel existence of an incredible variety of funding mechanisms without looking at the relative merits and issuing directives to streamline procedures.

For this reason, the Ministry of Finance has always had a built-in bias in favour of aid projects. A project receives quick approval if it involves transfer of a good sum of foreign exchange to the Nepal Rastra Bank.

Occasionally, a zealous official or another in the Finance Ministry does try to come down heavily on projects that require too many expatriate consultants, vehicles, or some other extravagance. But the donors know that any momentary hitch created by conscientiousness within the Ministry can always be waited out.

Given the existing compulsions, and the general lack of professionalism in the Nepali bureaucracy, it comes as no surprise that projects proposed by aid agencies are rarely analysed for their technical soundness. Formal negotiations between the donors and the Government often degenerate into squabbles among the Nepali officials present, with the Finance people trying to convince the others that a donor's proposal is worthy. The Finance Ministry seems convinced that money coming into Nepal in any form cannot but be good for the country.

Positions in the Foreign Aid Division of the Ministry are sought after for their glamour — it is the Division which gets to formally represent the Government to the donors. As a former Vice Chairman of the National Planning Commission recently lamented, the Commission's differing views were rarely reflected in project designs due to the unilateral commitments made by the Ministry to the donors.

TOO MANY DESIGNS

Because of the Government's permissive attitude, foreign assistance takes on immense variety, even within one programme area. The reason for this variety does not have to do with philosophical difference in approach among donors. Sometimes it just has to do with the amount of money that is available. While the United States-funded Rapti Integrated Rural Development Project carried a per capita investment of over NRs 500 during its first phase in the mid-1980s, during the same time the per capita investment made under the British-aided Koshi Hill Area Rural Development Project (KHARDEP) barely touched the NRs 200 mark.

Each donor agency seeks to leave its own distinctive imprint as far as structure and modalities of a project are concerned. If road-building is a major component in the rural development schemes funded by the Asian Development Bank, it is almost taboo for the Canadian Karnali-Bheri Integrated Rural Development Project (K-BIRD).

There is not even coordination on what to call what. If the period leading up to project implementation is called the "preparatory stage" by one agency, another prefers to call it the "confidence-building stage". If one "rural development project" includes health and education aspects, another might not.

The way in which funds are transferred also differs considerably. While the multilateral lenders prefer to reimburse the expenditure made by the Government, some make thrice-a-year advances, to be accounted for in

Whatever the complications of each project design, the Government invariably bends over backwards to appease a donor's fancy.

SOME COMMONALITIES

While they might differ significantly in project design or funding mechanism, aid agencies are all one when it comes to their domination over the planning and management of projects. Project offices are established in Kathmandu, independent of the Government bureaucracy, to act as *de facto* centers of planning and monitoring work in the field. Almost all pertinent data relating to projects are generated and analysed here, and the Government has to ask the project offices for whatever information it requires.

The information generated by the agencies are primarily meant for consumption at headquarters in their respective national capitals. Rarely is the effort made to provide these invariably glossy presentations for in-country introspection and dialogue. In any case, most expatriates would consider this over and above their call of duty. It is also true, unfortunately, that the few who do try to provide useful information to Government offices invariably get frustrated by Nepal's politico-bureaucratic regime.

Somewhere along the line, the donors tend to lose sight of the fact that development assistance, to be meaningful, must include the prospect of sustainability, which only comes with the building up of domestic institutional capability. The most common refrain among expatriate officials, that the counterpart bureaucracy is ill-prepared to shoulder responsibilities, is vain. By taking over the functions that legitimately belongs to the host Government, they are actually suppressing the possibilities of institutional growth and ignoring their own cardinal mandate.

THE ADVISOR'S POWER

When Nepalis are embarrassed by the failings of their governmental bureaucracy, they tend to forget that the donor bureaucracy is not too different. Agency officials, too, have to please their bosses. The fate of an agency official working in Nepal is decided not so much by his ability to empathise with the country's problems as by his skills in keeping superiors at headquarters happy. The expatriate official's busiest time is when the boss visits Kathmandu.



When Robert McNamara, World Bank President, once visited the Rasuwa-Nuwakot project area on a private visit, the CTA to the Project was able to hypnotise him with sweet-talk. McNamara later boasted to the press about how the World Bank project had been instrumental in ensuring greater food sufficiency in the area. Actually, the maize distributed by the project had failed to germinate that very year, and had created a crisis. It is doubtful that the World Bank President would have gone out of his way to pull strings to get the expatriate CTA a job at World Bank headquarters, had he known what the people of Rasuwa-Nuwakot had been calling him (McNamara) "Makaimara," the killer of the corn.

Although most advisory assistance is paid for as part of the technical assistance or loan agreement, nobody in Government has any idea how much a given foreign expert costs the people of Nepal. The question of expatriate expert costs is a hush-hush affair all the way. The occasional Nepali official who allows his curiosity get the better of him is ignored by the donor counterpart, who can afford to do so because once the project document is signed the power over the project, including disbursement of funds, is exclusively in his hands.

Most experts hired by the agencies appear in the garb of "advisors", but in reality they effectively control the flow and use of the donor resources. Advisors invariably end up running the projects. They also have the tendency to multiply. During the late 1950s, Indian advisors swarmed over the districts which received Indian aid, each one heading a different section. Before long, Nepali counterparts were relegated to the sidelines, and might have been called the "advisors" instead. Similar situations continue to recur, such as at the Swiss-aided Integrated Hill Development Project (IHDP, 1974-90), in which each section was headed by a Swiss expert. These experts were in total command because they controlled project allowances, foreign training, and other benefits.

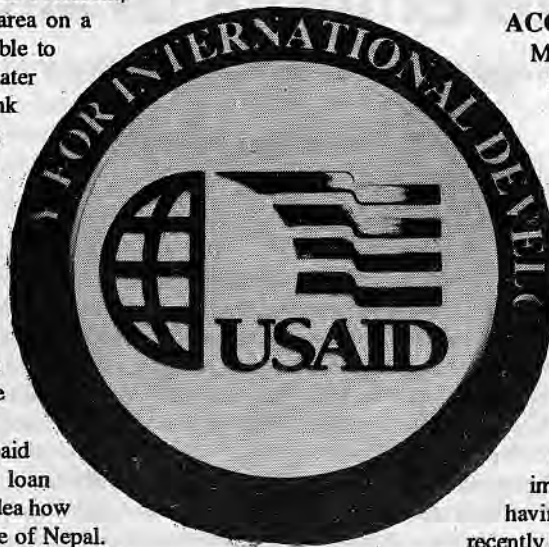
In later years, donors were to devise a less obtrusive means of exercising control over projects. One is the system of implementation through "annual workplans", which are formulated by individual donors and negotiated and approved each year.

UNDER-NOURISHED, OVER-ADVISED

Expatriate experts by the thousands have passed through Nepal over the last four decades, prompting an American professor to say that Nepal was "under-nourished and over-advised". The impact of these thousands of advisors on the host system has been marginal. And yet, the aid agencies are not deterred from recommending more and more experts for Nepal.

Knowing the growing sensitivity among aware officials of the redundancy of many so-called "experts", some agencies have devised a new ploy: they separate the expert salaries and perks from the project costs so that Government officials do not go into shock and are more easily persuaded. The marginal consequences of foreign experts paid obscenely high salaries and fees have so far failed to convince the donors, and the recipient Government, of the need to try and control this inundation.

The story becomes even more unsatisfactory when a donor agency decides to take over a project of indigenous design by providing "technical assistance intervention." The Government's decentralisation programme was a case in point. The entire programme, including bylaws and procedures, as well as the concept of "user groups" at the grassroots level, was set up by Nepali experts. But then UNDP's eyes fell on the programme. Instead of assisting the programme while maintaining its indigenous nature, the technical assistance that the agency began to provide has overwhelmed the programme and brought it entirely into the donor's orbit, with all the attendant consequences.



ACCOUNTABILITY

Most foreign-aided rural development projects have little to show for the investment of years of precious time and millions of scarce dollars. The goal has been "growth" and "equity", but the result, overwhelmingly, has been neither.

The World Bank-funded Rasuwa-Nuwakot Project was started in 1976-77 with the aim of supporting "HMG development strategy which seeks to balance economic growth with income distribution, provide for more equitable regional development, and ensure productive benefits from previous road investments."

After 15 full years and two phases of project implementation, and with over US\$ 25 million having been spent, a long-time official of the Project recently held his nose so as to say, "This project really stinks."

Few rural development projects in Nepal have baseline data on the "pre-project" state of the area they work in. Where such information is available, like in the Rasuwa-Nuwakot Project, they are not used seriously for project planning and impact assessment. Thus, it would be safe to say that honest review of a project's true usefulness is almost never carried out.

Some projects simply fold up when their specified period is over, such as 15 years in the case of the IHDP. This rescues the donor from the embarrassing position of having to admit failure. Thus, for example, the Swiss Development Cooperation (SDC) never had to acknowledge that the growth, equity and environmental conditions in the IHDP area — which together formed the very rationale for the project — remained largely unchanged as a result of the project's years of work.

If not today, then tomorrow, the question of moral responsibility will have to be addressed by recipient Government and the aid agencies alike. At the end of almost every so-called project, it is the local people who have paid the heaviest price — in terms of unfulfilled aspirations, wasted time, misused resources, and, often, the breakdown of traditional institutions.

Poverty eradication is necessary in order to ensure access to social services, population control and, also, strengthening democracy in an otherwise feudal context. At the same time, no need is more compelling than that of strengthening national integration, without which Nepali society could easily come apart at its seams. Nepal is a country of minorities, but it is far from being a melting pot as yet. For national integration, the poor of every community must be made to feel that they have a fair share of the national cake.

While Nepal owes a debt of gratitude to the taxpayers of the rich countries for setting aside funds for development assistance, the way in which aid continues to be spent frustrates its humane intentions. As the aid money winds its way through the forbidding corridors of the donor and recipient bureaucracies, the poor of the country, 70 per cent of them living below the poverty line, remain all but forgotten.

In order to effectively address the problems of rural Nepal in their proper perspective, we must search for a new methodology of foreign aid. This new methodology must be liberated from the stranglehold of national and international bureaucracies and must, instead, be based on the principle of empowering the beneficiaries in their access to the much-needed resources which only the foreigners seem to have.

B.K. Shrestha has been a Government policy planner in rural development and is presently a practicing social scientist.

The Enigma of Aid

In the game of Foreign Assistance, all the players appear to be powerless.

by Devendra Raj Panday

What to do with foreign aid, and what to do without it? I have wrestled with this question in the Nepali context for a major part of my working life, both as a public practitioner of the art and science of foreign aid, and as an independent analyst of Nepal's political economy. I am nowhere nearer to a practical answer now than when I was Nepal's Head of the Foreign Aid Division or, later, Finance Secretary in the 1970s. Nor did the answer become clearer in 1983, when I helped organise the first-ever seminar on "Foreign Aid and Development in Nepal" on behalf of the Integrated Development Systems (IDS). When democracy finally dawned two years ago, I got an opportunity to serve briefly as the Finance Minister. This role, too, passed without any success in aligning the course of foreign aid with that of the expectations of the long-suffering people of Nepal and the needs of sustainable development.

Aid is not simply a resource that which bridges the investment-savings gap, as economists understand it. Nor is it simply a resource that policy-makers of recipient countries would channel into investment as they see fit. It is more than mere capital inflow, even if we were to concede that, broadly understood, such capital includes technology and transfer of skills. Aid derives its complexity from its symbiotic, if paradoxical, relationship with the totality of societal forces, where the influence of these forces on the process of development can be positive as well as negative. Foreign aid is thus something that is critically needed in a poor country like Nepal, and yet it is something that is better avoided, at least in part, if its counter-productive influences outweigh the productive ones.

OF BUMS AND BEGGARS

What is amazing is not that critical analyses of the motive and mechanisms of aid have not made a visible impact on the utilisation of foreign aid for its stated purpose, but that the major issues regarding aid management remain almost the same now as they were in the 1960s, though they might now be presented in different forms to suit current priorities.

All this as if to show that an obnoxious remark in 1962 by Hans Morgenthau, a respectable political scientist at the University of Chicago, on the poverty of nations, could be correct: "As there are individuals whose qualities of character and level of intelligence make it impossible for them to take advantage of economic opportunities, so are there nations similarly handicapped." He went on to put it bluntly that, "as there are bums and beggars so are there bum and beggar nations."

Is Nepal, together with many other nations of South Asia and Sub-Saharan Africa, really like what Morgenthau believed it to be? And when does a nation become a "bum" or a "beggar"? Certainly, not when the poor and the handicapped are also hungry and deprived. In such a context, a nation means no more than the social, political and commercial elite of a country. Can it be possible, then, that the elite in Nepal have developed "qualities of character and level of intelligence" more suitable for bum or a beggar?

I do not know if Morgenthau ever regretted his remarks. But he was wrong then and is wrong now. Yet, how do we explain the persistent and growing poverty in Nepal and in most of the "recipient world"? What is the difference between a beggar and a country that continually receives aid to finance current consumption or to fuel the greed of a few? This is where we have to emphasise the issues that are fundamental, albeit controversial, and stubbornly relevant.

The first point to note is that aid is not, and has never been, a one-way affair. In a real sense, there are no givers and takers of aid at the level of the State, where admittedly debts accumulate unmatched often by the creation of new productive assets. Aid transactions take place among professional and occupational cohorts of individuals. Though they might reside in different countries, their understanding of State boundaries is conditioned only by the constraint of national interest articulated by the ruling elite.

THE NON-PERFORMERS

In recipient countries where the representative character of the Government is doubtful, or where the political power is arrogated by a governing elite whose priorities are different from those of the public, the State only becomes a conduit for activities whose output is a foregone conclusion. In this sense, official aid is little different in character from the currently eulogised and expanding role of transnational capital.

This is all the more true when the donor's national interests do not depend on the approval of the majority in the recipient constituencies. In contrast, aid has worked well in societies where the consensus at the elite level is generally representative of the national interest. Some of the South-East Asian countries, now basking in well-deserved reputations of success, pointedly declined certain categories of official aid long before they could apparently afford to take such a stand. Because they knew what they were doing, these countries had realised that acquiring more expensive resources from the world capital markets was more productive from their standpoint.



German-aided dumpster in Kathmandu.

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Meanwhile, the other recipient developing countries of Asia have shown little improvement in the areas that matter most, namely, the building up of institutional capacity for policy formulation and administration of development programmes that respond directly to the need to alleviate poverty and sustain long-term growth. Because of this failure, these developing countries are regularly driven by their appetite for aid to formulate aid requests. Of course, these accompanied by frequent shifts in development strategies that are more apparent than real. The donors contribute to this process directly because they themselves have to justify their involvement in a non-performing country.

When a degree of rigour is required in the aid exercise, as when preparing a policy framework paper or some document needed for stabilisation or adjustment programmes, the concerned donor is happy to provide patronising tutelage. Even a Finance Minister of Manmohan Singh's mettle in India suffered some embarrassment recently when his letter and memorandum to the International Monetary Fund appeared to have been drafted by Washington D.C. hands, with extensive use of American English in the construction, style and spelling, as against the British English normally used by the Indian bureaucracy.

APPETITE FOR AID

On the donor's side, two considerations are always present: one at the level of the State, and another at the level of bureaucracy. At the State level, the donors might swear by Adam Smith, but most of them do not appear ready to sacrifice their national, or more specifically, commercial interests at the altar of classical or neo-classical economics any more now than they were earlier when a divine role was not conceded to the market forces in international aid dialogues.

The so-called international bidding for procurement that is not really competitive, the direct tying of aid to conditionalities, the creative packaging of mixed credits, and convenient parallel or co-financing arrangements — all point to the direction in which economic rationality might have minimum influence on decisions even without uninformed interference from the recipient government. Even technical assistance, which in the past has played a positive role in building whatever institutional capacity that exists in Nepal today, is sometimes directed at influencing the choice and the design of projects to suit the interests of the interests concerned.

At the bureaucratic level, the obsession continues to focus on the disbursement of aid regardless of its objectives. There may be no one to take the blame as to why an irrigation project, for example, is helping to collect sand instead of water at the mouth of the main canal under construction, but the disbursement has to go on. If not, watch out, the current and future allocations might be diverted to the resource-hungry States of eastern and central Europe! But such a threat is rarely carried out even in the case of non-performance of the dreaded structural adjustment programmes. As a study on the World Bank's structural adjustment lending points out, "Cessation of disbursements is too strong a response by the Bank to banal acts of non-performance."

In such a situation, neither the Government planners nor the market can play the role of an efficient resource allocator. The donor-recipient symbiosis works so well that those very elements in the aid system that need to be discarded for better efficiency and effectiveness of the total package in fact get preserved and nurtured. Voices of reason are drowned in the cacophony of profits and power, perks, and privileges, and joys and jealousies accompanying foreign aid.

The suppliers of goods and services procured under aid financing frequently influence decisions, as well as prices and quality of the supplies. The effective autonomy of these powerful individuals is in sharp contrast to the sorry state of the recipient Government, which has to face charges from political opponents and other critics that it is mortgaging the national sovereignty to the IMF-World Bank combine. To make good for lost opportunities and wasted resources, the swings in policy advice from the donors continue. This changing advice, as pointed out by the World Bank's own *World Development Report 1991*, "can add to the cost of aid for developing countries."

NEW "CONDITIONALITIES"

So, in which aspect of foreign aid lies the enigma? Aid management as a problem is not an enigma. But, for a country like Nepal, the solution is; if only because almost all the players seem to be powerless by virtue of the role each plays in the game. Interests have to be protected and the game kept going.

I should try to end on a positive note. International assistance is finally related to the human rights records of recipient Governments. Despite criticism from many quarters, this must be considered a long overdue proposition as long as standards of verification and judgement are not discriminatory to a country or a group of countries. It is also necessary that "good governance" is not understood simply as the capacity of a government to implement market-oriented policies. After all, Lewis T. Preston, the newly-appointed President of the World Bank, addressing the Annual Meeting in Bangkok last October, felt constrained to repeatedly mention that the Bank's fundamental objective was to reduce poverty. If democracy and reduction of poverty are treated as two principle "conditionalities" of foreign aid, there may still be something to be hopeful about in Nepal and other similarly-placed countries of the developing world.

D.R. Panday is a former Finance Minister of Nepal.

Solidarity, Not Aid

by Bharat Dogra

There are those in the developed world who try to salve their conscience by throwing a few dollars to the South for charity. But there are also a few who make a sincere effort to distinguish between just and unjust policies towards the developing countries. These socially conscious and sensitive persons in the developed countries have an important role to play in the battle against poverty and deprivation in the developing world.

The well-wishers of the North must make the distinction between governments which in broad terms are likely to adopt policies and programmes to check existing deprivations and injustices, and others that strive to maintain the *status quo*, or even aggravate existing inequities.

Where a sensitive, democratic government exists, the main task should be to strengthen it to enable better implementation of its policies. Private citizens in the north can do this by exerting pressure on bilateral and multilateral aid agencies and financial institutions to cancel, defer or reschedule some of the debts of the developing country in question, and to take other steps which will help release more resources for the government to use for its people.

If a powerful foreign state, directly or through a proxy, engages a Third World government in wasteful wrangles, low-intensity conflicts, or economic blockades of any kind, the private citizens of the North must build public opinion to stop such action. Any effort by the developed countries to weaken pro-people governments, of whatever ideology, should be opposed.

While pro-people governments should thus be supported in every way, the approach toward a governments which is anti-people must be quite different. The efforts of individuals from developed countries, in such an instance, must be to show solidarity with pro-people organisations of that country. Every repressive action of the government must be noted and protested against.

B. Dogra is the Delhi-based editor of *News From Fields and Slums*.

The United Nations and the Press

The international development agencies would work much better if the media took more critical interest in their work.

by Tarzie Vittachi

There were five American editors at my dinner table that evening. As the coffee was being served, I tossed a question: "If a great tidal wave rose and washed away the entire United Nations system, what would you miss? What agencies would you like to rebuild?" I was agreeably surprised that they didn't deflect my question in a flurry of smart wisecracks as journalists are apt to come up with when faced with anything that sounds "worthy" or heavy. This group took my question seriously and offered a thoughtful list of UN agencies that would be missed if they were washed away:

WIPO, the World Intellectual Properties Organisation, which deals with patents and copyrights; *ITU*, the International Telecommunications Union, which allocates airwaves for message transmission; *ICAO*, the International Civil Aviation Organisation, which sets and maintains standards for international airlines; *WMO*, the World Meteorological Organisation, which watches over and interprets weather patterns; *IMO*, the International Maritime Organisation, which monitors the world's shipping lines.

That was it. Those are the functional bodies of the international system. The business of the world would grind to a halt without them. The general public — most of the 5.6 billion who constitute that hydra-headed mass — take those functions for granted and do not know that such organisations exist. But the international media, international traders, and the international transport companies are quite aware of the value of those relatively small and unpublicised United Nations agencies.

The man from *The New York Times* read the disappointment, even chagrin, on my face. "Maybe Unicef too," he suggested.

"Because I'm from Unicef? I asked.

"No. Because children have no advocate. Children have no votes, no power," he replied.

It was a good, humane thought worth dwelling on. But I let it go and asked: "What about the United Nations proper? The UN's peacekeeping functions?"

"Rubbish," said my friend from *The Washington Post*. "All the pandering to the Soviets. All those *nyets* from Gromyko. All that non-aligned hypocrisy. Cuba is non-aligned? Zionism is racism? The Jew-baiting never stops, does it?"

Those were the Waldheim days. The whole world knew that the angular Austrian was only concerned about staying on top of that bureaucratic dunghill, which old rubber mouth,

Mayor Koch of New York, used to call "that cesspool". The West had become totally disenchanted with the peace-keeping performance they had set up in 1945 to prevent the resurgence of fascism. They had found a new enemy in international communism and what they thought of as a Third World conspiracy abetted by the Soviet Union to undermine capitalism, the very basis of western civilisation — which, according to them, was the only civilisation that counted. It would take 15 more years before the Americans could bludgeon another Secretary-General and a sufficient number of Security Councilors to declare "just war" in the name of the United Nations. As in Korea, the international community, now some 30 member States of the United Nations, scurried behind the American flag to beat up on a small country, this time their recent friend whom they had armed to the teeth over the previous decade. Saddam Hussein, who had acted throughout his regime with obduracy and pointed ruthlessness, was easy to demonise. That done, they went merrily to war to defend the sovereignty of an oil company with a flag, owned by a desert sheikh, in the name of democracy.

The western media crowed. The United Nations had, at long last, rehabilitated itself. It was now fulfilling the ideals of its Founders: it was serving Washington's bidding once again.

But what about the United Nations agencies? Washington had twisted the arms of Japan, Britain and Singapore to denounce UNESCO as the cat's-paw of Soviet-influenced Third World countries, and to withdraw their financial support to it. Washington had also reneged on its support for the UN Population Fund, which had been established under pressure from American demographers and their attendant propagandists who feared that unless the birthrate of pickaninnies could be halted, the resources of their world would be gobbled up. The reason given for this betrayal of their own baby agency, to mix an ironic metaphor, was that the Fund was financing abortion programmes of China, which was pursuing a one child per family policy. Ronald Reagan's fuzzy head, bending over to offer political *puja* to the new breed of rednecks — the Right to Lifers — declared that if the question of population growth was left to free market forces, everything would be tickety-boo.

Other UN agencies too — FAO, WHO and the UN High Commissioner for Refugees — were smeared by that septic Think Tank called the Heritage Foundation which had oozed out of the mud in the Reagan years to take us back to the

sort of primordial barbarism they favoured in international policy.

But, alas, there was no public outcry loud enough to stand up to this sort of regressivism. Why? Simply because the public had scarcely ever been told what the truth was about these public issues, and what the UN agencies were trying to do to deal with hunger, disease, poverty, excessively rapid population growth, and a myriad of other global ills. And who was to blame for that? We, of course. We, the journalists. Our business is to investigate the public agencies that are financed by the tax dollars of people, and to regularly keep track of their performance. National governments are answerable to their constituencies. The UN has no global constituency to answer to. It is only answerable to the press. But the press doesn't give a hoot to the work of the UN agencies.

In every UN center — New York, Geneva, Paris, Rome, Vienna, Bangkok, Nairobi and Santiago — there are packs of reporters covering the meetings and events held in those marble halls where a whole range of issues from Environment to Children Under Difficult Circumstances are being discussed and programmes formulated. But there is no professional proving of these processes. And when they do write, very little of it sees the light of print or the TV screen. There is an acronym used in American newsrooms about stories on poverty and development: MEGO. It stands for Mine Eyes Glaze Over. Boring. Bureaucratic bumbling. Balderdash. Jargon-laden junk. Cant about Time Frames, Paradigm shifts, Dynamic Development and a thousand other inventions of the art of discommunication. The reporters do not take the trouble to try and unravel these balls of verbal wool to expose their emptiness. Nor do they pin down their authors in those cubicles they skulk in, and get them to explain how they earn their keep. None of those plans they produce are explored for their labyrinthine processes, nor is the outcome ever assessed by journalists with skill or the zeal with which they pursue the sexual peccadillos of presidential candidates. No wonder their editors' eyes glaze over.

No. It will not do. We need a United Nations system which works. We cannot allow UN agency bureaucrats to hide their light — or blight — under those discommunicative phrases and bulky reports. There is a lot of talk at the United Nations these days about transparency. Good. But there will be no transparency and no public knowledge about the realities of this intensely intermeshed world unless the daily buck-shot of professional questions is fired at the agencies through which the United Nations works. We journalists have not reported the United Nations well in the past 45 years. It is time we did.

T. Vittachi is a Sri Lankan journalist and columnist for *Newsweek*. He was also Unicef's Deputy Executive Director for public affairs.

Bad Advice from World Bank

With the World Bank's turning its focus on South Asia, how should South Asia respond, given that the Bank is fully controlled by the developed countries and tends to do their bidding?

by Devendra Raj Upadhyia

Almost 16 years ago, Robert McNamara visited Upper Volta (presently Burkina Faso) as President of the World Bank. In his report to the Directors of the Bank upon his return, McNamara suggested that, since the people living along the Volta River suffered from river blindness, the Bank's priority should be to rid the region of the disease before making economic investments there. This realistic assessment of problem in Upper Volta prompted the Bank bureaucracy to turn its attention to the health sector as well.

McNamara's tenure brought to the World Bank a leadership which was sensitive to the problems of the least developed countries. Today, the World Bank is quite distanced from McNamara's vision. It has slowly reverted back to its old pattern of investment, interest and profit earning. This is clear from the conditionalities being imposed by the Bank on Nepal and other developing countries.

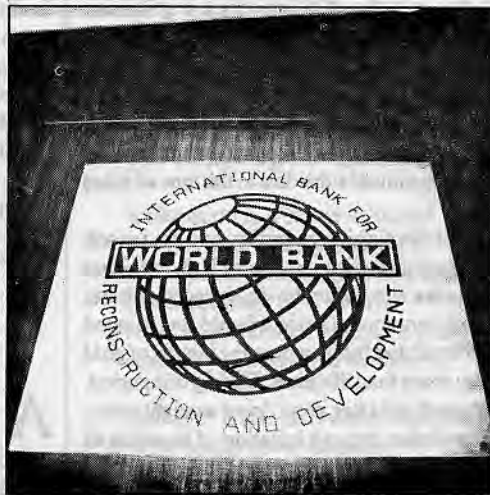
The World Bank is not a commercial bank. It is supposed to be an investment bank to provide relief to the poor. Unfortunately, it has evolved as an intermediate between "investors and recipients, borrowing from one and lending to the other." So long as there is the motive of profit through interest, the Bank will remain unconcerned about the result of its investment in developing countries.

The Bank's August 1990 report on Nepal, *Relieving Poverty in a Resource Poor Economy*, states: "Nepal is a very poor country in which the Bank and the donor community have made substantial investment [presumably with the objective of raising living standards] but with little understanding of how our programmes affect the incomes of the poor." While this statement is certainly honest in its self-indictment, it also indicates that an institution on which Nepal's Government and people have laid so much trust has really been groping in the dark.

Instead of helping developing countries control their galloping inflation, the Bank has made the situation more agonizing. It pressurised the Nepali Government to increase the electricity tariff by a whopping 61 per cent (as announced, but actually the hike was much higher for many consumers). If inflation's concrete reality is price-rise, then by its action the Bank forced Nepal to raise prices so that it would automatically face inflation, thereby obliging it to go abegging to the International Monetary Fund.

This brings us to the connection between the IMF and the Bank. There exists a lot of confusion as to whether the Bank and the Fund are the same or different. John Maynard Keynes, a founding father of the two institutions had thought that the Fund should be called a bank, and the Bank a fund. Although the two institutions are distinct entities, according to a brochure of the Fund, the two appear complimentary. The brochure says: "The Bank's activities have increasingly reflected the realisation that the pace of economic and social development accelerates only when sound underlying financial and economic policies are in place. The Fund has also recognised that unsound financial policies are often deeply rooted in long-term inefficient use of resources that resists eradication through short-term adaptations of financial policies."

Neither the Bank nor the Fund has been able to contribute to the stability of the international monetary and financial system, nor to the fostering of balanced economic growth among its members. Therefore, the Bank and the Fund should review their entire policy towards developing countries and cease supervising the economic policies of those countries as



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such supervisions have not led to positive results. The colonial era is long past, but today the former colonies and other Third World countries have come under the thumb of another power, the IMF, with the World Bank in the role of supportive actor.

DEBT SERVICE DIVINE

The arm-twisting which resulted in the raised electricity tariff rates in Nepal was a classic

example of bad advice in which the Bank ignored the fundamental principles of wage-price indexing. In the country where the Bank is headquartered, a four hours' wage of an ordinary labourer is enough to meet a month's electricity bill. In Nepal, for the same amount of electricity, a senior civil servant would have to divest himself of more than 21 days' salary. How do the Bank bureaucrats expect such a situation to lead to development of the country?

The Bank should, no doubt, work towards its stated objective of promoting economic well-being in the developing countries. And this should take the form of periodic advice. However, the advice should always be for the good of the recipient developing country.

The Bank itself maintains that the per capita commercial energy consumption in Nepal is among the lowest worldwide and almost one-tenth of the per capita commercial energy consumption of India. So what should the Bank do in this regard? Obviously, help raise the energy consumption of Nepal to the level of its neighbours, if not to that of the developed countries. Instead, while pleading that it is devising programmes to benefit the poor, the Bank imposes conditionalities which make the already-poor even poorer. The Bank and the Fund themselves have not been able to grapple with the challenges that arose due to the collapse of the par value system. How can the Bank's advice on structural adjustment help developing countries extricate themselves from the quagmire of underdevelopment?

Comparisons with the United States, where access to electricity is 100 per cent, that to safe public drinking water 98.6 per cent, and public sewage collection 99.2 per cent, might not serve our purpose. But should not the Bank's assistance be directed towards helping the Nepali people have greater access to basic services rather than to restrict their consumption through exorbitant rises in utility charges and slicing their earnings, all in the name of higher debt service to the Bank?

ADVICE WHEN NEEDED

The Bank has been advising developing countries that privatisation, ending of farm subsidies, and non-hoarding of gold are some of the solutions to their economic ills.

Privatisation is essential to modernise a command economy. But the concept of a command economy has practically ended with the collapse of communism in Eastern Europe. Privatisation does promote individual

initiative but such initiative existed in many developing countries long before the command economy stepped in. Even after the collapse of communism, command economies still exist in some democratic countries in the guise of central planning. It might be better on the part of the Bank to advise those democracies which have not yet dissolved central planning to do so, as its underlying concept goes contrary to the values of pluralism and democracy.

If disposing of state-owned sick industries is part of privatisation, who would be prepared to invest in such infirm industries? In 1986, the Philippines Government decided to privatise 396 industries worth about seven billion dollars. But despite the huge and continuous inflow of American and Japanese capital into the country, not one party came forward to buy even a single industry.

As for the question of ending farm subsidies in developing countries, if this is the basic criteria of development, why are the American and European Community farmers getting annual subsidies to the tune of more than US\$ 49 billion.

Regarding the gold holdings of developing countries, one has to look to the most significant politico-economic decision made by U.S. President Richard M. Nixon about two decades ago, when he de-linked the dollar from gold. In these 20 years, the international price of gold has jumped twelve-fold and in countries like Nepal and India, where the import of gold is banned, the price has jumped by more than 30 times. During this period, the real value of the dollar in terms of gold has gone down to eight cents, excluding the downward slip of the dollar through inflation. If hoarding of gold were so anti-development, then the most developed country in the world, the United States, would not have a gold holding of 262,060 million fine troy oz., which is 27.71 per cent of the world reserve, leaving aside the enormous gold reserves with the government of other developed countries and their central banks. If Nepal had not been advised to put a ban on gold import, it would have been richer by 30 times over the course of two decades.

1818 H STREET

The World Bank is an association of economists and bankers. At their headquarters at 1818 H Street in Washington DC, they prepare economic sermons for the developing countries. Off and on they visit these countries on luxury trips and rely on the advice of research groups they themselves have funded, which mostly include former bureaucratic elites. As a result, opaque reports are produced which are then forced upon the developing country concerned, with conditionalities the Bank bureaucrats consider to be in their own best interest.

Economists are famous for having differing views. When the likes of Milton Friedman, Paul Samuelson and Simon Kuznets, all Nobel Prize recipients, met, they rarely reached a common solution to the economic problems facing the United States and the World. It is, therefore, rather difficult to consider the advice of World Bank bureaucrats as sacrosanct for the development of developing countries.

At least, if bad advice was corrected later, one would have some faith. But Bank officials seldom change their decisions. Two decades ago, when the opinion of Nippon Koei was submitted on the Karnali hydroelectric project, the author, in his capacity as Nepal's representative to the United Nations, visited Sir Robert Jackson in New York, where he was serving as an advisor to UNDP. A request was made through him to the World Bank for the funding of the Karnali Project. Sir Robert checked with the Bank, who advised him that Nepal should seek a second opinion. That was how the Snowy Mountain consultancy of Australia got involved. Since then, opinion after opinion has been sought by the Bank without any funding forthcoming for implementation of the project itself. And whatever loans have been approved of for Karnali has been for the upkeep of Western consultancy firms, who have made millions of dollars through the "project". It would seem that the Bank will not approve any funding for Karnali unless there is, in its view, a severe energy crisis in the region. Of

course, such as crisis already exists, but the Bank bureaucrats are not prepared to accept it as such.

Through its system of weighted voting, the Bank is controlled by the developed countries. These countries do not need to borrow from the Bank. The borrowers are the poor developing countries whose total external debt has crossed the 1.4 trillion dollar mark. During the 1980s, the Bank concentrated its lending on Latin America. Today, these countries are up to their necks in debt, so the Bank is searching for new pastures — which is why the countries of South Asia have become the target of additional lending. Meanwhile, the collapse of communism in Eastern Europe and the death of the Soviet Union have presented the Bank with additional fertile ground for investment. If these countries, too, decide to blindly accept each and every advice emanating from 1818 H Street, the odds are that they, too, like their third world counterparts, will lead themselves into the quagmire of debt and decadence in the name of development.

D.R. Upadhyaya is a scholar and former diplomat.

AIDING TIBET

A number of foreign agencies and voluntary agencies have been participating in the "development" of Tibet since about 1987. In the last couple of years, however, the pace of setting up of international involvement in Tibet's development has quickened. The following categories of aid agencies active in Tibet, which are not exhaustive, were compiled by Ann Forbes and Carole McGranahan. The result of their survey is to be published shortly by the organisations Cultural Survival and the International Campaign for Tibet.

INTERNATIONAL NGO:

Swiss Red Cross — health projects in the Shigatse area
Save the Children (UK) — health and education projects, Lhasa District.
Medicins sans Frontieres (Belgium) — public health, Lhasa District
Health Unlimited (British) — public health, Lhoka District
Swedish Tibetan Society for School and Culture — school outside Lhasa
Rokpa International — health and education, eastern Tibet (Kham)
Boulder-Lhasa Sister City Project (USA) — exchanges between citizens, local government.

CONSERVATION:

Woodlands Mountain Institute (USA) — Qomolangma National Park
Domestic Technology International (USA) — Series of conservation areas, including a bird conservatory at Lake Nam Tso
World Conservation International (USA) — establishing conservation area on the Chang Thang Plateau

UNITED NATIONS

World Food Programme — development of Lhasa River Valley
United Nations Development Programme — tourism project, funding to development projects
United Nations Fund for Population Activities — maternal health and child-care project.

BILATERAL

Germany — Lhasa Leather Factory

Note: In addition, a project of Volunteer Services Overseas (UK-VSO) has been discontinued. Two other NGOs are also active: the Tibet Development Fund (Lhasa) and the International Fund for the Development of Tibet (Beijing). The Yamdrok Tso Hydroelectric Project is a Chinese scheme which receives funding from several development agencies.

A Bank Asian in Name Only?

The Asian Development Bank's lending to Nepal is increasing, but its profile remains low. As its influence spreads, will the ADB become as overbearing as the World Bank?

by Binod Bhattarai

Since bashing multilateral development banks (MDBs) emerged as a sport over the last ten years or so, the ire of Third World Governments and alternative-development activists has fallen mostly on the World Bank. This is natural, because World Bank and its sister institution the International Monetary Fund, together set the agenda for international development lending to the countries of the South. The other MDBs, because they mostly follow the agenda set in Washington D.C., have by and large escaped scrutiny even though the impact of their lending might be similar to that of the World Bank's. These other institutions are the Manila-based Asian Development Bank (ADB), the Inter-American Development Bank and the African Development Bank.

As the world becomes more unipolar and the grip of western powers and Japan over the international economy becomes tighter, the MDBs will doubtless emerge even stronger. With even the giant Indian economy bowing to the dictates of international financial institutions, it is clear that development in Third World countries like Nepal is going to be dictated more by the MDBs and less by United Nations grant-making agencies like the UNDP, FAO, UNIDO and UNICEF.

The ADB sun is on the rise all over developing Asia, and a look at development financing in Nepal shows that its long shadow is falling on the Himalayan slopes as well. In recent years, the ADB has been expanding its core staff in Kathmandu and entering fields, such as power generation, which had so far been the turf of others. Even though it continues to operate in a lower key than the World Bank, the ADB has already built up a billion dollar-plus Nepal portfolio.

NEPAL AND ADB

Nepal became a member of the Bank in 1966 and Kathmandu's first loan request was approved in 1969. By the end of 1991, the Bank was engaged in 72 loans and 62 projects. The cumulative lending of the bank had reached US\$ 1,069.7 million, of which US\$ 524.5 million (53 per cent) had already been disbursed. Of this, Nepal has paid back a total of US\$ 70.2 million as principle plus interest (service charge). The net transfer of

funds from the Bank to Nepal stood at US\$ 454.29 million at 1991 year-end.

Of the loans, 42 per cent went to agriculture and agro-industry, 10 per cent to the energy sector, 10 per cent for transportation and communication, four per cent to industry and non-fuel materials, and two per cent for urban development, water supply and sanitation. The technical assistance provided by the Bank totalled US\$ 54 million for 138 projects. At 1991 year-end, 39 of the 72 loans had been "closed", 33 were still active and four were awaiting disbursement.

Today, about 80 ADB "missions" from headquarters involving more than 200 experts and administrators visit Nepal annually. Says a Finance Ministry official, referring to the power of these missions, "Most of the time, they have their way. They are, after all, the bankers."

The ADB-supported projects are a mixed bag. Some are successful and others are not. And what the Bank thinks is a good project need not necessarily be the best for the country. Take the example of the new terminal building of the Kathmandu's international airport. Any agency would love to fund such a high-visibility project, and ADB officials are pleased with the outcome — the terminal building even received an award from the Pacific Asia Travel Association (PATA) for its design.

The terminal might be pleasant to look at, but there were significant anomalies in the US\$ 22 million contract awards. The design was completed in 1979, but it was not until 1986 that construction contracts were handed out, and by the time the terminal was inaugurated by King Birendra in February 1990 (after two "supplemental loans"), it was already too small to handle passenger-volume. There was no re-design done during the decade between planning and completion.

The Kankai irrigation project in Nepal's eastern Tarai, financed by the Bank, does well enough by the river's west bank. Unfortunately, the traditional irrigation systems on the east bank have dried up because of the diversion of water. Kankai was supposed to be a "multi-purpose project" (irrigation and hydropower), but this seems to have been forgotten.

The ADB nearly went ahead with its East



Rapti irrigation scheme (ERIP) in central Nepal until it stirred an environmental hornet's nest, particularly in relation to the Royal Chitwan National Park which lies downstream (*Himal Nov/Dec 1990*) on the Rapti. Even though no environmental assessment was carried out, the ADB's 1986 appraisal report stated that ERIP "is not expected to have negative environmental impact". After controversy surfaced, and also because of a new environmental sensitivity that is becoming evident in the Bank's work, a re-appraisal of ERIP is taking place.

In 1976, the ADB approved of a US\$ 39.5 million loan for the Hetauda Cement Factory, which has turned out to be a costly mistake. In these and other projects, the Bank has not been free from the clutches of commission agents and middle men, but in this it might be said that the ADB is no better or worse than other big-time donor agencies.

ADB-financed projects which have received favourable reviews include its rural credit programme and the Small Farmers Development Project (SFDP), both run by the Agricultural Development Bank ("ADB/N"). Even though there have been questions raised about the replicability of the successful SFDP and rural credit schemes, these programmes are praised for having tried to reach and involve the beneficiaries at the grassroots. The Hetauda-Narayanghat section of the East-West highway is another ADB project which has been a boon to the national economy.

In the power sector, which is Nepal's most promising field for development, the ADB has remained outside controversies mainly because it has concentrated on transmission lines rather than dam projects and their mega-contracts. Recently, the ADB has quietly challenged the World Bank's self-proclaimed role as the "lead agency" for Nepal's power sector. Even while the World Bank was busy pushing Nepal to buy thermal power stations until the big Arun III

hydropower project came on line, the ADB, together with UNDP, agreed to support the detailed designing of the "Kali Gandaki-A", which is to serve as an interim power project.

A WORLD BANK SHOW?

The ADB does most of its hard-core banking (about 60 per cent of its loans) using funds from its regular funds, known as the Ordinary Capital Resources (OCR). The Asian Development Fund (ADF) is the Bank's soft-loan window through which capital is loaned to the poorer countries. The repayment period for loans under ADF is 40 years and is payable after a 10-year grace period from the time of approval. No interest is charged, but the bank deducts one per cent service charge on all disbursements. (To compare, lending from the World Bank's soft loan affiliate, the International Development Association (IDA) matures in 50 years and the grace period is 10 years. There is no interest, and the annual service charge is 0.75 per cent for what has been lent and 0.5 per cent on the undisbursed amount). Except for one loan (Raghupati Jute Mills, US\$ 2 million, 1970), all ADB's loans to Nepal have been from the ADF resources.

According to a Planning Commission official, the ADB is better-liked by bureaucrats because it is "less demanding" and more "flexible" than the World Bank. "The World Bank kills with conditionalities," he says. "The ADB, on the other hand, is more understanding and less aggressive."

Unlike the World Bank, always with an American at the helm, and its soul-mate the IMF, which always has a European chief, the ADB is regarded as the Japanese show. Since 1966, the Bank's President has always been Japanese.

However, while the administration might be dominated by Japan, the macro-policy decisions are made in Washington D.C., at the World Bank. The ADB's Kathmandu representative, Dalheue Coue concedes that while the Bank "might have a slightly different corporate philosophy and culture," the basic policy

principles are similar to that of other MDBs. A Nepali who had spent time at ADB in Manila preferred to be more graphic: "The ADB does like to cling to the World Bank's skirt."

In *Odious Debts*, her just-published book on the World Bank (see *Abstracts*), economist Patricia Adams writes that the World Bank and the regional MDBs, including the ADB, "have virtually the same Articles of Agreement, structures, and lending patterns, leading to precisely the same dismal results."

And so the question arises: how "Asian" is the ADB? If it is really no different than the World Bank, what is the rationale for two institutions with similar outlook and lending philosophies, considering the duplicated overheads.

The ADB is Asian to the extent that 52 countries from the Asia-Pacific region are its members. There are 15 non-regional member States, the real power centers. The only other Asian aspect might be the Asians who work there — some the best economists, engineers and MBAs of Asia — attracted by the Bank's salaries and perks, and the First World lifestyles in Manila's "villages" — rich enclaves such as Fordes Park and Das Marinas.

The ADB's highest policy-making body is its Board of Governors, composed of finance ministers from member countries, which meet annually. The actual operations come under 12 directors (each with an alternate) elected every two years by the Board. Eight of the directors represent countries of the Asia-Pacific region.

Except for countries like Japan, China, Australia and India, the rest of the regional members States have negligible control over the Bank. Voting power is based on the subscribed capital of the member countries. Thus, the most powerful members are Japan and the United States (each with 12.4 per cent of votes). China controls 6.1, India 6, Australia 5.5 and Indonesia 5.2 per cent each.

The non-regional members (industrialised Western countries) contribute some 36.4 per

cent of the Bank's capital and control, 35.3 per cent of votes. With Japan and Australia grouped with the rich nations, the rich nations control 57.8 per cent of capital and 53.2 of voting power.

Countries which are the poorest, and for whom the ADB's role is vital, have the least say in how the institution is run. Nepal controls 0.5 per cent of votes,

Bhutan and Western Samoa 0.4 per cent each. The SAARC countries taken as one control about 11.9 per cent of the votes but they are grouped separately and do not vote together.

DEBT TRAP

Because "poor" Nepal has always run on grants from donors and not on loans, so the belief goes, it does not have to bother about the dreaded Third World Debt. The debt burden is seen as the problem of mis-managed resource-rich economies of Latin America and Africa. But while it is true that Nepal has never been attractive for lending by the multinational banks, it is slowly but surely sinking into a debt trap (see page 10), whose door is held by the multilateral development banks.

Debt servicing as a proportion of Nepal's budget is bound to increase in the days to come. The majority of the ADB's loans, for example, will come up for repayment in the coming decade. While bilateral loans can be cancelled by magnanimous Governments, not so the loans of MDBs. The ADB bureaucrat is a banker first, and only then a "development worker".

Some planners consider ADB's loans to be that much harder to pay back because they go mostly to so-called soft sectors. How can the rural water supply or a loan for forestry planning, for example, pay back in a way that the Government can cough up the dollars?

And this brings us to the main criticism that can be made of the ADB and its sister agencies. While fully aware that Nepal's Panchayat Government was mortgaging the future by taking too much loans, why were they so easy with their loans? Why did they keep coming back with more loan packages? And whose interest did they have in mind?

Says the Planning Commission official: "Whenever we ask questions, they say, 'But it was at the request of your Government.' In many instances, the ADB has failed to shoulder responsibility that should have come with the type of money it has to play with."

Indeed, the ADB and other MDBs have a major responsibility when they provide loans to unrepresentative regimes. For the very reason that the Government might not have the total interests of the public in mind, the lending agencies must act with restraint. The changed political conditions in Nepal brings with it a need for a different style of functioning on the part of the donor agencies. With a powerful Parliament and parties in opposition, there will be more questions asked. Government will have to be more accountable. Disbursement will be harder.

Because the Government will, hopefully, know what it wants, the role of the ADB and its sister institutions will be to act in support rather than to lead.

B. Bhattarai reports for the *Rising Nepal* daily in Kathmandu.



Promises to Keep at ICIMOD

The International Centre for Integrated Mountain Development could yet emerge as a central institution for hill areas development.

by Bijaya Lal Shrestha

The International Centre for Integrated Mountain Development (ICIMOD), based in Kathmandu, has been around for nearly a decade, and remains the only one of its kind worldwide. However, for some reasons of its own making and some not, the Centre has not been able to make a dent in the world of development studies and applied research.

In an effort to revive ICIMOD, its Board met in Berne last June and decided to revamp the structure and change the personnel. Acting on the advice of a three-member review panel, the Board decided, among other things, to change its own composition and thus reduce the influence of government representatives, recruit the Centre's core staff according to international criteria, "decentralise" ICIMOD's functioning in the region, and correct the existing over-representation of Nepali staff.

As Rudolf Hoegger, the Swiss historian and Chairman of the Board said then, the Centre's future strategy should comprise of three elements, "Quality, Quantity and Stability."

The complaint ICIMOD-watchers have had over the years is that all three attributes are lacking in ICIMOD's functioning and output. The next couple of years will show whether the regional member States, on the one hand, and the donors, on the other, will allow the Centre to function as an independent entity, and whether the Centre's new leadership (the term of present Director E.F. Tacke runs out in mid-1993) and staff will be up to the challenge thrown to them.

JAMBOREE

Mountain research was not a new discipline that suddenly came to being with ICIMOD (pronounced "ee-see-mod", rather than "ikkimod"). Within the region, as far back as 1936, Indian scientist S.D. Pant had published a classic entitled *Social Economy of the Himalayas*. Numerous scientists all over the world have, over the past half century, contributed to understanding the economic and ecological processes that are unique to the mountains. Institutions that have been particularly involved in mountain research include the [Soviet Academy of Sciences], the Centre National de la Recherche Scientifique (CNRS) of France, the International Mountain Society, as well as universities and research institutes in South Asia, Africa and Latin America.

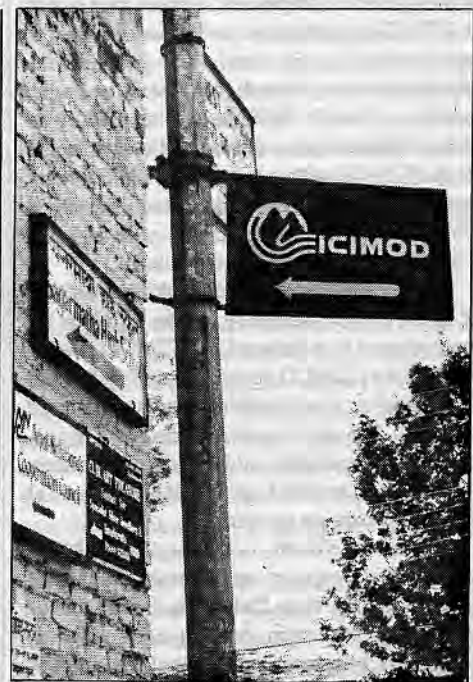
Despite the high volume of mountain-related academic activity, focal point was lacking, and an important meeting of mountain scientists in Munich in 1974 under the aegis of the German Foundation for International Development led, ultimately, to the establishment of ICIMOD in December 1983. The Centre's inception also derived impetus from the work of UNESCO's Man and Biosphere Programme, which had highlighted the requirements for ecologically and economically sound mountain area development. (See "ICIMOD Searches for Its Soul" *Himal* May 1987)

The Centre's inauguration was a week-long jamboree featuring the high priests of mountain studies — Gisbert Glaser, Corneille Jest, Jack D. Ives, A.D. Moddie, John Lall and Nepal's own Harka B. Gurung. The keynote address was given by Maurice F. Strong, presently Secretary-General of the United Nations Conference on Environment and Development (UNCED) to be held in Brazil this June. Strong was prescient in warning of the pitfalls that lay ahead for a regional organisation in a politically volatile South Asia. All international institutes, he said, faced the dangers of over-politicisation and bureaucratisation, and ICIMOD might prove not to be an exception. The staff, he worried, might "be too inwardly focused on the operation of the organization itself and too little on the basic objectives for which (ICIMOD) was created." He added, "Professional, technical, and operation competence must be the prime criteria for recruiting and rewarding personnel." ICIMOD's task was to provide "enlightened leadership" and to resist the temptation of setting itself apart from other institutions.

THE INDIA FACTOR

No sooner had it been set up than the Centre came up against the rough world of regional realities. Though the intentions of its founders were honourable, they had not anticipated the intensity of India's suspicions towards any international institution that might propose to work along its "sensitive" northern frontier.

India's apprehensions grew with the appointment of Colin Rosser, a 62-year-old British sociologist, as ICIMOD's first Director. It is not clear what exactly India had against Rosser, but he had apparently been asked to leave in the 1960s by the Indian Government



when he had been working in Calcutta as a Ford Foundation official. Rosser's links to the region goes back to his service in the British Gurkhas during World War II and, subsequently, his field work on the Newars in settlements east of Kathmandu.

As long as T.N. Khoshoo, a mild-mannered botanist known to be close to Indira Gandhi was India's representative on the ICIMOD Board, the Centre had reasonably cordial relations with India. But when Rajiv Gandhi's strong man, T.N. Seshan, then Secretary for Forests and Environment, replaced Khoshoo in December 1985, relations went sour. Seshan made it a point to display his dislike for Rosser, and to be rather abrasive at Board meetings.

It so happened once that ICIMOD held a meeting in Himachal Pradesh without Seshan's knowledge and without permission from the Central Government. Rosser was present at the meeting, held in Shimla. New Delhi decided there and then to make things difficult for ICIMOD. Henceforth, Rosser was to be denied entry visas. As one of Seshan's last acts as Secretary for Forests and Environment (he went on to become Rajiv Gandhi's Cabinet Secretary, and subsequently India's Election Commissioner), he dashed off letters to all of India's northern States forbidding any ICIMOD activity without prior approval of the Central Government. As an ICIMOD review document put it, making indirect reference to India, "...in one case (there has been) a virtual prohibition on the establishment of direct collaborative links with national institutions...(which is) to be regretted."

With the departure of Seshan, and time as the great healer, relations between the Centre and the Indian Government improved slightly,

although due to the present restructuring hiatus at ICIMOD, it remains to be seen what the relationship has in store. But perhaps the experience of a Chandigarh-based ecologist provides a hint: in 1986, he was warned by an Indian Administrative Service colleague "not to touch ICIMOD with a barge pole." In February this year, when he renewed his enquiries about job prospects at the Centre, he was told that ICIMOD was now considered "clean".

The recent appointment of Mukul Sanwal as India's Joint Secretary at the Ministry of Environment is welcomed by ICIMOD's well-wishers. An ICIMOD document prepared for the Berne meeting identified him as an "acting Board member". Sanwal is well-regarded as a broad-minded professional interested in mountain development, and the hope is that he will look at ICIMOD's case on its merits.

There is no doubt, of course, that ICIMOD needs India's support much more than India needs ICIMOD. New Delhi is quite capable of conducting mountain development research through its numerous educational and action-research institutions, including the Govind Ballabh Pant Institute of Himalayan Environment and Development, established in Almora in 1988, some say as an answer to ICIMOD.

It might, however, be unwise for New Delhi to continue to ignore ICIMOD, whose access to worldwide information and expertise is impressive. If it were to receive India's unstinted support, ICIMOD could grow into an organisation whose work, ultimately, would benefit the Indian hill peasant as much as anyone else.

With the rising aspirations of the hill communities in the Indian Himalaya, the Indian Government also needs to open itself to the advantages that it can reap from regional interaction on mountain development issues. The recent changes in global power politics and adjustments in India's own geo-political outlook, too, might make New Delhi's bureaucrats less wary of ICIMOD.

HIMALAYAN THINK TANK

It is easy to criticise ICIMOD for this or that failing, but it is true that the output of an institution like the Centre tends to be more cerebral than tangible. Over the years, the Centre has provided the only permanent forum of its kind in all South Asia, where researchers from all the regional countries are able to discuss common concerns.

ICIMOD's strength lies in "human resources development," and its senior fellowships have brought both regional and overseas professionals to its "campus" in Lalitpur. More than 60 staff members from nations other than Nepal have attended ICIMOD's programmes and returned to resume important professional work at home. The links and associations thus made through the aegis of the Centre are obviously of great value for mountain development as well as for regional understanding.



Through workshops and consultative meetings, ICIMOD has influenced decision-makers, particularly in Nepal, to include the mountain perspective into the formulation and implementation of programmes. The Centre's research and development programmes, with varying degrees of success, have led to a better understanding of issues related to farming systems, natural resources, planning, population and employment, infrastructure and technology, and environmental management in the Himalaya-Hindu Kush region. The Centre has held training programmes in diverse fields such as district energy planning and management, "mountain risk engineering", computer applications, data processing and documentation.

THE REVIEW PANEL

An overall critique of the Centre's functioning is to be found in the report of a "Quinquennial Review Panel," which studied five years' of ICIMOD's functioning, its programmes and administration. Although the review was submitted to ICIMOD's Board in early 1991, its conclusions remain valid because the changes mandated by ICIMOD's Board have not yet been fully effected. (It seems that difficulties in making lump-sum payments to departing staff have delayed the process of retrenchment and restructuring. For more information on ICIMOD's transition, see "ICIMOD Tries a Change," *Himal* Sep/Oct 1991.)

While largely supportive of ICIMOD's goals and the need for enhanced funding from donors to ensure its stability and growth, the panel found many large and small problems with ICIMOD's programmes and management. It virtually warned the Centre that if it does not correct its path and "transform itself into a viable

international center for mountain environment and development at the global level, other new initiatives are likely to draw funds away."

In terms of internal functioning, the panel members felt that the distribution of responsibilities was "perplexing" and suggested that administrative staff not be given authority over technical programmes. "Administrative procedures should be subordinate to program objectives," they noted; adding that the management's overwhelming control over allocations gave it power out of proportion with its role. "The strong centralised leadership of the original Director left little scope for participatory process in programming," and there is "an unfortunate distance between the professional program staff, the administration and the leadership," the panel stated.

The review also found a high degree of rank and status consciousness which seemed to displace "concentrated concern for program productivity." It detected little "team spirit" and "little sense of excitement among many of the staff."

The panel reprimands ICIMOD for hiring carried out "on the basis of personal contact and individual qualifications," but adds that even the present staff should be capable of doing much more productive work "with effective leadership and adequate financial support."

ICIMOD's record for gender-sensitivity has been abysmal, and the panel was also quick to point this out as well. The Board has *never* had a female member, and women in the professional categories are concentrated away from substantive work areas. As with most international agencies, the secretarial help is almost entirely female.

QUESTION OF QUALITY

The most visible output of ICIMOD has been its publications. Over eight years, till the end of 1991, the Centre had brought out 16 occasional papers, 15 workshop reports, 4 proceedings, 6 books, one manual and 53 discussion papers. The quality of the content tend to fluctuate significantly.

To begin with, the publications of ICIMOD are too Nepal-focused — 10 of the 16 occasional papers deal with Nepal alone. Until recently, there was no set procedure for peer review and screening before publication. In one instance, an ICIMOD paper which promised a review of integrated development projects in Nepal turned out to be a mere list. Later, it was discovered that a similar paper had been submitted in 1981 to UNDP. Early on, the only review of a draft text was the Director's reading it for "objectional" material that might create problems with member Governments.

The review panel's suggestion was that ICIMOD have its publication drafts scrutinised by "an external Panel of readers acting anonymously." Bruno Messerli, a prominent

Italian professor, whose independent comments are included in the panel's report, found that there was no clear differentiation between publications meant for the scientific community and those for decision-makers and workers at the community level. There was also confusion over whether publications were meant for internal or external use.

ICIMOD was to be a place where scientists could collaborate and reach for a synthesis of ideas. Unfortunately, ICIMOD professionals have not collaborated well, and most publications have been individual efforts. While outside scholars occasionally address the Centre staff, rarely are talks organised in which staff members share information with one another regarding their work.

When ICIMOD was established, it was expected that the Centre would publish, either by itself or in collaboration with other research centers, an academic journal or at the very least a bulletin on mountain matters for a global readership. The only ICIMOD periodical so far has been a bi-annual newsletter on the Centre's own activities.

WHO'S THE BOSS?

The work atmosphere in ICIMOD is hampered by stilted formality, a sense of hierarchy, and a lack of openness. There is palpable distrust among sections of the staff and little sense of camaraderie. There is also an unfortunate and unwarranted defensiveness when it comes to criticism. Staff members fret and fume when something negative appears in the press, but profess their inability to respond—a result of the rigidly top-down nature of the organisation. Some professionals are frustrated by their inability to reply to what they feel is unfounded criticism of the Centre or of themselves.

Part of the problem with the atmosphere at ICIMOD is the nature of the organisation, straddling as it does a region with super-sensitive governments. This leads the Director to exercise tight control over what goes out in ICIMOD's name. But part of the problem has been the Director himself.

The Centre has had two Directors so far, coming from opposite backgrounds. Rosser was an academician, a professor at the University College in London. He was an enthusiastic man of ideas but, according to a former colleague, lacked "persistence". He was also inordinately influenced by back-room tattle, it is said. Rosser's role was undermined by his "Indian problem", which greatly hurt the organisation as a whole.

When Rosser's term was up, the Director's post was advertised and persons eminently qualified to lead the organisation applied from

ICIMOD FUNDING

Between 1985 and 1990, ICIMOD spent a total of US\$ 11.3 million, with Switzerland and West Germany providing about US\$ 6 million of that amount. During the same period, the regional countries were able to come up with only about half a million dollars. Funding for special projects, totalling US\$ 4.3 million, was provided by the European Community, the Asian Development Bank, the Food and Agriculture Organisation, the Ford Foundation and others.

According to projections contained in an ICIMOD document, the Centre's financial requirements are slated to increase steadily over the next decade. For an organisation which spent approximately US\$ 3 million in 1991, it is projected that ICIMOD will require US\$ 7 million in 1995 and US\$ 14 million in 2000.

all over, including such top names as Robert Rhodes and Jack D. Ives. India proposed the name of R.V. Singh, a well-regarded forestry expert. The Board by-passed them all to choose E.F. Tacke, an agro-economist working at the Asian Development Bank in Manila, it is said, for 15 years. By all accounts, while Tacke has been able to barely maintain ICIMOD's administration, he lacks leadership and has been unable to energise the institution intellectually.

The next Director, who will inherit a "new and improved" ICIMOD, will hopefully be an activist and a visionary. Right at the start of ICIMOD, it was unfortunate that "donor politics" and regional suspicions sidelined individuals who might have provided the leadership that ICIMOD needed then, and does even today.

The new Director, of course, will only be as successful as the Board allows him/her to be. Due to UNESCO's influence at ICIMOD's founding, the structure given to the Centre was that of an UNesque inter-governmental organisation rather than an international institute. The power of government-appointed Board members was paramount, and initiatives could be killed at the displeasure of any one Board member.

From the beginning, the Board was packed with Government bureaucrats rather than independent professionals. As the review panel noted, "Board members are often administrators with no professional specialisation in fields relevant to ICIMOD." The suggestion of the panel was that the Board be dissolved and in its place two bodies be formed: a Board of Trustees and a Support Group of donors. The Board of Trustees was to comprise of "highly qualified professionals elected in their personal capacities."

In Berne, the old Board stopped short of fully effecting the panel's recommendation by deciding that the Board of Trustees would have 15 members, of whom eight would be representatives of member Governments of the region, and seven independent professionals.

COMMONPLACE KNOWLEDGE

What is ICIMOD? A research institution? An implementing agency? A think tank? At the moment, because it lacks a conceptual base, what the Centre does overall is merely a collection of what each member of the staff does. A theme and a direction is not yet clear. The review panel's recommendation was that ICIMOD "steer more and row less." To overcome "the danger of spreading commonplace knowledge," it suggested that ICIMOD decentralise its work and internationalise the hiring of its professional staff. The panel was of the view that ICIMOD

should establish contact with institutions in regional countries and work cooperatively, rather than trying to exist exclusively and control all work from the headquarters.

ICIMOD is still searching for its soul, and for the good of the population of the Himalayan region, hopefully it will locate it soon. A lot has changed in the world arena since the Centre was set up. Nepal and Bangladesh are both experimenting with democracy and are more open societies. Across the expanse of South Asia, there has been a rise of grassroots activism. While old geo-political problems continue to fester, in all the countries of the Himalaya/Hindu-Kush region, there are individuals of ability who have been brought together by ICIMOD, SAARC and other collaborative efforts. Today, there is a core group of professionals across South Asia in contact with each other and ready to form the nucleus of an intellectual movement.

In the middle of all this, it is still possible for the Centre to emerge as an intellectual hub of the region. ICIMOD's groundwork is complete and the structure is up. The organisation might have been ahead of its time when it was created, but times now seem to have caught up. Only three things are required: the regional countries, particularly India, must give a revamped ICIMOD the opportunity to prove itself; the donors must guarantee financial support beyond the turn of the century; and ICIMOD itself must work harder to earn its name.

B.L. Shrestha is a reporter for Katmandu's *Rising Nepal* daily.

Readers are invited to comment, criticise or add to information and opinions appearing in *Himal*. Letters should be short and to the point, and may be edited.

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Women in Development

What's In It for Me?

The "NGO movement" in Nepal is overwhelmingly urban-based and entirely dependent on foreign assistance. There are more than 50 non-governmental organisations that claim to work for upliftment of women, but do they?

by Manisha Aryal

In 1989, a group of women gathered in a lawyer's office in Kathmandu for a tea-meeting. The convener, a man, suggested that they open an NGO and left the room. There was silence for a minute while all the ladies present considered the idea. Yes, why not?

That was how a "successful" NGO on women's and children's affairs was initiated. The organisation was launched in hallowed Kathmandu tradition, with a seminar at a local three-star hotel. It subsequently ran a child rights awareness programme in which Kathmandu-based workers spoke earnestly to villagers about the need to send daughters to school. The villagers simply looked away.

THE BEGINNING

In 1970, the beginning of the Second United Nations Development Decade, the United Nations Commission on the Status of Women advocated the integration of women into development. 1975 was declared the International Women's Year, and the following decade (1976-1985), the International Decade for Women.

The new mantra of gender sensitivity started seeping up the valleys of Nepal as well, but His Majesty's Government's hollow mouthing became apparent to all. Meanwhile, the coffers of aid agencies were full of funds for "women in development" (WID) projects. So it was to NGOs that the agencies turned.

As it looked like the NGOs might be on to something good, the Government in 1977 responded by setting up the Women's Services Coordination Committee (WSSC) under Social Services National Coordination Council (SSNCC). While the aim was to coordinate NGOs, the WSSC and its parent body began instead to tightly control the funds that came in for women's programmes. The little initiative that existed among Nepali women's NGOs was stifled.

The April 1990 people's movement rocked all Panchayat-era institutions to their foundations, and the SSNCC itself went into hibernation. When it emerged all meek and mellow, it announced that it was okay for NGOs and International NGOs ("INGOs") to directly contact each other for "technical, material and financial assistance needed for achieving it's (NGO's) goals".

The field was left wide open for Nepali NGOs to play on. The onus now shifted to those who would run non-governmental organisations, which mushroomed overnight. The donor money was there for the asking, but would they be able to do all that they claimed?

DISBURSE OR DIE

"Voluntary agencies" are the new standard bearers of development. Their main justification is said to be that they are able to conduct activist work at the grassroots focusing on local issues. NGO's main asset is their ability to bypass bureaucratic hurdles and touch the poor more meaningfully.

Nepali NGOs, though, have served mainly as conduits to siphon off readily available money from the donor agencies' accounts into their own, to spend on projects of dubious value. Most of these organisations cluster around Kathmandu and have for the past decade concentrated on organising talk festivals. Few have ventured out into the hinterland, although Kathmandu NGOs occasionally conduct one-time forays to easily-accessible villages. Money is spent, projects are completed, and little is achieved.

NGOs write proposals, write reports, run training programmes, do mid-term evaluations, import consultants, review government policies and recommend committees to be set up to "search for alternative solutions". They make mistakes, "learn lessons" and get funded to make some more mistakes. One NGO promises to help "promote quality of Nepalese people's life

through established democratic values, ideals and institutions by improving the quality of parliamentary process". Another will run workshops on how to integrate women into mainstream development and suggest "entry points" in the social structure.

One NGO has discovered early that success lies in how well the project proposal or report reads. Its reports are drafted by young Americans and could be the pride of any Resident Representative's coffee table. The NGO's only obligation is to provide extended-stay visas to their American helpers.

Organisations without access to young Americans can still get funding if they know how to sprinkle the phrase-of-the-moment at the beginning or end of paragraphs: "holistic approach", "poverty eradication", "targeted beneficiaries", "upliftment" etc. It helps to have a "mole" within a donor agency who can send word when programme priorities for the next biennium shift from "girl child" to "supplementary income generation".

More often than not, the real voluntary worker does not have the marketing skills that are required of a Kathmandu NGO director. The simple task of visiting a programme officer at a donor agency can be daunting to the uninitiated. Make an appointment, sign in at the reception, walk through the echo-free carpeted corridors under all that indirect lighting, with secretaries whispering in chaste English...

One way to sift good NGOs from bad is to see how contrived their acronyms are. Acronyms have to be earned, not concocted from the start. When a new organisation takes a convoluted linguistic path to come up with a high-sounding acronym such as CHIEFS, LOOK, or ME, it is easy to gauge the commitment of the headman or woman.

For Kathmandu's "successful" NGOs though, fund-raising is a cakewalk. They know that the programme officer has to disburse or die. Back at headquarters in New York, Washington DC or Geneva, they will not take it kindly if the funding apportioned for "poor" Nepali NGOs is returned unspent. There are also other NGO leaders who have no need to kow-tow to the Programme Officer level, because their contacts are higher up, directly with the Director or the Ambassador.



Is she with WID us, or is she not?

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Money talks at recent seminar: Can you locate UNDP?

"WID NGOS"

It is no doubt true that voluntary agencies in Nepal need time to build up their credibility. They have only just begun to organise, and among the many more NGOs of tomorrow, those that are good will make a mark, while the mediocre will wither away.

The easy money provided by bilateral and multilateral aid organisations has corrupted many NGOs, who might otherwise have done more effective work in the field. Instead, they prefer to hover around Kathmandu — conducting seminars on superficial topics.

In January and February, this writer studied the work of a sampling of "Women in Development NGOs", organisations run primarily by women and funded by donor agencies to uplift this or that aspect of Nepali women's lives. The responsibility to be honest, committed and capable is great for women who would speak on behalf of their 10 million sisters all over the country.

But the result of the two-month study was that the WID NGOs were overwhelmingly mismanaged, directionless and personality-based, lacking both in vision and cooperative spirit. The leadership was either uncommitted or incapable. Their programmes mostly centered around the priority sectors identified by donors. They lacked transparency in their work and a wall of suspicion greeted whoever wanted to know how an organisation really worked. While the reluctance to share information on an organisation's hierarchy was understandable to some extent, questions about programme effectiveness and target groups reached were greeted with outright hostility. A request to look at the budget of an NGO was construed as a declaration of war.

Other than organisations run in parallel by wives, husbands, sisters or brothers, there was little collaboration or sharing of experiences

between the Kathmandu NGOs working in the same field. Unfortunately, one need not even worry about duplication of work that might thus result, because tangible results are almost nil.

An organisation which is working on women and environment has perfected the technique of using environmental code phrases to attract funding, but talk with the senior and mid-level staff reveals that there is confusion about what the organisation should be doing. While the NGO has received money from more than one donor to "protect the natural environment" and "improve the quality of human life", its strategies are unclear and its methodologies weak.

The President of the organisation,

when asked what she thought was Nepal's most pressing environmental problem, responded that her organisation was "so busy working for environment protection that I really have no time to think about those things". On a Nepal Television panel discussion, the way she evaded answering a question on the Melamchi Project, a proposed water scheme that is controversial, it appeared as if she had never heard of it.

When this NGO jointly organised a conference on environment and law with a relative NGO, one of its responsibilities appeared to be supplying a bevy of young women to stand at the receiving line (at NRs 1000 each for three days, with a free saree, worn as a uniform, thrown in). The podium, meanwhile, was top-heavy with men.

One center which focuses on women and development, in the mid-1980s had made a good name for its rigorous research studies. The center's evaluations of women's development programmes under the Small Farmer's Development Project and credit for rural women, for example, were considered to be of high quality. Unfortunately, as the 1980s came to an end, the donors started tiring of research and diverted funding into "action programmes". The center decided to go where the money was; priorities changed, and the research base that had been painstakingly built up has now eroded. A recent series "women in water and energy development" has been criticised by experts for lack of empirical data and weak analysis.

A legal services project for women which receives funding from USAID, the Ford Foundation and the Asia Foundation claims, among other things, "to be providing free legal services to the under-privileged section of society". The organisation says it has fought numerous battles for individual women, but will not share details or methodology, it says, because

other NGOs had started duplicating its work. When asked to provide instances of success so that word could be spread, one member replied dismissively, "We have fought so many battles for women that it is impossible to keep track."

An NGO which seeks to empower marginalised and deprived women has just put in a proposal with USAID for US\$ 208,826 to update the landmark publication *Status of Women in Nepal*, which is a three-part volume completed in 1981. From what this writer has been able to find out, the researchers of the original study have not been contacted, and the proposal does not provide the resumes of "the eminent professionals and researchers with substantial experience in related fields" who are to contribute to the new study. What, indeed, might have changed in the status of women in Nepal in the last decade that such a prodigious task be begun all over again, especially when the person who heads the NGO was the only one not to have completed her section of the publication back in 1981.

THE POLITICAL AGENDA

Those who would run Nepali NGOs, and not only WID NGOs, must thoroughly search their souls. Do they feel fulfilled that their unprofessionally run organisations continue to appease the donor, fool the public, and make a mockery of voluntarism? Now that the growl of the SSNCC is down to a whimper and the field is wide open for these organisations to begin to address genuine grassroots issues, it will be a travesty if they continue to believe that token gestures and seminars will suffice. It is true that NGO activity has only just begun in Nepal, but the committed voluntarism of NGOs today will mean that there is more of it tomorrow.

As for the women who run WID NGOs, they must begin to act on the understanding that the problems their organisations are trying to tackle are deep-rooted and absolutely political. Without a fight no amount of right will be wrested. And that fight must be conducted not in cosy symposia but in the heat of the day, against entrenched male-domination all over the country.

Little has changed over the last ten years, says Meena Acharya, an economist and contributor to the 1981 *Status of Women in Nepal*:

"Nepal has achieved nothing substantial, nothing sustainable, and nothing that has far-reaching consequences. We have caught up at the level of awareness, but where fundamental changes are necessary for women's development nothing has been done at all. The women who have been working for women's development, for example, have not been able to come together and place even one women's issue on the political agenda; as long as this is not done, nothing will happen. Withdraw the funds and every single project will crumble and die."

M. Aryal is a Kathmandu-based freelance reporter.

Hardly a Catalyst...

All that can go wrong with an aid project, often does.

by **Rishi Shah**

The foreign aid which has poured into Nepal in the form of cash, commodities and advisory services has only led the individual Nepalis deeper into poverty. Despite the massive intervention of foreign aid, which makes up 44 per cent of the 1991-92 budget, the per capita income remains a lowly US\$ 170.

Nepal's transition to democracy was, in part, the result of foreign donors (particularly the United States and several European countries) threatening closure of the aid pipeline unless human rights were respected and repression ended. Subsequently, the major donor have indicated that they will support the democratic Government's development efforts.

Just because well-wishers are willing to provide assistance, however, does not mean that we must accept whatever is placed before us. Enough has gone wrong with the giving and taking of aid in the past that, as Nepal seeks to break new ground in the sphere of development, we must analyse the problems encountered in the past.

The preambles of project documents, which govern overall implementation of technical and financial aid projects, are always pro-development and pro-common man. But the day-to-day implementation of projects is quite another story. The discrepancy between theory (project document) and practice (implementation) is caused by many factors, some of which are listed below:

- * The foreign expert (advisor) is unable to communicate (advise) with his Nepali partners because of a belief that his methodology and technology are superior. This leads to Nepali resistance.
- * The foreign expert is not competent enough to take up the assigned responsibility. This happens more often than is acknowledged. Some arriving experts are those who have not been able to market their abilities in more demanding markets.
- * The donor agency which is responsible for a project is often not bold enough to concede mistakes made by the experts it has selected.
- * The Nepali side is weak in monitoring foreign-aided projects. While sometimes this can be due to the technical nature of the work, more often it is the result of indifference on the part of the responsible Nepali official.
- * The vast discrepancies in remuneration of Nepali and expatriate staff, both of whom might be equally competent, have a debilitating effect on the Nepali side. The foreigner's access to project resources like vehicles, travel, dollar salaries and allowances creates a great distance between the Nepali and expatriate. Many unproductive projects are extended for no other reason than that the expatriate involved wants his term extended.
- * There is too much international travel from the donor's side in the name of project formulation, feasibility, negotiation, fact-finding, back-stopping, monitoring, troubleshooting, evaluation, and so on. Such missions are mostly the preserve of expatriates. It is especially unconscionable if such junkets are financed by loan-supported projects, which means they are paid out of Nepal's coffers.
- * Some donor agencies insist on pushing pet projects without considering the country's needs. There is also a tendency to experiment with project concepts and implementation at the cost of Nepal's development. The donor side's rules and regulations governing project implementation are not made transparent to the Nepali side.
- * The nexus between local development merchants, local power centers and foreign agencies and consultants has done the country great harm by mis-directing aid. The decisive factor in project formulation is often the market needs of donor country suppliers. There also exists an unethical link between the commission agents and the foreign agencies, who bypass Nepali officials considered "troublesome".

Japan Grant For Fishery Development	ADB Loan For Tourism Development	Indian Aid To Continue
Finnish Aid-Projects Reviewed	Over Rs. 15 M Japanese Grant To Nepal	FNCCI To Get UNDP Grant Aid
LOCAL AID GROUP MEET		
Donors Told Of Need For Large Foreign Aid		
ADB Okays \$70M Loan		
Swiss Grant Assistance For Nepal	UK Aid For Koshi Hill Project	Nepal Assured Of Swedish Assistance
Swiss Grant For Rural Water Supply	'Let's Not Judge Friendship In Terms Of Money'	
Donors Pledge \$ 85 M	Koirala Returns From China	

Newspaper headlines from first quarter of 1992.

What is the lesson to be learnt from this litany? One, that Nepalis must do their homework thoroughly before asking for help. While maintaining diplomatic cordiality, they must analyse the strengths and weaknesses of potential donors and be able to direct an aid agency to the sector of the Government's choice. To do this, the National Planning Commission, the Ministry of Finance, the line ministries, the independent sector and individual experts, all have to be mobilised. No one agency or individual can expect to suddenly turn things around.

On both the Nepali side and the donor's side, the staff selected must be unbiased, without bigotry, tolerant, experienced and qualified. The group dynamics in the project team is crucial: without mutual respect and a seriousness about the project's goals and strategies, the expectations of the population of the project area will not be fulfilled. Project evaluation, must be done not for the good of an individual or agency, but for the cause of development. This is an obvious statement, but not so obvious when project evaluations are carried out. In a new political atmosphere, evaluation reports must be communicated to donors, the Nepali government and the people.

Nepal must begin to take the initiative in foreign aid. It must formulate plans and project documents and put its requests on the table for the donors to respond to. It will no longer be acceptable to jump at every carrot dangled by every donor.

By learning to work out an optimum foreign aid packet, befitting Nepali dignity, culture, economy, and, above all, Nepali needs, we might be able to regain some of our lost pride as a nation. Also, when that day arrives, foreign aid's role becomes truly supportive and catalytic.

If, on the other hand, business continues as usual, foreign aid will remain that which goes into the begging bowl — from which only a few expatriate consultants, the international civil service, the economic and political elites, top-rung Government officials, development merchants and commission agents will prosper in the name of 20 million Nepalis.

R. Shah is Chief of the Workshop Unit of German Technical Cooperation (GTZ) in Kathmandu. This piece does not necessarily reflect GTZ's views.

An Investment Trap

*Aid agencies play a near-dictatorial role in Bangladesh's water sector.
Foodplains have become the grazing grounds for foreign experts.
Implementation of the Flood Action Plan could wreak country-wide
environmental devastation.*

by M. Monirul Qader Mirza

When Bangladesh became independent in December 1971, it turned to the international community for assistance to shore up the ruined economy and to usher in "development" at last. The Government and foreign donors quickly made water development their main focus. As a result, over 15 years till 1987, water alone brought in US\$ 1.023 billion worth of external assistance.

In 1964, the then Government of Pakistan had embarked on an ambitious Water Master Plan, which included 63 major flood control and irrigation projects. The assistance sought was from the World Bank. The control over water development thus conceded to international donors was a feature which was carried over to independent Bangladesh.

The Government of Bangladesh exercises little control over foreign aid in general, and clearly this is even more true in water resources. There is no perspective plan for the development of the water sector and the aid agencies are free to implement their own individual policies. Today, Dhaka's water bureaucracy functions largely under external dictates of several donor agencies. This had led to piecemeal and haphazard planning, and the formulation and implementation of projects without the concurrence of the communities whose life rhythms are affected.

GIVING AND RECEIVING

Why is aid given to the water sector at all? There is no uniform policy either of the government or of the donors. Even though the donors function under different mandates, they all cluster around the water. Looking at the work definitions of the agencies hardly helps to understand why they do what they do. The aim of external assistance in Bangladesh is said to be to promote poverty alleviation, self-reliance, socio-economic development and transfer of technology. Apparently, the overwhelming focus on water is geared towards fulfilling these goals. The fact that water projects invariably have dealt with high-cost structural solutions might or might not have to do with the attraction this sector holds for donors and consultants.

The World Bank concedes in its 1990 country paper, that "experience has demonstrated that the current approach of choosing water development projects on an isolated basis often

suffers from a number of problems with potentially serious adverse implications for the economic viability and environmental impact of the project." But it has been hard for both the Government and the donors to shake the old habit of ending one project and starting another. Much of the blame for this must be shared by the World Bank itself, which contributes more than 42 per cent of aid that is given to Bangladesh in the water sector.

The Bangladesh Water Development Board (BWDB) has benefited greatly from external assistance, but whether it has been able to benefit the country is another matter. Over the years, the Board has built up a huge roster of employees, including 827 graduate engineers, 844 diploma technicians, 235 agriculturists and other science graduates, 250 non-technical graduates, 4,251 technical support staff, and 5,281 non-technical support staff. The Board has, however, only four economists and neither a sociologist or an environmentalist.

The achievements of the BWDB in relation to poverty alleviation, employment generation in the major flood control drainage and irrigation projects are minuscule. Project evaluations are replete with reports how flood-plain agriculture has been devastated by water-logging, salinisation and lost productivity. Comments such as the following, from a 1989 report, are common: "...the potential rate of return which was projected earlier for the Chandpur Irrigation Project is now thought to be of the order of five per cent, and the potential rate of return of 24 to 30 per cent earlier for the Muhuri Irrigation Project is now thought to be ten per cent."

While such reports are to be commonly found, the country continues to take up more foolish projects upon the advice of aid agencies, which, too, rarely look back at the poor performance of the work they have financed. The Bangladesh water bureaucracy has been completely under the spell of what are known as the "major flood control drainage and irrigation projects". These massive projects, all of questionable value, include the International Development Association (IDA)-funded Chandpur Irrigation Project, which is to provide flood control and drainage for 53,846 hectares, and irrigation for 29,000 hectares. The Meghna-Dhonagoda Irrigation Project is funded by the

IDA and is to control floods over 19,000 hectares and irrigate 14,170 hectares. Other large projects include the Muhuri Irrigation project, the Barisal Irrigation Project, and the Chalan Beel Project.

Until 1988, of 12 major flood control and irrigation projects, only three had been evaluated. Even then, the studies were conducted soon after project completion, when all the negative impacts were not yet evident.

PROJECT MECHANISM

The Bangladesh Government exercises minimal control over the projects, from stage of selecting consultants for feasibility surveys, through implementation and evaluation. A unified procedure for scrutinising proposals does not exist. In fact, the only common feature among the many water projects in the country is the near-total control every aid agency exercises over its project.

As far as UNDP and EEC grants are concerned, the donors prepare the short-list of consultants, invite proposals, and make the final selection of projects with BWDB's concurrence. The donors may, and sometimes they do, override the Board's objections when selecting consultants. For example, consultants to be paid from EEC funds for small scale flood control and drainage (SSFCD) projects and from UNDP grants were selected directly by the donors without the BWDB's concurrence.

For Dutch projects, the consulting firms are selected and appointed by the Netherlands Government without any participation of Bangladeshi officials. This is also true for all Canadian International Development Agency (CIDA) projects. The Government is merely informed of decisions that are taken. In one extreme case, CIDA even awarded the task of preparing a feasibility study of the eastern rivers of Bangladesh to a Canadian consultant without informing BWDB.

Under existing procedures, individual experts are appointed by their respective firms without there being a need to get clearance from the Government. In the absence of guidelines for the hiring of experts, there have been instances when graduates fresh out of college have been appointed as resident engineers for projects that have the potential of affecting millions.

As far as the management of the aid funds goes, all are administered by the agencies.

DONOR-AIDED DISASTER

There are many examples of failed water projects, which were undertaken purely because of the easy availability of donor money and advice. These projects also highlight the not-so-heartening role of donor-appointed consultants.

While consultants do not always provide bad advice, they do so often enough for Bangladeshi experts to question the reason for their role in water development. The Meghna-Dhonagoda Irrigation Project is a multipurpose

effort to address flood protection, irrigation, drainage and agricultural development. The project area of 190,000 hectares comprises 14 local government units of Matlab Upazila, Chandpur district. Thirteen expatriate experts/consultants were hired, whereas six would have been sufficient. The project was delayed due to lack of a proper management of construction activity. Despite the number of consultants many critical flaws in design were discovered and had to be corrected by BWDB engineers. There were considerable lapses by the consultants in awarding local contracts. Investigations in 1987 by the Government's Economic Relations Division revealed that the ADB had used "excessive influence" over the project, particularly in setting up the terms of reference and selection of the Chu Kaihatsu Corporation of Japan as the main consultant.

Another ADB-aided embankment project in greater Khulna District, according to a 1991 report has resulted in water-logging of the Beel Dakatia over the last decade. The result has been large-scale destruction of cropland, homesteads, livestock and vegetation. The very process of formation of new lands within the *beels* (depressions) has stopped due to construction of embankments.

The Land Reclamation Project is a Dutch-funded multipurpose project to research, plan and implement land reclamation schemes. The project was begun in 1977 and shelved in 1991, without any significant benefit accruing to the targetted communities. Right from the start, about half of the aid funds went into the pay envelopes of Dutch consultants. By way of contrast 0.33 per cent, 0.98 per cent and 1.26 per cent were spent during 1977-84, 1985-86 and 1987-89, respectively, for the training of Bangladeshis in project-related work.

To cite just a few other examples: the donor-conducted feasibility study of the Khulna Coastal Rehabilitation Project was of such poor quality that even the BWDB had difficulty accepting it. The Feni River closure as designed by Dutch consultants was projected to cost US\$48 million, but some alert Bangladeshi engineers redesigned the structure and brought down the cost to US\$ 17.4 million. Those behind the Karnaphuli Irrigation Project seemed to do everything wrong: farmers were not consulted during the project design phase and their protests delayed acquisition of land; the relief pumping stations were found not to be essential; most of the wet season paddy did not receive supplementary irrigation as promised; the projections for dry season paddy were found to be wrong; and because irrigation structures have prevented fish migration, fisheries have suffered.

THE BIG PLAN

Today, the donors are busy in the planning for a ten billion dollar "Flood Action Plan".

After the 1988 deluge, foreign governments and agencies were keen on financing even more flood-control projects. Several studies were carried out by UNDP, USAID and the governments of Japan and France. All except USAID's report advocated "structural solutions", that is, the building of embankments and other water control structures to mitigate flood hazards. Past experience has shown clearly, however, that such structural solutions have been inadequate and inefficient. Despite all the interventions made over the past decades, for example, the floods of 1954, 1955, 1974, 1987 and 1988, all inundated between 36,000 and 82,000 sq km of Bangladesh's area.

In June 1989, the Government of Bangladesh requested World Bank/IDA to coordinate the various international efforts and to prepare a programme of studies and pilot projects. In the words of the Bank, the programme is to "resolve the major outstanding issues and result in a comprehensive and cost-effective long-term approach to flood control that would command broad international support."

The question Bangladeshi experts ask is, why all these issues had not been addressed earlier by the Bank which, after-all, has been running a virtual "parallel government", as a professor from the University of Ottawa stated recently. How is it that the Bank was hurriedly able to formulate a plan, something it had been unable or unwilling to do over the 30 years that it had played the role of policy-maker for Bangladesh's water sector?

The Flood Action Plan projects thus far financed by the World Bank and 18 other donors have already

generated tremendous negative economic and environmental consequences. Even the Bank admitted recently that "the current approach of choosing water development projects on an isolated basis often suffers from a number of problems with potentially adverse impacts" in terms of economic viability and environmental factors.

Having thus acknowledged the problems that have dogged the major flood control projects, whose total costs have amounted to a billion dollars and more, the World Bank went ahead and formulated a plan to carry out 26 studies. The other donors (UNDP, United Kingdom, Japan, EEC, ADB, Canada, Finland, United States, Sweden, Switzerland, the Netherlands, Germany and Denmark) endorsed the Bank plan in December 11-12 at a meeting held in Lancaster House, London.

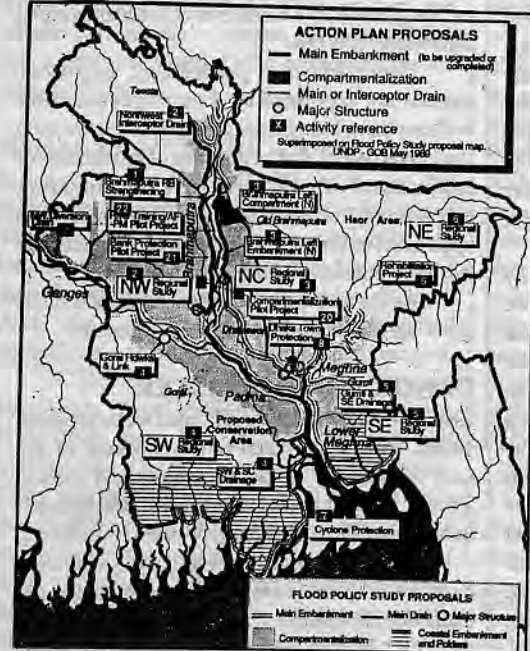
As yet, the people of Bangladesh do not know what is going on in the air-conditioned offices of the international consultants located in the posh Dhaka neighbourhoods. What is becoming clear, however, is that the World Bank's plan is based on poor data and does not seek to learn from mistakes made in the past. The donors, after all, do not hold themselves accountable to anybody and are, it seems, destined to repeat their mistakes at the expense of the Bangladeshi population.

The 26 studies, at their initial stages, will cost US\$ 150 million, which is funded as grants-in-aid. This may be regarded as the seed money which helps set the long-term investment trap -- a trap which will drop on Bangladeshis again and again over the next 20 years.

Many Bangladeshi and foreign scientists believe that the Flood Action Plan, if implemented, because of its extensive reach will bring grave imbalance to the entire ecosystem of Bangladesh. And it is not very uplifting to learn from experts that the Flood Action Plan components, divided as they are among various donors and different projects, consider environmental issues in isolation. Neither do the plan components seem to question how poverty is to be alleviated when poor Bangladeshis will have to bear a heavy loan burden far into the future. If the investment of US\$ 17 billion as aid since the Liberation in 1971 has led to such little improvement in terms of poverty, can this new, expensive initiative do much better?

The poor of Bangladesh will be excused if they begin to feel that the Flood Action Plan is just another experiment of the World Bank, akin to its Structural Adjustment Facility, and the Extended Structural Adjustment Facility. The poor of Bangladesh wish they knew when these experiments with their poverty will finally be over.

M. Monirul Q. Mirza, a water resources expert, and is with the Centre for Environmental Studies and Research, Dhaka.



Flood Action Plan proposal.

PARABLE OF THE DEVELOPMENT TABLET —SHARAD RANJIT—

AT THE WASHINGTON D.C. WORLD HEADQUARTERS OF A DEVELOPMENT BANK A MULTINATIONAL DRUG COMPANY REP ADDRESSES THE SENIOR STAFF...

WELL GENTLEMEN, FOR THIRD WORLDERS WHO REFUSE TO DEVELOP, OUR LABORATORY HAS COME UP WITH ... THE DEVELOPMENT TABLET!

...WE TRIED IT ON WHITE MICE AND THEY STARTED BUILDING ENERGY-EFFICIENT WOODSTOVES. NOW WE NEED SOME UNDER-DEVELOPED PEOPLE ... GIVE ME A COUNTRY!

THE GOVERNING BOARD ADOPTS THE ENABLING RESOLUTION

HOW ABOUT NEPAL? THEY'RE UNDER-DEVELOPED AND DOCILE. WE TRIED DEPO PROVERA AND GOT AWAY WITH IT!

NEPAL IT IS! RELEASE THE LOAN, HIRE THE CONSULTANT!

THE INTERNATIONAL CONSULTANT GETS TO WORK ON HIS NEPALI COUNTERPARTS

...IT WILL REDUCE FOOD INTAKE BY HALF AND ENERGISE THE RUSTIC BRAIN CELLS. IT'LL EVEN TEACH THE ALPHABET

DOES IT HAVE FOREIGN TRIP COMPONENT FOR CAPACITY BUILDING?

HE TRIES A DIFFERENT APPROACH ...

IT WILL TAKE YOU PLACES: AN ORIENTATION PROGRAMME IN NEW YORK, A STUDY TOUR OF TASMANIA AND ZIMBABWE, HELICOPTER FACT-FINDING ALL OVER NEPAL!

SOLD! WHEN DO WE BEGIN?

A HIGH-PROFILE MULTI-MEDIA CAMPAIGN IS LAUNCHED

विकास चक्री खाए नेपाली अगले

OR DAILY

MILLION DOLLAR DEVELOPMENT GRANT

THE RUSTING NEPAL

TABLET NEED OF THE HOUR: MINISTRY DEV. TAB TO FULFILL BASIC NEED

A PILOT PROJECT IS LAUNCHED AT A CONVENIENT LOCATION WHERE THE MINISTER & TELEVISION CAN BE PRESENT. AFTER THE MINISTER AND MEDIA DEPART, THE MOTIVATOR TURNS TO THE COMMUNITY...

THIS SAHIB HAS COME ALL THE WAY FROM YAMRIKA TO BRING YOU THIS CHAKKI, ONE TABLET A DAY, REGULARLY FOR A MONTH, WILL KEEP POVERTY AWAY

THE VILLAGERS ARE SCEPTICAL.

COME, COME, BE A SPORT! SWALLOW IT WITH A BIT OF WATER

COULD WE HAVE A BRIDGE INSTEAD?

NOPE!

A MONTH LATER THE EVALUATION TEAM ARRIVES FROM MANILA

WHAT?! STILL UNDEVELOPED? DID YOU TAKE THE RIGHT DOSE? CAN'T YOU NEPALIS DO ANYTHING RIGHT?!

ACTUALLY, I'VE BEEN FEEDING THE TABLETS TO THE CHICKEN. IT WORKS! NOW THEY ALL THINK THEY'RE SWANS.

SO THE SECRET IS OUT ... THE DEVELOPMENT TABLET IS REALLY A TRANQUILISER. IT MAKES THE AID-RECIPIENT BELIEVE THAT DEVELOPMENT TAKES PLACE WHEN IT DOES NOT. THE EVALUATION TEAM'S REPORT TELEXED BACK TO HEADQUARTERS, HOWEVER, READS DIFFERENTLY...

NEPALI METABOLISM CANNOT ACCEPT DEV. TAB STOP CULTURAL FACTOR IS ALSO INVOLVED STOP POPULATION IS TOO FATALISTIC AND INSISTS ON FEEDING POULTRY

HEADQUARTERS TELEXES BACK

"DUMP NEPAL STOP SHIFT EXPERIMENT TO BOTSWANA."

FAMOUS INDIAN

NEPALIS

Excerpt from "Language of Neglect," an article by Mahendra P. Lama in the December-May (1992) issue of Himalaya Today.

Right from the great freedom struggle to the present-day India, the Indian Nepalese have contributed immensely in diverse areas to our nation-building process.

The Indian Nepalese living in all corners of India have struggled whole-heartedly to rout out British imperialism. Some of them were subjected to rigorous imprisonment and many of them were hanged to death. Some of the prominent freedom fighters are Dal Bahadur Giri, Gaga Tshering from Darjeeling, Chabilal Updhyaya from Assam, Major Durga Malla and Captain Dal Bahadur Thapa from Himachal Pradesh. Netaji Subash Chandra Bose's close musician-associate Lieutenant Ram Singh Thakuri was a Nepali born in Lucknow. He gave the illuminating tune to our National Anthem. Some of these valiant soldiers are still amongst us.

The famous man of jazz music Louis Banks, the charismatic choreographer Bhusan Lakandri, top musician of yester-year Mitrasen Thapa and film producer N.S. Thapa are all ornaments of India produced by the Indian Nepalese.

The roles of Indian Nepalese in guarding the frontier of our nation as simple *jawans* and providing one of the best forces for the upkeep of national sovereignty and security need not be overemphasised. The bravery displayed by Brigadier Sherjung Thapa, "The Hero of Iskardoo" in 1948 and Major Dhan Singh Thapa, "the hero of Cheshul" in 1962, is the mark of their profound patriotism.

An equally important area is sports, where a relatively small population of the Indian Nepalese have consistently made a huge contribution. This ethnic group has produced some of the finest sports persons in India. To name a few of them, Chandan Singh, Shyam Thapa (football), B.S. Thapa, Padam Bahadur Malla, Jaslal Pradhan (boxing), Prem Maya, B.S. Chhetri, C.S. Gurung (hockey), and Edna Adhikary and Urmila Chettri (swimming).

OUR FRIENDS

THE AMERICANS...

Excerpt from Han Suyin's The Mountain Is Young, published in 1958. The conversation is between the Indian engineer Unni Menon and the American woman, Anne Ford who would subsequently become his love-interest.

'... The road that's being built? That's part of the Indian Aid to Nepal programme. Everybody is so keen and eager to help Nepal ... The Americans have a special Point Four Aid Mission here, to build hospitals and schools, establish handicrafts, bee-keeping, sawmills, anything to get the people out of their poverty. They also plan to build a road and develop some valleys. Possibly the Chinese may also later offer to do things for Nepal. Nepal is like a woman with many suitors now, only too eager to please her with gifts.'

'The cold war?'

'Yes. Fear makes us generous. The cold war, pursued in

Khatmandu as in every other capital of the world. Nepal is a backward underdeveloped country, and all underdeveloped areas are potential exploitation for communism; and so the idea is to plunge in and do something before the other side does it.'

'Does it work?'

'Not always. For various reasons, chiefly because Aid, as it is called, is often not suited in style and scope to the country of which it is aimed. Our friends the Americans are the worst offenders in that respect: they build a marvelously equipped hospital, and then leave it to fend for itself, and of course it goes to bits in no time; they draw up a programme for building a road which will cost millions, and sent so many experts and tons of machinery, yet they fail to import also the ordinary run-of-the-mill technician to keep the machinery in good order, and it'll rot — there are some wonderful bulldozers rotting here right now. They vote millions of dollars in Aid to foreign countries, but more than two-thirds of it goes in paying the enormous salaries and in building amenities for their own staffs — then they are surprised that the countries they help are not a bit grateful. But they'll learn to do better. They've got to.'

'The Chinese?'

'Oh, they will come, but they're not really competing, though the Americans always feel jittery about them. There will be a Chinese delegation at the Coronation. They've built some good roads in Tibet, and they are a serious-minded people. But they have enough on their hands. So far India has done the most to help this country, but then India is more involved than anyone else, since Nepal is her northern bulwark. The road from India to Khatmandu is going to make all the difference to this Valley and to the other valleys it crosses. You ought to see it ... and also the rhododendrons and the birds, of course.'

THREE DILEMMAS OF DEVELOPMENT

Excerpt from an article by Anand Aditya in the 31 January 1992 issue of Spotlight, a Kathmandu fortnightly, in which he discusses the three dilemmas which dominate the development debate in Kathmandu.

First is the supposed choice between *nationalism* and *development*. It was a dichotomy favoured and fabricated by the family oligarchs to perpetuate their own interests. Thanks to them, isolation remained a strategic imperative for this nation's survival curbing its development for one full century.

The second is the so-called choice between *nationalism* and *democracy*. The assumption that the two cannot go together became almost a state cult after the end of the Rana rule. The evolution of an independent sovereign nation was then premised on the argument that full-fledged pluralism is hostile to nationalism and should hence be discouraged. But post-War history suggests exactly the opposite: erstwhile nations such as Yugoslavia are splitting apart not so much because they have too much democracy, but rather too little of it.

Then they also postulate a choice between *democracy* and *development*. The assumption that democracy in a developing country decelerates development, is a motto posed and promoted by either autocracies or dictatorships. Enough has happened to show how empty the slogan is. Rarely does any autocracy and certainly no dictatorship exhibit parameters of development that would be envied or emulated by others.

In using these three concepts (*nationalism, democracy and development*) there is a propensity to forget the *caveat emptor* warning. Hence the perpetual risk of misconstrual by those who stand to gain by such distractions. Nationalism is then mistaken *a priori* for its pathological variant of chauvinism, democracy for chaos, and development for unbalanced growth. The need, therefore, to return to their real positive interpretations, has never been as sorely felt as today when the refrains of frantic nationalism are being heard more and more mingling with or paralleling the ever-sharply rising chorus for democracy and development. And if, as Neal Malcolm argues, democracy is rule by the people and nation is a precondition for the formation of people, it is high time not only to redefine nationalism in its real perspective, but also to rediscover its positive linkage with the other two values of the modern state structure — democracy and development.

CAUVERY WATERS AND THE SAKYAMUNI

From an article by Kalyan Kumar Dasgupta in the 20 February Statesman, in which he likens the Cauvery water dispute between Karnataka and Tamil Nadu to an earlier one — in the 5th century BC between the Sakyas of Kapilavastu and the Koliyas of Ramagrama.

What the Cauvery is now between the Kannadigas and Tamils, the Rohini was between the Shakyas and the Koliyas. Both the peoples were in need of the Rohini for irrigation. We are told by a Jataka story that they built dam on the river and by means of its water cultivated their lands.

Once in the month of Jethamula, or May-June, when the suffering cultivators from both Sakya and Koliya capitals assembled, the Koliyas said: "Should this water be drawn off on both sides, it will not prove sufficient for both of us. But our crops will thrive with a single watering. Give us, then, the water."

The people of Kapilavastu said: "When you have filled your garners with corn, we shall hardly have the courage to come with ruddy gold, emeralds and copper coins, and with baskets and sacks in our hands, to hang about your doors. Our crops will thrive with a single watering. Give us the water."

"We will not give it," the Koliyas said. "Neither will we," was the answer of the others. In the midst of the heated exchange, one of them rose and struck another and he, in turn, hit a third.

Gautama Buddha, who was then at Sravasti, saw in his vision the bickerings of his kinsmen and the Koliyas. He reached the place which was about to be converted into a battlefield. His arrival had a strong effect on the warring parties. The Buddha asked them, "Why have you come here?" "Holy Sir," they answered, "we are here neither to see this river nor to disport ourselves, but to get up a fight."

"What is the quarrel about?" Gautama asked.

"About the water."

"What is the water worth?"

"Very little, Holy Sir."

"What is the earth worth?"

"It is of priceless value."

"What are the warrior chiefs worth?"

"They too are of priceless value."

"Why on account of some worthless water are you destroying chiefs of high worth?"

"Yes, Sir, there is no satisfaction to this quarrel."

The Buddha narrated a few Jataka stories to tell them about the

quarrel one with the another, they are exposed to the attack of an enemy."

The Sakyas and the Koliyas realised that blood was more valuable than water and thought that if the Master had not come, they would have slain one another.

One wonders whether the Prime Minister, standing on the bank of the Cauvery, will be able to play the role of the Buddha in bringing the Tamils and the Kannadigas to terms?

KATHMANDU DOES NOT LIVE IN ME

Himalayan Voices: An Introduction to Modern Nepali Literature (University of California Press, 1991), translated by Michael James Hutt, contains works of distinguished Nepali poets (see Abstracts). This excerpt is from "Kathmandu" written in 1979 by Banira Giri.

Kathmandu is a heater inflamed
by one hundred thousand volts;
this capital's orphan girls sit waiting,
like Sita on her pyre of fire,
ready to brand their bodies of gold,
snared by the noose of its love...

And isn't it also that white-wheeled Toyota
which gulps down its petrol
never satisfied?

And isn't it also Nanicha's wine store
where young men come in swarms each day;
Gunjamans, Ram Bahadurs, heads held high,
who go home to beat their wives?

As Toyota's tire marks deep on the street,
green bruises covering women:
samples perhaps of each Kathmandu day.

Kathmandu makes my poor, dear son
cry out in his dreams every night;
half I understand, half I do not,
but still I wish to hear,
hemmed in and oppressed
by past attractions, repulsions,
I find that many will curse me,
I find there are few who like me;
I have come to live in Kathmandu,
but Kathmandu does not live in me.

The countless processions of these city streets
pour forth each night in my dreams,
my nights are weighed down by uproar,
they belong to Kathmandu,
covered entirely by mist.
How silent my cold mornings,
as if the city's dead have waited all night,
and are rotted completely away.

It is an interesting, beloved Kathmandu,
full of stories, sweet and bitter:
the opening verses of tremendous speeches,
the communal song of wants and needs;
wages — the happy chance of increase,
prices — the miserable rise,
an unremitting struggle of loss and gain:

THE DEVALUATION OF CULTURE

Extract from an essay in the Guardian by Ivan Illich, published in July 1991. He writes that the primary product of the economy is not wealth, but waste, and suggests the use of the term "disvalue"

Progress conventionally means the accumulation of wealth. The development of productive capacity, the multiplication of trained workers, the growth of savings, are seen as proof of this enrichment of society. More people, it is claimed, get more goods and services in the modern world. With simplistic assurance, economists tell us that the economy is a kind of a machine which generates value. And for well over three generations, this naive assumption has been shared in a vulgar way by most people.

Now it begins to sound hollow. People suspect that the expansion of economic relations into ever more aspects of everyday life does not produce values but, rather, concentrates privilege. And this privilege, which only a higher income can buy, is principally an escape from the disvalue which affects the lives of all. Increasingly, disvalues appear as the principle output of the economy, and the production of goods and services as the means to prevent being injured by these disvalues.

Until quite recently, the cultural changes which come with enrichment were seen as a necessary condition for human well-being. Needs seemed to arise. The economy turned them into demands for commodities. And so the motor for production was kept running. Some began to see that most people then came to depend on something historically new — commodities were a special type of good, and, by social definition, they were scarce.

Human beings, then, came to be seen as needy, and society as a collection of needy people. Now we see that all these cultural changes are a devaluation of self-sufficiency. Greater demand really means people are more needy. Slowly, we begin to see that the progressive devaluation of culture, the environment and the human person is the driving force of economic production.

In many ways, enrichment means the colonisation of the future — to bequeath a stinking junkyard to our children. The damages done by increasing consumption necessarily entail a depleted, degraded and poisoned world.

A certain geo-sophical principle, an earth wisdom, has been violated. Through a continual flow of the water cycle through the atmosphere, the topsoil and human culture, the earth lives in a kind of open system. Now we see that the contribution of culture is decisive for this system's life.

An essential condition for the flourishing and survival of any society is the protection and enhancement of the water-soil matrix of the environment. Western society, through the intensification and extension of disvalue, goes in the opposite direction.

Mexico City is the very image of modernity, the microcosm of the West today. There, excreta, junk, poisons, wasted heat, cannot be transformed and radiated back into the cosmic cycle. The possibilities of human cultivation are smothered under the stinking blanket of a yellow-grey miasma. The earth now evolves into a self-centered pile of trash where the accumulation of wastes extinguishes the rhythms of a living and breathing planet.

At its heart is what we call economics. And one can trace the history of economic development in the West from the scarcity underlying Aristotle's traders through the destruction of autonomous cultural responses to the human condition, through the transformation of a planet into a junkyard, to the evisceration of the human comedy itself.

BRUNDTLAND'S NON-MAGICAL COSMOS

From an article by Shiv Visvanathan of the Center for the Study of Developing Societies in Delhi, printed in the Jan/Feb 1991 issue of Lokayan, in which he comments on the report of the World Commission on Environment and Development, headed by Gro Harlem Brundtland of Norway.

The language of Brundtland is still the language of what David Ehrenfeld calls universalist-humanism. Such a perspective is anthropocentric. Maybe if parts of the report were written from the perspective of a microbe, a tree, or a spider the report might have created more empathy. It is also ethnocentric. The industrial consumer-man is the privileged citizen. Such humanism, Ehrenfeld shows, still believes that all problems are solvable and that technology and management can solve all problems. In this the expert and his technology are always part of the solution and not the problem.

Deep down the Brundtland Report still believes that the expert and the World Bank can still save the world. All it needs is the application of better technology and management. What it fails to understand is that a club of experts, whether Brandt, Brundtland or Rome, is an inadequate basis for society. What one needs is not a *common future* but the future as a commons.

A commons is a plurality of life worlds to which all citizens have access. It is not merely the availability of nature as being but of alternative imaginations that survival in the future might require. But it is such a world that Brundtland misses out.

The earth is a celebration that cannot be reduced to puritanism of machine philosophy. The expert world of Brundtland is too repressed, too provincial, to dance the dance of the earth. Instead of classifying species and economising them, it is time to talk to the earth like St. Francis, inviting brother spider and sister sparrow. But it is such a view that Brundtland misses out. Brundtland is a world without animals and therefore contents itself with stuffed toys. It is so autistic that it can neither sing nor dance nor tell stories, and without it you can't talk of creating a new dance of politics, where democracy is not merely order and discipline, where the earth is magic cosmos, where life is still a mystery to be celebrated. Nowhere in Brundtland, even in the chapter on species diversity, is there an understanding of this.

There is an insurrection of local groups across the world; groups against dams, groups against war, groups wanting to farm without herbicides, groups for the rights of man. The experts of the global state would love to co-opt them, turning them into a secondary, second rate bunch of consultants, a lower order of nurses and paramedics still assisting the expert as surgeon and physician. It is this that we seek to resist not by mimicking their expertise but by creating an explosion of imaginations that this club of experts seeks to destroy with its cries of lack and excess. The world of official science and the nation state is not only destroying soils and silting up lakes. It is freezing the imagination. The wisdom of volunteerism realises that the lakes and the imagination have to be desilted simultaneously. For this the large dams of expertise reified as the Narmada or Aswan Dam or as the World Bank and IMF have to be destroyed together. We have to see the Brundtland Report as a form of published illiteracy and say a prayer for the energy depleted and the forests lost in publishing the Report. And finally a little prayer, an apology to the tree that supplied the paper for this document. Thank you tree.

Environmental Opportunism?

The Bhutan Government's environmental policies have received international acclaim, and there has been no dearth of international donors willing to fund Thimphu's parks and wildlife programmes. Only last month in Manila, UNDP chief William Draper commended Thimphu "for taking a lead in adopting environment action plans to help sustainable development."

The Bhutan National Democratic Party (BNDP), however, will have none of it. At a recent press conference in Kathmandu, the newly-formed Party charged that Thimphu's environmental programme was politically motivated and meant to oust "ethnic Nepalis" from their homesteads in southern Bhutan.

Started by a group of Bhutanese-Nepalis in exile, some of them natural resource specialists formerly high in the Thimphu bureaucracy, the BNDP (which now competes with the Bhutan People's Party as the voice of Bhutanese refugees) says Thimphu is out "to appease the Western world by promising the strongest of measures for preservation of the natural environment."

Talking Tehri

While the Indian Government has taken on the role of Third World champion on environmental issues at the global level, what with Minister for Environment Kamal Nath jetting hither and yon in anticipation of the upcoming UNCED conference in Rio de Janeiro, back in Uttar Pradesh it seemed like business as usual as far as "environment and development" was concerned.

The Tehri dam being a case in point. On 14 December, Sunderlal Bahuguna and other activists held a mass rally at the dam site and stopped construction of the project, whose case has been

D.N.S.Dhakal, Secretary-General of the Party, says plans for a "green belt" covering the foothill region is "irrational" because it would replace existing paddies. "The proposed green belt area contains half of the ethnic Nepali population." BNDP also charges that a new wildlife protection plan being put into effect will evict many southern Bhutanese, converting their land into national reserve forests in order to allow movement of wildlife between Bhutan, West Bengal, Assam and Arunachal Pradesh.

The Government's reaction to these charge is not yet known, but the position of the two sides is clear from each side's description of clear-felling of a forest tract in the Sarbhong District. *Kuensel*, the Thimphu's official newspaper, states that 1,235 acres are being cleared prematurely by the Forest Department because "anti-national terrorists have repeatedly felled and stolen the trees ever since the *ngolop* uprising in September 1990." The BNDP, meanwhile, claims that "the butchery reflects the insecurity of the regime which is taking extreme measures to grab immediate wealth."

severely weakened by the October earthquake. The U.P. state government's response was to put those participating in the *dharna* behind bars, on 29 February. The resulting hue and cry forced the authorities to relent, and the



Bahuguna.

activists were released on 9 March. And at long last, Minister Kamal Nath announced in the Lok Sabhas on 25 March that because the dam did not have environmental

clearance, its construction would be reviewed. Meanwhile, at the request of New Delhi parliamentarians, Bahuguna has given up his protest fast.

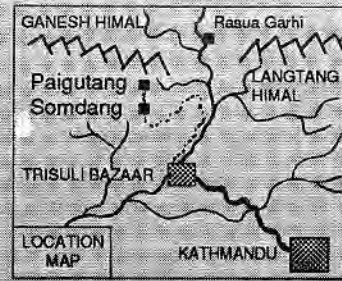
Ganesh Himal Metal

Over the years, there has been hush-hush talk in

Kathmandu of the goings-on up in Ganesh Himal. Why was the Royal Nepal Army awarded the contract to build the road up to the high point of Somdang on the Lari Valley? And what were those mysterious helicopter flights to and from Ganesh Himal? Whispered reports spoke of a site rich in rubies, tourmaline and other precious stones, and even chromium. An American gemologist who hung around Kathmandu, it was hinted, was the appraiser of excavated gems. Local villagers who worked in the mine reported strict security, and visitors (including Department of Mines personnel) were unwelcome. And, for circumstantial evidence, precious and semi-precious stones have been discovered in adjacent valleys to the east and west in Nuwakot and Dhading districts.

With all this as background, the light has seemingly fallen on the deep shaft of the Ganesh Himal mine, which is among the highest diggings outside the Andes. And if the promoters are to be believed, everything is above-board — but going under financially. Kathmandu-based magnate Mohan Gopal Khetan, 25 per cent shareholder of the Nepal Metal Company (incorporated in 1976) went "public" on 14 January by ferrying three VIP helicopter-loads, including Prime Minister Gijja Prasad Koirala, from Kathmandu up to the site at Paigutang (4,110 m).

A "status report" presented by Khetan to the Prime Minister and his party is a tale of heartbreak and desertion. After a Birla subsidiary identified zinc and lead deposits in the Lari Valley in 1967, a Canadian company from Quebec promised to join with 25 per cent equity, but bailed out in 1973. A British company filled the vacuum, but its name does not figure among the present shareholders. The Birla company, which had yet to



subscribe to it 20 per cent share, too, recently withdrew. That apparently leaves Khetan's Mutual Trading Company holding the ball, as according to the status report the Nepali Government has not come forward with its promised share of 41 per cent of NRs 7.7 million.

Why invest at all in a remote mine to produce semi-processed lead and zinc concentrates that will have to be carted all the way down to Indian factories for refining? Perhaps that explains the quick turnover of would-be investors. The International Finance Corporation (IFC), which appraised the project at US\$ 12 million and proposed to provide US\$ 3 million seemed to have developed chicken feet when it dumped the venture on UNDP's lap. UNDP is presently completing a two-year US\$ 1.5 million feasibility study of the project, whose estimated cost has gone up to about US\$ 20 million.

How does the promoter propose to market the ore? It is expected that the international price of zinc "at the time of production in 1995" will be around US\$ 1500 per tonne, even though the London Metal Exchange quoted US\$ 1,094 per tonne in December 1991. The plan, apparently, is to sell zinc and lead concentrates to India, where the report says they command higher prices than in the international market. "Even if India becomes self-sufficient in near future, she will need Ganesh Himal's clean concentrates as sweetener." The report would also have the Prime Minister believe that, "As it is an underground mine, environmental impact of the mine shall be insignificant."

For all the trouble, rubies and tourmaline would have made matters so much more simpler!

Biharis Spring a Surprise

What was a group of grassroots activists from Bihar doing in Kathmandu, pleading Nepalis not to go slow with the proposed Kosi High Dam? In yesteryear, they would have been trucked back to the plains, perhaps even to be put behind bars as soon as they were off-loaded at Raxaul.

This successful "border crossing" by members of the Ganga Mukti Andolan, unique in South Asia, seemed to indicate a maturing on both sides.

The Andolan, which in the early 1980s pioneered the rights of poor riverfolk along Bihar watercourses, takes a rather jaundiced view of the "development" spawned by big dams, embankment projects and canals. The message the activists brought to Kathmandu was surprising to many, for were not



Anil Prakash in Kathmandu.

all people of the Ganga *maidan* supposed to be in favour of high dams in the Himalaya? And who were these Indians who would criticise the Farrakka Barrage, the Kosi Project, the World Bank, New Delhi bureaucrats, and Patna-based power brokers, all in one breath?

Anil Prakash, who headed the Ganga Mukti Andolan team to Kathmandu, had this to say (in summary):

"In Bihar, we have a slogan. The Ganga is being strangled in the Himalaya by high dams and her feet are being bound at Farrakka. The Kosi Barrage, the Gandak Project and Farrakka have not helped the Bihari farmer. The Gandak Project brought with it water-logging and diseases. Kalazar used to be a problem of the Kosi area, but today it is covers 75 per cent of the State. Farrakka has backed up water far upstream on the Ganga and prevented the migration of fish.

With dams upriver, less silt comes down, which means there is no scouring of the riverbed to keep it deep. So the river spreads out over the plains. In the 1940s, the Ganga was a narrow river, but today it runs wide and overruns its banks at the slightest excuse. As for embankments, it does not make sense to build them along the rivers, holding them in and raising their bed level. Already, because of the embankments that

confine it, the Kosi is eight feet above the surrounding land. What will happen if the embankments burst? If we are so concerned about floods, let us build embankments around villages.

If you build a high dam on the Kosi, what happens if there is that one massive earthquake? Then we in Bihar are doomed. Dams hold back the silt which is our life-source. (*Baad to hamara jivan hai.*) Without silt, we will have to use fertiliser, then pesticides, and pay large corporations for the privilege. Big-time engineering intervention on our rivers has rarely worked. Of the 1,500 dams built in India since Independence, 1,400 have been failures. So our point is, decisions on the Kosi High Dam should not be taken behind closed doors. The downstream population must be kept informed because it affects our future. Think also of the lakhs of Nepalis the reservoir would displace."

Who Cares for Dead Fur!

Agenda Survival, newsletter of the Nepal Zoological Society, reports that the illegal fur trade is alive and well in Kathmandu (See *Himal*, Jan/Feb 1989). At one time, there were 1,225 fur coats on sale at 76 fur shops in Durbar Marg, Thamel and in all the major hotels. Among them, 25 were of the common leopard, 21 lynx, 20 wolf, 8 snow leopard, 7 leopard cat, and one clouded leopard. Other coats made from the fishing cat, jungle cat, desert cat, golden cat and civet numbered 259. There were 877 coats made from fox, jackal, weasel, rabbit, otter, and binturong.

Most of the furs, clearly, have their origin in the Himalayan region. The shop-owners all evidently knew that their trade was illegal, and yet they openly offered to make "deliveries" abroad (i.e. smuggle) if the price was right. Nepal has been a member of the Convention on International Trade in Endangered Species of Wild Flora and Fauna

Peninsular India

The Himalayan region has long been perceived as one geographical entity, and the Indo-Gangetic plains as another. What has long been missing in the Sub-Continent's jig-saw puzzle is peninsular India, which has not developed an "eco-political" identity of its own. Activists from South India, who have long chafed under the dominance of the "Cow Belt", recently got together to give such a definition to their region. As one participant put it, the meeting also represented "an attempt by rural-based activists to remove themselves from the sphere of New Delhi's globe-

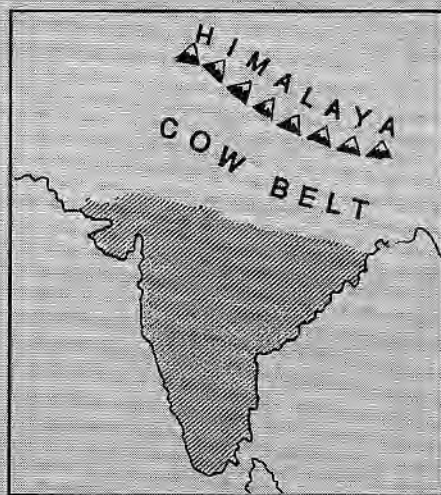
(CITES) since 1975, but the customs officials at Nepali border posts along the border with India and Tibet seem to have the vaguest notions about CITES or of the existing Government regulations to enforce its provisions. States the newsletter, "Anyone can walk away with rare specimen of endangered mammals, birds, reptiles, butterflies and plants."

troting environment heavy-weights."

On 20-22 March, 27 organisations active all over the South met in a three-day convention titled "Peninsular India '92" to discuss development and environmental issues. The organisers defined the peninsula as comprising Andhra Pradesh, Goa, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Tamil Nadu, and southern Orissa and Bihar.

According to the organisers, peninsular India is a unique geological and ecological region "formed by the drifting of continents during the evolutionary process of the earth." The region is brought together by "a number of struggles, movements and agitations in the last two decades concerning environment and development."

The conference discussed common problems of the region, including access to common



property resources such as land, water, air, forest and energy. The meeting also addressed the construction of mega projects, the degradation of the coastal ecosystems including the sea, and haphazard industrialisation in urban areas. The meaning of "alternative development" was debated, and the conference endorsed the need for indigenous management of resources and "grassroots assertion".

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Money and the Media

When 22-year-old Australian trekker James Scott was lost for 43 days in the mountains two days north of Kathmandu — and then miraculously found on 2 February by a helicopter rescue squad on its last mission — the story was obviously one for the headlines.

What was an incredible survival story, however, was soon being labelled a hoax by large sections of the press. The Kathmandu media, which was not allowed to see or speak to Scott before he returned to Australia, immediately began to play up a conspiracy theory

There were many questions to be answered, indeed, and the unavailability of Scott made reporters search elsewhere for clues. How could one get lost *anywhere* in the mid-hills of

brought to Kathmandu by helicopter and admitted to Patan Hospital, the family barred the media's access. The photographs and videotape of the rescue were put under lock and key. Scott's family, well-to-do of Brisbane, knew they had a commodity in the young trekker's ordeal. There were plenty of interested takers in the big-time Australian media, and a slick public relations firm to manage them all: Harry M. Miller of Woolloomooloo, Sydney.

The attitude of the family appeared to be, Why give Scott's story away to Kathmandu media when the Australian television programme *60 Minutes* was willing to pay a quarter of a million Australian dollars? The young man is reportedly being offered an endorsement contract by Cadbury chocolates, whose bars it was that he had up on the mountain.

Was it a hoax? A look at pictures from the ordeal (to which this writer was given access before the clamp-down) shows Scott with his rescuers in the cave where he had taken shelter. The young man, quite healthy in his earlier pictures, looks drawn and emaciated, huddled in one corner. The now-pricy video of the rescue shows, among other things, the instant when the trekker's blue jacket was sighted from the air. And in his interview with *60 Minutes*, aired in Australia on 8 March, Scott appears undramatic and rational.

If there is one conclusion to be reached from the information now available, it seems that Scott's medical school background and his level-headedness kept him alive even without food or fire for a month-and-a-half. Once he got lost, he did try to find a way out. In waist-deep snow (which had fallen steadily

Tengboche Rebuilds

The structural work of the Tengboche Monastery, devastated by fire in January 1989 (see *Himal, Jan/Feb 1989*), has been completed, says Ang Rita Sherpa, Secretary of the Reconstruction Committee. The wood paneling work inside is also finished, and the main *gumba's* distinctive copper roof is in place. The structural drawings of the new building were done by John Sanday Consultants of Kathmandu, specialists in reconstruction, and the site supervision is by Tenzin Thelke, a Sherpa expert.

According to Ang Rita,



The monastery before the fire (above) and the new structure (below).

altogether NRs 6.5 million has been spent thus far on the rebuilding of Tengboche. The copper roof was paid for by individual Swiss donations. The total reconstruction estimate is NRs 10 million, which has already been raised, says Ang Rita.

The next step is for clay sculptures to be made by

Bhutanese artists, who have already traveled to the site. (The original brass and bronze statues were not destroyed by the fire.) The wall murals are to be painted by local and Sikkimese artists.



for the first 10 days of his disappearance and which caused him to lose his trail in the first place), he went out several times and was brought up short in a *cul de sac*. He decided that the rock overhang he had discovered was the best place to stay dry and avoid frostbite. He sucked on snowballs and tried to eat moss, twigs and plants. He tried a caterpillar, which he did not like. He studied his map to understand why he had got lost. He had four books with him, and wrote to his family and fiancée almost every day.

Scott said he contemplated suicide by strangling himself with his shoelaces, but the thought of his parents discovering him in that state kept him from it. By the time the rescuers found him, he had decided to stop drinking snow-water in the hope he would die of dehydration. Earlier, in a letter to his fiancée, he had written, "I'm not suffering much, just hungry. The snow is so deep now that I can't really go anywhere. If I could only find food I'm sure I could last out the winter..."

Following Scott's rescue and recovery, it can only be seen as unfortunate that such a feat of endurance and tenacity in the Himalaya could be so easily sullied. All because the press smelled a story — and the Scott family smelled big money.

— Colette Beaudry

WORLD EXCLUSIVE MIRACLE IN THE HIMALAYAS FIRST PHOTOS

Nepal? The area in question was hardly the equivalent of the wilderness of, say, Alaska. With the highest population density of any mountain country, it is impossible to walk a few hours downhill (mostly southward) in Nepal without meeting shepherds and woodcutters, or chancing upon fields or trails. Indeed, as it turned out, Scott was within 10 km of the village of Thalu in the Helambu region.

Also, if Scott had enough strength to survive for so long on two bars of chocolate, why did he not use his obvious energy reserves to try to find a way out of the predicament during the first week or so, rather than settling down to wait for rescue? To the sceptics, the whole thing resembled nothing more than a publicity stunt to sell a good story to the television networks. And the subsequent attitude of the Scott family strengthened that conviction.

Immediately after Scott was

The ice man's story is on ice, for a price

By G. Webster
Kathmandu, Saturday

RINAYA Guru-Acharya has heard of these

A local reporter's request for an interview with the Bhutanese was rebuffed by a hospital official with a curt "she's out in the woods". Dr. Cliflick, a softly spoken and simply religious man, found himself

DISCUSSING DEVELOPMENT IN WEST CHINA

NOTES FROM AN AUGUST 1991 CONFERENCE IN QINGHAI PROVINCE

by Carole McGranahan

In August 1991, China's western provinces -- rich in natural resources and home to many of China's "national minorities" -- were the subject of an international conference entitled "Development Strategy and Ecological Balance in West China." Sponsored by the Research Center for Rural Economy, the Ministry of Agriculture, and held in the town of Gonghe in the south-eastern part of Qinghai Province known to Tibetans as Amdo, the Conference represented a break from the traditional characterisation of policy formulation within China's minority areas as an internal affair. Scholars and officials from China, Japan, and the United States met and exchanged ideas about the status of ecology and economic development in West China.

The focus of the Conference was on the eleven provinces of China, including Inner Mongolia, Gansu, Sichuan, Ningxia, Yunnan, Tibet, Sinkiang, and Qinghai. These provinces, which contain the majority of China's ethnic minorities, are characterised by their rich resource base on the one hand, and low level of development on the other.

The hope of many participants at the Conference was that the western provinces would soon be receiving the type of attention previously given to the building of eastern China. However, although interesting and innovative ideas were proposed at Gonghe, many left with faint conviction that these ideas would be put into practice.

THE CONFERENCE

"Development" in western China has been conducted mainly by Han from eastern China, and much of it has actually concentrated on extracting resources for the benefit of those in the east. At the Conference, a number of voices -- Han, Mongolian, Uighur, Tibetan, as well as of foreign observers -- called for an end to the eastern "colonialist" presence in the west. They called for sustainable use, rather than destruction, of natural resources in the process of development.

The participants could be divided into three groups: officials and scholars from eastern China, minority nationalities (local officials, scholars and community-level workers), and foreign participants. While each group had its own



specific concerns, three themes were consistently brought up: the rising dichotomy between development in East and West China; the need to balance economic development with environmental preservation; and the need for economic development in West China to be conducted by and for the local people.

The gap between levels of development in the East and West was seen as one of the most threatening results of earlier economic strategies. Both high-level Beijing officials and the local county officials spoke of the need to narrow this gap. Questions discussed included the crucial one of whether or not to encourage the complementary division of labor between East and West China (i.e., exchange of primary products and the sharing of advantageous resources), and whether the concept of a commercial economy should be extended to West China, which continues to be governed under the old model while economic change has overtaken the rest of the country. Some suggested the need for "vertical economic development" for western China, and lesser reliance on the East. A Beijing official with extensive overseas experience was heard urging his colleagues to bear in mind that the process of reform and development in West China must combine theory and practice at all levels.

Views varied on how to reconcile environmental protection with economic development. Some saw the environment as a

tool through which to achieve development; for others the environment of West China was something to be protected from development. A few Han participants from Beijing went as far as to speak of the need to end the colonial exploitation of West China's resources. They believed minorities should gain control over natural resources in their areas as stipulated by the Chinese Constitution.

Most participants tended to perceive West China as an area whose storehouse of natural resources could, with the use of scientific knowledge, be rendered economically beneficial for all of China. There was much interest shown in developing the West's hydroelectric potential, increasing the area under farmland, preventing desertification, and protecting grasslands.

There was sustained debate between those who proposed creating more farmlands and those who wanted to encourage the traditional practice of animal husbandry by local nomads. The county director of Gonghe, a Tibetan, proposed that a nomad organisation be created to protect the nomads' rights to their animals and grasslands. His proposal was well received, with the exception of a vocal minority which saw mass agriculture as the answer to all development problems, and which tended to perceive the lifestyles of nomads as obstacles to their progress.

Most of those present seemed to agree that local participation in decision-making was essential for genuine development. In fact, some felt that a new definition of "development" and "participation" within China as a whole was required if West China was to be successfully developed. As a result, issues of local involvement were widely discussed, with a Tibetan participant suggesting that decisions should reflect the position of local people, and not necessarily local officials.

THE RIGHT TO DEVELOPMENT

The Conference discussed the need to implement the existing provisions of the Chinese Constitution relating to the minority nationalities. Stressing that all minorities should enjoy the right to development, they pointed out that much too often minorities did not even know what rights they had as minorities under existing laws. A Tibetan participant from Beijing proposed that

rather than relying on the Government, ethnic minorities must cooperate among themselves more effectively to create a "spontaneous force for minority development". As an example of this type of approach, he pointed to the Chinese Minority Research Institute, founded in 1991 by ethnic minorities from within the China.

THE GONGHE "CONSENSUS"

The closing speech, by a Beijing official from the Ministry of Agriculture, identified several points that said to form the consensus of the Conference. A synopsis of the points he made, apparently unilaterally, runs as follows:

The development of West China is important for the People's Republic of China; there is a need to establish a new concept of comprehensive development; the development of West China is a long-term process and participation of all nationalities needs to be emphasised; and development must be carried out for the improvement of the quality of life for the population.

The Conference ended with this "consensus" but with little agreement on the actual strategies necessary to achieve the stated goals.

In reflecting on all that was exchanged and observed at the Gonghe, it appears that the obstacles to be overcome are not just limited to the three themes that emerged. Instead, it seems, past development patterns in China as a whole must be analysed, including the ideology which directed them.

The commentary on how to change past strategies was varied. A Chinese participant from Inner Mongolia was convinced that economic development in China had not been suitable for minorities, who, he said, had effectively been excluded from the development process. A participant from Beijing said it was time to stop perceiving "the people of the east as the leaders, and those of the west as subjects." Challenging the dominant model of development, a Tibetan participant proposed that "development be of the people, not solely of areas or industries."

The lack of understanding by the Han of the traditions and needs of the minority nationalities within China, so often described by scholars, was glaringly present at Gonghe as well. Following several days of discussion of the need to "develop" western China by respecting local opinions and encouraging local participation, most of the participants from eastern China, on an excursion to Kumbum Monastery (Ta'er si in Chinese), spent the time mocking local worshippers, disturbing prayer sessions, and laughing at people in what seemed an attempt to mask their ignorance of the environment they were in.

In the eight days of the Conference, the only interaction of the participants with the local community other than through cultural performances, was in interactions with local government officials. The attitudes and statements at the Conference, in general, highlighted the great gap which exists between the policy-makers and those in the community, and between East and West China. The historical,

cultural, and other differences between the "national minorities" of China and their Han rulers was also clear.

MORE VOICES NEEDED

How easy will the environmentally protective and locally empowering models of development proposed at the Conference be realised? Solutions do not appear to be easy. As strategies continue to come exclusively from within the East China, it appears that without structural change, development in the future will not differ greatly from development of the past. Those Beijing scholars and officials who are sensitive to the need for development to be inclusive and non-destructive have not yet been able to influence policy. Without the application of a new meaning of development, the people in West China will most likely continue to be excluded from the development process.

Hope lies in the addition of more voices to the development process – through the creation of non-governmental organisations within China, such as the International Fund for the Development of Tibet; the increasing involvement of international organisations in the ethnic minority areas of West China; and the ability of disparate groups within China and elsewhere to generate discussion at conferences such as the one held at Gonghe.

C. McGranahan is a student of anthropology doing research on economic development in Tibet and Nepal.

Beijing's Defence

On 23 August 1991, the Sub-Commission on Prevention and Discrimination and Protection of Minorities of the United Nations, in Geneva, adopted a resolution expressing concern at the "continuing reports of violations of fundamental human rights and freedoms which threaten the distinct cultural, religious and national identity of the Tibetan people." It called on the Chinese Government "fully to respect the fundamental human rights and freedoms of the Tibetan people." On 18 December 1991, the Chinese Government sent a reply to the United Nations Office at Geneva, a portion of which is excerpted below.

"China is a unified multinational State. In addition to the Han Nationality which accounts for the overwhelming majority of the country's population, there are another 55 minority nationalities, including Tibetans. In such a multinational State, the proper handling of the ethnic question and relationship is always a major issue concerning the country's stability and development... There are explicit provisions in both China's Constitution and the Law on Regional National Autonomy stipulating that different nationalities enjoy completely equal rights in the political, economic, cultural and other fields. These provisions have been carried out fully in Tibet. Tibet is one of the autonomous regions of China and an administrative unit at the provincial level. The people's congress and government of the Tibet Autonomous Region not only have the same range of power as enjoyed by the local State organs in other provinces, but also enjoy many special rights for autonomous regions provided for in the Law on Regional National Autonomy. These special rights include establishing autonomous

organisations, exercising regional national autonomy, using and developing the spoken and written Tibetan language, formulating regulations on the exercise of autonomy and separate regulations according to the political, economic and cultural features of Tibet, implementing State laws and policies in line with the local actual conditions, formulating and implementing special policies, managing and independently arranging projects of local economic development, independently managing educational, cultural, and public health undertakings, protecting and developing traditional culture, protecting local environment, and independently exploring and using local natural resources. The Tibetan people, like other nationalities in China, enjoy all the citizen's rights embodied in the Constitution and the State laws, such as freedom of religious belief, and also enjoy other special rights designed by autonomous organizations' rules and regulations to preserve the special interest of the minority nationalities. Over the past 40 years, achievements recognized by the whole world have been achieved in Tibet's economic and cultural development. The splendid traditional culture of Tibet has been inherited and developed with unprecedented progress in such fields as education, science, culture, public health as well as other social welfare undertakings for public benefit. The people's living standard is fully respected and protected. According to the statistics in 1990, the average life expectancy in Tibet was prolonged from 35 years in the early 1950s to 65 years, and the population increased from around 1 million to 2.19 million, among which 2.09 million are Tibetans. In the Tibetan Autonomous Region, the number of Tibetan cadres reached 37,000 or more, accounting for 66.6 per cent of the number of cadres there. At the levels of autonomous region and county, the percentage of Tibetan cadres are 72 per cent and 61.2 per cent respectively."

Langtang Cheese and Ecological Integrity

Excess cheese production in Langtang Valley has led to environmental damage and unsustainable livelihoods. The suggestion is to reduce production, raise the price of cheese, and save the red panda.

by Pralad Yonzon

The production of cheese has been regarded as one of the few rural successes of the Nepali Government's development programme. One of the main areas of this success has been the Langtang region north of Kathmandu. The Langtang valley, a National Park in 1977, has two cheese "factories" that produce a total of 14,000 kg of cheese a year. The two units collect about 140,000 litres of milk annually and process it into cheese.

The cheese production in Langtang, centred in the villages of Syabru and Langtang, each with population of about 500, has brought with it severe challenges. The introduction of cash economy into the highland communities has made the use of the natural resources unsustainable. The impact on the area's wildlife has been especially worrisome.

At the equivalent of US\$4.30 per kg, the cost of cheese in Kathmandu is too expensive for most Nepalis, whereas it is relatively cheap by the standards of the urban expatriate community and Western tourists. Because cheese production is ruining the natural environment of the upper Langtang Valley, the ideal response would be to produce less cheese, but raise its price. The Langtang income from cheese would not dip, while the enormous pressures on the environment would be lessened.

The increased price of cheese will have little impact on the upscale market but would translate into a substantial benefit to the farmers, whose grazing activity must be made more sustainable. The red panda and other wildlife in the park would also win back some of their habitat which has been taken over by ever increasing numbers of *chauri*, the yak and hill-cow crossbreeds which is the livestock of choice in Langtang.

CHEESE AND CHAURI

Historically, milk produced in excess of family needs was processed by traditional methods into butter, *chhurpi* (protein extracted from buttermilk) and other products. These were bartered in Tibet in exchange for salt, sheep and goats, and ornaments.

The Kathmandu-based Dairy Development Corporation (DDC) first introduced cheese in Langtang in 1953, with technical assistance from the Food and Agriculture Organisation (FAO). Later, the Swiss Association for Technical Assistance (SATA) helped establish permanent cheese production units.

The DDC has been run independently since 1964. Its two Langtang cheese producing locations are at Kyangin (3,840 m, for the cattle of Langtang village) and Sing Gomba (3,254 m, for Syabru). These two units produce about 20 per cent of the approximately 71,000 kg of cheese processed yearly in the mountains of Nepal.

Cheese production in Langtang Valley has been heralded as "very successful" because of a good initial marketing strategy and a smooth transition from Swiss to Nepali management. Still, how sustainable are the benefits?

The Kyangin unit was permitted by the park authorities to use 46,000 kg of fuelwood annually, but a recent study on its environmental impact indicated that it is using over 100,000 kg of fuelwood, much of it from live trees near the treeline. The villagers use 169,000 kg and tourists and their porters use 44,000 kg, yielding a total of 313,000 kg of firewood consumed annually.

The annual regeneration of the upper Langtang Valley forest is estimated at 213,000 kg, which means that about 100,000 kg of wood is over-harvested each year.

In theory, cheese-making in Langtang is 25 per cent more efficient in its energy requirement than the traditional method of making butter and buttermilk. In practice, the modern method uses up more firewood because additional fuel is required for the cooking and heating requirements of the non-local cheese factory staff. Per capita consumption of wood by the non-local workers is 3.5 times greater than the average consumption by Kyangin villagers, presumably because the former can afford keep their dwellings warmer.

The cheese operation has also led to increased exploitation of the forest by large numbers of *chauri*. Each of the two units collects milk from a 50 sq km area, where depots are shifted at least eight times a year to different elevations, following the herds. Because the *chauri* move through the forests and pastures between 3,000 and 5,000 m, the grazing area is degraded throughout. Larger trees are not affected by grazing, but regeneration of fir, mountain-ash, juniper and rhododendron seedlings and samplings is inhibited by browsing cattle. The



Porters carry *chauri* cheese in Upper Langtang, 1958.



Langtang's red panda.

damage is exacerbated as the *chauri* trample on vegetation and compact the soil.

Inadequate supply of fodder during the dry season results in poorly nourished *chauri*, low fertility, and poor milk productivity. Thus, cheese production has left upper Langtang with a high density of under-nourished livestock, destructive grazing, and habitat degradation.

CHEESE AND WILDLIFE

While in the past livestock used to share the Langtang Valley with herbivores, today *chauri* have largely replaced musk deer, barking deer, tahr and serow during the monsoon grazing period. Large carnivores such as leopard and wild dog are still present, though they are discreetly persecuted (against park regulations) in the absence of wild herbivores, they tend to prey on livestock.

The greatest impact of grazing, however, seems to be on the red panda. A "rare habitat specialist", the species seems about to disappear altogether from Langtang — there are probably no more than 40 of the animals remaining in the entire Park.

The red panda's preferred habitat is the fir-bamboo forest between 2,800 m and 3,900 m (which makes up only about six per cent of the protected area). The presence of *chauri*, the herders and their dogs have clearly been detrimental to the pandas. Many are killed due to human-related causes. The extinction of the red panda (*Ailuridae*) in Langtang would be extremely worrisome because this species is the only member of a monotypic sub-family, and because it is threatened throughout its range in the Himalaya.

KATHMANDU CONNOISSEURS

Livestock loans comprise about 80 per cent of all loans given in the Langtang area by the Agricultural Development Bank in Kathmandu. The Bank favours investing in livestock because crop investments are riskier and require a longer time for payback.

RESOURCES NEPAL

The DDC ensures its milk supply by providing the farmers one-year advance payments for their milk. The payments are the sole source of cash for many Langtang households, and the financial commitment precludes other options for subsistence farmers. Moreover, the system encourages a few wealthy farmers who can afford to acquire large herds

to over-exploit the common grazing lands.

Despite the loans, advance payments, pasture development, and the availability of unrestricted amounts of fuelwood to process milk, the DDC's Langtang cheese units have not been able to achieve their projected production. Actually, the criteria used to set the original target seem to have been arbitrary. About 8,000 kg a year was the goal set for Sing Gumpa, which produces about 6,600 kg. Unfortunately, the shortfall creates an incentive to further increase *chauri* herds, which further worsens the effects of over-grazing.

Production of a commodity such as cheese is not all economics. It is based on a renewable natural resource — grazing lands — and for that reason the production targets should be defined with a commitment not to degrade the environment.

The DDC has one probable solution, which would not deprive the villagers of Langtang and would save the environment of the valley. The solution is to lower the production targets. The number of *chauri* in the upper Langtang Valley

must be brought down while commensurately increasing the prices paid to the dairy farmers. Above all, the farmers' incomes must not be affected.

While some urban Nepalis have been introduced to cheese, the product is not part of the average Nepali diet. Indeed, even the proportion of calories that Nepalis receive from traditional milk products such as butter and *ghiu* is said to be less than five per cent.

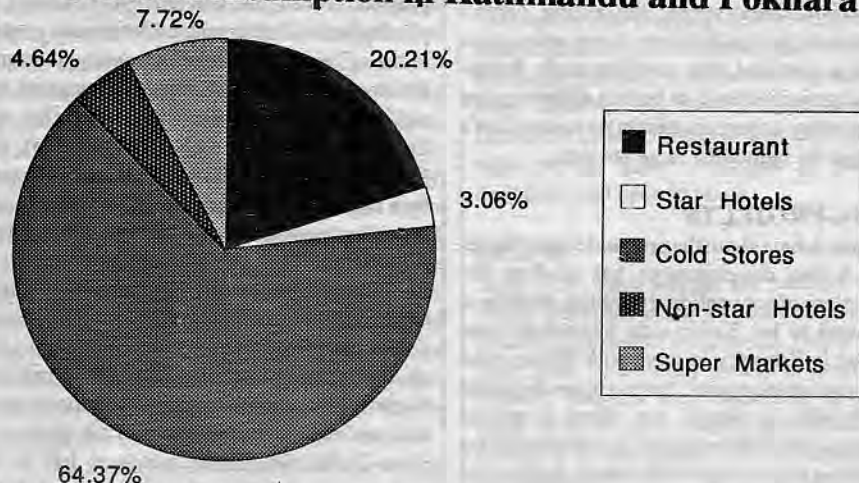
Cheese is sold in Kathmandu to Western tourists, expatriates and locals either as it is, or in pizza, cheese-sandwiches or lasagna. Since mountain cheese (locally called "yak cheese") remains out of the reach of most Nepalis, and because is cheaper than most North American and European brands, its price could be increased significantly without affecting demand.

"Sustainable development" in Upper Langtang requires an understanding of what is possible and what is not. The goal is to provide a lasting and secure livelihood for Langtang villagers to minimise the effects of resource depletion, environmental degradation and social instability. Many developers believe that the Nepal Himalaya can benefit from even more intensive dairy farming and marketing. But while making economic targets we cannot forget that high mountains have short growing seasons, season-specific rainfall, and extreme temperatures. The vegetation is extremely sensitive to disturbance.

Langtang's natural wealth is much too valuable as a resource for the local population and as habitat for the local wildlife for it to be destroyed to feed well-to-do Kathmandu residents with cheese at throwaway prices. Raising the price, reducing the *chauri* herds, and maintaining the income level of the locals, is the only way ahead.

P. Yonzon is a resource biologist. Research for this article was conducted between 1985 -1988.

Cheese Consumption in Kathmandu and Pokhara



Source: *Cheese Production in Nepal* by M.R. Sapkota, HMG-Winrock International (1991).

Troubled Waters

The May/June 1991 issue of *Himal* on "Troubled Waters" carried a detailed review of Nepal's struggle with its hydropower resource. During the past year, democracy has brought about a sea change in Nepal's water resources sector and a painful period of adjustment for all involved. What follows is an update.

ARUN III REVIEW

"Vanity projects" such as the Arun III have come under scrutiny at last. In September 1991, the then Minister for Water Resources Basudev Risal appointed a task force to look into the selection criteria for large hydro-electric projects. The team took the World Bank-funded and Electricite' de France-conducted Least Cost Generation Expansion Plan (which justified Arun III as the best option for Nepal) and ran the computer programme without some of the more outrageous assumptions made in the LCGEP. The task force found out that Arun III actually stood eighth, far behind alternatives such as West Seti, Sapta Gandaki, Upper Karnali and Kali Gandaki. It also advised against including the Arun III tunnel, powerhouse, and the 200 km access road into one tender package, as this would limit the bidding to a handful of large contractors.

An intrinsic part of the Arun III plan had been to force Nepal into a "no option" trap and install oil-fed thermal plants to produce about 200 MW of electricity — primarily, it is said, because there is a large unsold inventory of thermal generators in the West. The Government of Nepal has now rejected that suggestion. With 40 per cent of the country's foreign exchange earnings already being spent on the import of petroleum products, and the fuel blockade imposed by India in 1989 still fresh in memory, taking such an option would have been political suicide.

The Government now plans to build a smaller 100 MW project, known as the Kali Gandaki-A. Meanwhile, the ruling Nepali Congress in its mid-February party convention in Jhapa resolved that medium-scale hydro-electric projects should be built in all the regions of the country, a sharp contrast to the past regime's emphasis on individual large projects.

MEGA-PROJECTS

The open debate about the pros and cons of large-scale hydro development has shaken the foundations of conventional thinking. Nothing is as it used to be. Kathmandu journalists were shocked in February to meet with Biharis who had come not to support, but to oppose big dams (see *Briefs*). In Nepal, too, there is serious rethinking about the economic and financial risks of building mega-projects that singly cost several times the country's GNP.

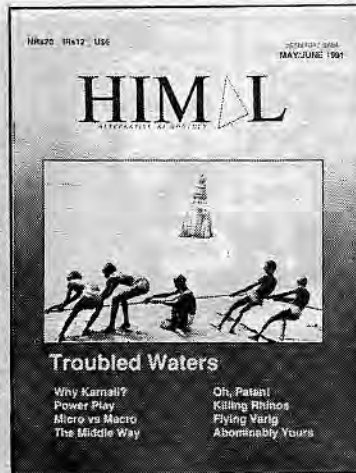
In the upbeat aftermath of Prime Minister Girija Prasad Koirala's December visit to New Delhi, which resulted in the signing of a trade and transit treaty as well as an "understanding" on the study of mega-projects in Nepal, one could hardly have predicted that subsequent water talks would be practically deadlocked over conflicting priorities. According to reports, recent talks on the "Kosi high dam" ended in an impasse because Kathmandu wanted to study navigation and access to the sea, but India would have none of it. Similarly, the 10,800 MW Karnali also hangs in limbo. Apparently, India will not allow scientific assessment of the flood and irrigation benefits on its side, and Nepalis feel that fixing technical parameters without such an assessment would be tantamount to a giveaway. Another mega-project, Pancheswar on the Mahakali River, might be stalled on the negotiating table because of India's inability to appreciate Nepali sensitivities and to assume a "positive sum" mentality overall, rather than a "zero sum" one on the downstream Tanakpur.

TANAKPUR

Koirala's goodwill visit and the understanding reached at the political level with India's Narasimha Rao, wherein Nepal was to allow India to complete the Tanakpur barrage in return for a larger head regulator for future irrigation works and 10 million units (kWh) of electricity, generated a cyclone in the Parliament and press.

Actually, Tanakpur might have set in motion a healthy tradition of "public hearings" on major projects. When the Government hesitated in placing before Parliament the documents related to the agreements with India (mainly, it seems, because they were not formal agreements but signed minutes of meetings generally not disclosed in normal diplomatic practice), the Opposition staged an *en masse* walkout, followed by a blockade of the Lower House rostrum and seven hours of continuous sloganeering a few days later.

The Prime Minister, in the final analysis, was a victim of acts and omissions of less-than-competent Nepali feudocrats, ill-attuned to the changed aspirations. As a result, important homework and diplomatic consultations were not conducted before Koirala's visit. And so in New Delhi, the Nepali side was left in an embarrassing position of having to thank India



for receiving 10 million kWh from the Tanakpur power plant when that was the minimum energy content of the water in the section of the Mahakali apportioned to Nepal under an agreement the British made with Chandra Shumshere in the 1920's.

It now seems that a portion of the Nepali territory has been submerged to provide pondage for the Tanakpur power plant, thus enhancing its energy-generating capability. If this is true, then New Delhi's claim that the project is wholly within Indian territory would be incorrect. A bit of Nepali

natural resource would have been shared with another country, and whether Nepal received equitable compensation would be open to question. The matter would then fall under clause 126(2) of the Nepali Constitution, requiring ratification by a two-third parliamentary majority, or a simple majority if it is not deemed to be a "broad, grave or long-term" issue.

All this, however, is still a matter of conjecture. The job of finding the truth has been entrusted to a special committee of the Parliament consisting of political heavyweights from every party big and small. The Committee's mandate is to unearth the truth and place its findings before the House.

Few doubt that both the Nepali and the Indian leadership acted in good faith based on the knowledge they had; however, can the same be said about the bureaucrats of both sides? If honest technical appraisals had been done, the two countries could perhaps have come up with a better project at Tanakpur which would have allowed more mutual benefits to accrue.

Such a better-planned and more equitable project would have provided a built-in incentive for Nepal to expedite the building of the larger Pancheswar storage plant upstream because it too would then derive benefits from upstream regulation of water. Tanakpur, as it stands, is not attractive to Nepal; but India needs Pancheswar to exploit the full capacity it has developed at Tanakpur.

India would thus have gained in the long term by promoting a better partnership at Tanakpur. Also, in this first agreement with a newly democratic Nepal, a positive gesture from India, especially an openness on technical matters, would have contributed greatly towards removing from the Nepali psyche the all-pervasive fear that they are going to be cheated by New Delhi.

The end result of the storm over Tanakpur is that many Nepalis who had felt that the two-thirds majority provision in the Constitution was impractical and needed amendment, have now changed their views. They have come to regard that provision as a safeguard of Nepali interests.

- Dipak Gyawali

An Encounter with Poison Honey

by Tom Cox

In the summer of 1982, I was conducting ethnographic research on Tibetan pastoralists in Langtang Valley north-west of Kathmandu Valley. When I was not conducting interviews, studying the Kyirong Tibetan language, or recording life histories, I immersed myself into Langtang community life working (usually with my friends Tengyal and his wife, Tsiring) in the fields and herding camps, and accompanying Langtang Tibetans on their trading trips down to mid-hill Nepali communities. I also joined Tengyal, a tall, thin man of 32, with piercing black eyes, on some of his trips to visit relatives and friends in the village of Syabru Besi, which lies at a day's walk to the west of Langtang.

One chilly December day, while walking with Tengyal back from Syabru Besi through the forest below Langtang, I noticed a large honeycomb sticking out from the face of a cliff, about 20 feet above. "Do the Langtang people ever gather *brang*?" I asked Tengyal (*Brang* is honey in the Kyirong Tibetan language). "Only occasionally, since most of the combs are high up on the cliffs," he replied. "Also, it is not always worth the effort because there are two kinds of *brang* in Langtang. One kind, *sabrang*, is delicious, just like the honey you buy in stores in Kathmandu. But the other kind, *zeebrang*, is very different."

What was *zeebrang* like? "When people eat *zeebrang* they become disoriented, fall down a lot, get their arms confused with their legs, throw up, have cramps in all their muscles, and cannot see properly," Tengyal replied, laughing.

Over the course of the next month I asked several other Langtang inhabitants about the mysterious *zeebrang*. The answer was always more or less the same as Tengyal's. "After eating *zeebrang* I puked like never before! I could not walk and had to crawl around on my hands and knees. There were cramps in all my muscles and I could not see right for hours." What kind of honey could cause such effects?

After hearing these accounts, I concluded that *zeebrang* must be fermented honey. The effect of *zeebrang* sounded similar to that of alcohol. I knew that alcoholic drinks, like mead, were made from honey, and, finally, there was the word *zee*. In Kyirong Tibetan *zee* is the verb for intoxication. "*Nqu zee sung du*," is Kyirong Tibetan for "I am drunk." *Zeebrang*, literally translated, means intoxicating honey. *Sa*, on the other hand, is Kyirong Tibetan for eating. *Sabrang*, literally translated, means edible honey.

As the Langtang winter got longer and colder, my diet became progressively worse. In the early fall, when the alpine pastures were thick with grass, and the weather considerably warmer,

I had eaten well. There was always plenty of yak milk, cheese and yoghurt available, as well as a variety of edible wild greens and mushrooms. But in the cold of winter, everything dried up; the grass, and with it the milk, as well as mushrooms and wild greens.

By January, my diet had been reduced to potatoes, rice and millet or corn mush, served with watery chili pepper sauce. This bland diet, in such bitterly cold weather, produced a tremendous calorie deficit. No matter how much I ate, I always felt hungry again in a couple of hours. I began to fantasise about all the delicious foods that were unavailable to me: icecream, omelettes, pastries and pancakes.

On an early morning in February, when my hunger was particularly acute, I ran into Pasang, a Langtang villager, carrying a load of wood up the trail. He said he had been out woodcutting and on the way back had found an old comb of *zeebrang* that had fallen from a cliff.

All I could think about was sweet golden honey. "Could I buy some *zeebrang* from you?" I asked. "You don't have to buy it, I am happy to give you some. I was not going to eat it anyway. I was going to use some of the wax from the comb, feed a little of the honey to my yak, and throw the rest away."

I went and got some empty film canisters, into which Pasang began stuffing pieces of the honeycomb. Pasang's father said to me, "You be careful with that stuff, a man can die from eating *zeebrang*." This is ridiculous, I thought to myself. How can someone die from eating fermented honey? Besides, I had heard of no one who had died from *zeebrang*.

The next morning, I went to sit on a large sunlit boulder, a few minutes walk below the house to write some notes. In my jacket pocket lay two film canisters of *zeebrang*. I popped the contents of one canister into my mouth. The taste was somewhat bitter, not sweet at all as I had expected. Still, I sucked what honey I could out of the comb and spat the wax out. I then went back to writing my journal.

After about half an hour, a wave of dizziness suddenly rolled over me. I stood up and put my hands on my knees. The dizziness intensified. Then a black haze blanketed my vision. I tried to run forward, and instead fell flat on my face. I seemed to have lost all coordination. I dragged myself towards Tengyal's house, and collapsed as I reached the rough wooden steps leading up to it. After some more effort, I made it inside.

I felt freezing cold, especially my arms and legs, as if the circulation had been cut off. Agonizing cramps shot through my upper arms and back, and within moments every muscle

seemed affected; the muscles in my chest when I breathed, my fingers when I made a fist, my tongue when I swallowed, even the back of my eyes when I blinked. I tried to remain as still as possible, but was suddenly overcome by nausea. I finally fell back into exhausted sleep.

The next thing I knew Tsiring was shaking me, saying "*Tano bou you bay?!?*" (Are you all right?) Spasms of pain shot up my back, but the nausea had passed and my vision was clearer. I went back to sleep, and when I awoke it was dark outside. Tengyal, sitting in front of the fire. When I was finished telling him, he said, "You are lucky you did not die. A few people dilute a little *zeebrang* with water and feed it to yaks. Other than that it has no use."

When I told him that I believed *zeebrang* was fermented honey, his reply was, "No it is not fermented honey. It is like poison." When the rainfall is lower than normal in the Langtang Valley, he said, many plants do not flower but the rhododendron never fails to blossom. As a result, most of the pollen collected by bees in the dry years is from rhododendron, and honey made from this pollen is poisonous, said Tengyal. Apparently, in non-drought years, honey is collected from a variety of flowers, so that the toxic element is diluted in the honey.

It took me about 24 hours to recover completely from the *zeebrang*.

After my return to the United States, my research showed that human encounters with toxic honey have a long documented history. In *Anabasis*, the Greek historian Xenophon describes an incident from 400 BC, when several Greek soldiers, while on a campaign near the Black Sea, were immobilised for four days after eating rhododendron honey.

My encounter with *zeebrang* taught me that new phenomena, encountered in foreign lands, are, at times, impossible to comprehend through translation, and can only be understood through direct first-hand experience. I am not suggesting that people should go looking for first-hand experiences with dangerous phenomena, just so they can better understand them. Nor am I saying that my encounter with *zeebrang* was a positive experience because it taught me about toxic honey. It is just that new phenomena, no matter how accurately they may be described to us in another language, may still be impossible to understand through our existing conceptual categories. I thought that *zeebrang* was fermented honey because that was the only the only conceptual category I had to interpret *zeebrang*'s effects on people, as these were described to me by the Langtang Tibetans. After eating *zeebrang*, of course, I realised that it was not fermented honey. This realisation enabled me to ask more informed questions of the Langtang people, ones that allowed me to discover that *zeebrang* is toxic rhododendron honey.

T. Cox is an anthropologist.

Himalayan Voices: An Introduction to Modern Nepali Literature

Michael James Hutt, editor

University of California Press, Berkeley
1991, ISBN 0-520-07048-8

This work profiles eleven of Nepal's most distinguished poets and offers translations of more than 80 poems written between 1916 to 1986. Twenty representative Nepali short stories are also translated. The jacket claims that Hutt has established "for the first time the existence of a sophisticated literary tradition in Nepal and the eastern Himalaya." Each poet is the subject of a separate chapter and the works are presented together with commentary. The book focuses on the following poets: Lekhnath Paudyal, Balkrishna Sama, Lakshi Prasad Devkota, Siddhi Charan Shrestha, Kedar Man "Vyathit", Gopal Prasad Rimal, Mohan Koirala, Bairagi Kainla, Parijat, Bhupi Sherchan, Banira Giri, Bhairav Aryal, Haribhakta Katuwal, Ishwar Ballabh, Hem Hamal, Krishnabhushan Bal, Bimal Nibha, Ashesh Malla, Min Bahadur Bista, Avinash Shrestha and Bishwas Bimohan Shrestha. Selected short stories by 16 writers are provided, including those of Guru Prasad Mainali, B.P. Koirala, Bhavani Bhikshu, Shankar Lamichhane and Dhruva Chandra Gautam.

Songs of Nepal

by Siegfried Lienhard

Motilal Banarsidass Publishers, Delhi

1992, IRs 120

ISBN: 81-208-0963-7

Subtitled "An Anthology of Newar Folksongs and Hymns", this book, first published by the University of Hawaii Press in 1984, is for those interested in Newari literature, particularly poetry. The author, a professor of Indology at the University of Stockholm in Sweden, provides, with careful English translation and clear explanations, a collection of ancient and contemporary verse, songs, ballads and hymns that are integral to the traditions of the Newars of the Kathmandu Valley. All together, the book contains 100 Newari poems dealing with life, social outlook, religious philosophy and beliefs, history, folk-stories and love and romance, and includes two appendices, giving the *talas* and *ragas* of the songs, and transposing a couple of them into the western system of music.

Trekking in Tibet

by Gary McCue

The Mountainers, Seattle, United States

1991, US\$ 16.95

ISBN: 0-89886-239-6

A detailed traveller's guide, this first-hand-researched 304-page book is the first trekking book focusing exclusively on Tibet. The book receives praise from both Stephen Bezručka, the author of *Trekking in Nepal*, and photographer Galen Rowell. Divided into three sections — "about trekking", "treks and trails", and, "Tibet and Tibetans" — the book includes a chapter on conversational Tibetan, with points on grammar, pronunciation and useful vocabulary words. Tracing the history of trekking in Tibet, the author advises readers on the do's and don't's of pre-trekking considerations, with information on visa regulations, accommodations and health problems. The descriptions of the trekking routes in the Lhasa, Shigatse, Mount Kailash, Shishapangma and Everest Regions are elaborate and informative.

Ethnicity, State and Development

by Tanka B. Subba

Vikas Publishing House, New Delhi

1992, Rs. 295

ISBN: 0-7069-5695-8

The political and social causes for violence and terror that have rocked the "Queen of Hills" and nearby regions since the advent of the Gorkhaland Movement in 1986 have not been studied with anthropological tools and research, until this one. In this book, subtitled *A case study of Gorkhaland Movement in Darjeeling* the author, a Reader at North Eastern Hill University, Shillong, chronicles the episodes concerning the Movement: from its inception to the political fury it unleashed to its continuing effects. Rich with in-depth portraits of key political leaders, this 281-page study has 10 chapters — analysing Darjeeling's history, evolution of the Gorkha identity, emergence of the Movement, and the impact of violence that overtook Darjeeling District.

Indo-Nepal Relations

Ramakant and B.C. Upreti, editors

South Asian Publishers, New Delhi

1992, IRs 350, NRs 350

ISBN: 81-7003-152-4

Published as the 25th volume in the South Asia Series of the University of Rajasthan, India, this book presents a collection of 26 essays on the domestic milieu, political relationship, security matters, economic ties and regional friendship of Nepal and India. Contributors include Nepali and Indian commentators and academicians: Lok Raj Baral, Anirudha Gupta, R. C. Mathur, B.C. Upreti and Gunanidhi Sharma, among others. Issues explored are topical, including transit politics, investment opportunities in Nepal, problems of migration, role of the SAARC, Chinese influence, the media, "anti-Indianism" and foreign policy.

A Descriptive Grammar of Nepali and an Analyzed Corpus

by Javaraj Acharya

Georgetown University, Washington D.C.

1992, ISBN: 0-87840-282-9

This book, intended for scholars of the Nepali language, is based on the author's PhD thesis submitted to Georgetown University in Washington D.C. Explaining the system of Nepali grammar, the author presents a grammatical analysis of the text of a Nepali classic. A significant portion of the text is devoted to a discussion of the sound system, the writing system and the structure of the phrase, clause and sentence. The analytical model used is the "tagmemic model" used by Dr. L. L. Pike and others of the Summer Institute of Linguistics. It is hoped that this book will encourage other Nepali scholars to undertake similar descriptive studies on other aspects of the language. (S. Toba)

Status of Health in Nepal

by Almas Ali

Resource Centre for Primary Health Care, Nepal and South-South Solidarity, India

1992, NRs 500, US\$ 15

The objective of this book is to provide a broad framework for discussion on the "Status of Health and the Role of Non-Government Organisations (NGOs) in Primary Health Care." The initial chapters discuss

the interrelationship between the health status of the population and the socio-economic development of the country. The latter chapters provide (through the use of many graphs and tables) in-depth analyses of the policy issues and various health indicators such as mortality, morbidity, and disability. The book concludes with suggestions and possible areas for NGO assistance in the health sector.

Bhutan: Ethnic Identity and National Dilemma

by A.C. Sinha

Reliance, New Delhi

1991, IRs 275

This book is an overview of Bhutan's political economy. It refers to the acute lack of social research, the lack of policy statements from the Government, the backward state of the country's journalism, and so on. The initial three chapters deal with the ethnic base of Bhutan and pertaining ecological issues. The next chapter deals with the establishment of the lamaist state. Following chapters deal with, among others, how the country managed its frontiers, and the nation-building process since 1950. The latter chapters also delve into the question of Bhutanese identity, and the "most serious challenge" of recent years, relating to the Bhutanese of Nepali origin.

Himalaya Today

Dil Kumari Bhandari, editor

Vol III # 3 & 4 (Dec-May 1991)

The most recent "combined issue" of this quarterly takes a long and detailed look at the question of Nepali recognition in the Eighth Schedule of the Indian Constitution. Presented are official correspondence by various personalities with New Delhi on the issue; an article, "Language of Neglect" by Mahendra P. Lama; as well as interviews with Nar Bahadur Bhandari, Chief Minister of Sikkim, and M.M. Gurung, member of India's Sahitya Academy. Other articles cover the earthquake in the Uttar Pradesh hills, the Tehri Dam, a Kashmir newsletter, and, intriguingly, details of a volcanic eruption in the Andaman and Nicobar Islands.

Mountain Environment and Development

Ananda Joshi, editor

Vol I # 1, December 1991

The Environmental Management Action Group, Kathmandu

This bi-annual journal, to be published in December and June, aims to promote understanding of issues of sustainable development and environmental protection in the Himalayan region, particularly Nepal. It seeks to enhance "territorial understanding of current of common issues" and to assist the governments of the Himalayan region to be more effective in policy formulation and execution. The first issue contains four articles on global warming and climate change. Others are on environmental considerations in industrial development strategy, role of communications in Nepal, and citizen's participation in solid waste management in Greater Kathmandu. The editor seeks research-oriented articles for publication.

Contact: GPO Box 5530, Kathmandu. Subscription: NRs 250 within Nepal, US\$ 20 elsewhere (annual).

Solar Architecture & Earth Construction in the Northwest Himalaya
by Sanjaya Prakash, et al.

Development Alternatives, New Delhi
1991, IRs 150

Representing the voices of architects, engineers and scientists, this book describes the status of building construction and design in two high-altitude cold desert areas of the north-western India Himalaya: Ladakh and Spiti. The book also profiles existing topography, vegetation, climate, resource and energy situation. It describes the current state of building technology and design, earth construction technology, energy conservation and passive solar architecture. The book includes eight case studies of extant buildings and three design projects for energy-sensitive buildings. (Development Alternatives, Sep/Oct 1991)

The following books deal with different aspects of foreign aid and are listed as additional reading to the cover feature.

In Cooperation for the Future: A Guide to United Nations Agencies in Nepal

1992, Kathmandu, price not quoted

This book is a comprehensive collection of information on the activities and potentials of the United Nations assistance to Nepal. With detailed introductions of 28 agencies -- from the United Nations Development Programme to the World Intellectual Property Organisation -- that are active in Nepal, this book "is mainly intended as an aid to decision-makers of HMG in respect of UN assistance opportunities." This guide also provides contact addresses.

Foreign Aid and Development in Nepal

Devendra Raj Panday, editor
Integrated Development Systems
Kathmandu, 1983

NRs 200, US\$ 15

Although nearly a decade old now, this publication is still important as a source of "alternative thinking" on development aid. It contains the proceedings of a seminar on aid in which 102 economists, policy-makers, development workers and others participated. There are six major papers, with commentaries, which deal with the impact of aid on Nepal's social structures, economy, women, agriculture, technical assistance programmes, growth of administrative capability, and development in general. The presenters include Chaitanya Misra, Pitamber Sharma, Mahesh Banskota, Bina Pradhan, Indira Shrestha, Thakur Nath Pant, Bihari K. Shrestha and Devendra Raj Panday. A letter from a "silent participant", contending that Nepal's middle class had taken over the powerful decision-making machinery, also sheds light on the management aspects of aid.

Odious Debts

by Patricia Adams

Probe International, Earthscan Publications
1991 US\$ 19.95

ISBN: 0-919849-16-4

Subtitled "Loose Lending, Corruption, And the Third World's Environmental Legacy", this 252-page book

presents a well-researched account of the interplay between "easy lenders" and "eager borrowers" which has brought about "the environment's demise" in the Third World. Drawing examples from Brazil, Mexico, the Philippines, Nepal and other countries, it analyses how the loans issued by the World Bank and other international lending agencies served only the greedy appetite of corrupt regimes, to devastate both the economy and the environment in the developing world. To redress these woes, the author offers, among other financial prescriptions, the suggestion that the World Bank be shut down -- both to solve the debt crisis and to increase governmental accountability in the Third World.

Managing External Assistance in Nepal

by Babu Ram Shrestha

Published by Jamuna Shrestha,
Kathmandu, 1990, NRs 40

This 128-page book, reportedly soon to be updated, provides a survey of foreign aid that Nepal has received since the 1950s. Giving a glimpse of each Five-Year Plan with many informative tables on foreign aid, its 10 chapters deal with: foreign aid in the developing countries; donors' perception; evolution, impact and assessment of external assistance in Nepal; institutional arrangement for aid mobilisation; aid policies and strategies; and, reforms needed in the aid mechanism.

Four Decades of Development: The History of U.S. Assistance to Nepal (1951-1991)

by K. Calavan, K. Moran and C. Skerry

United States Agency for International Development (USAID)
Kathmandu, 1991

The United States has been assuming significant portions of Nepal's foreign aid portfolio since the 1950s, when it became the first aid-giver to Nepal. This book documents sets out to describe the work of USAID from the 1950s through the 1980s. It describes all the sectors and projects influenced by American aid: agricultural development, health and family planning, primary education, transportation, rural development and natural resource management. Specially interesting is the last chapter "Four Decades of Development: An Economist's Viewpoint" which provides insights into why Nepal is still a least developed country.

Foreign Aid, Poverty and Stagnation in Nepal

by Narayan Khadka

Vikas Publishing House, New Delhi
1991, IRs 395

ISBN 0-7069-5321-5

Giving a broad, yet detailed, sweep of the history of aid from 1951 to 1985, this 447-page book presents an analysis of the relationship of aid with persistent poverty and economic slowdown in Nepal. The author, an economist, examines the socio-political constraints to Nepal's development, allocation of aid to different sectors, donors and their priorities, and macro-economic effects on the economy. He suggests strategies for future aid policies. The book also devotes chapters to the political economy of poverty and the history of foreign aid worldwide.

The Fifth Conference on the Conservation and Management of Lakes

17-21 May 1993, Stress, Italy

The conference will study the "natural, stressed and recovered" situations of the worlds' lakes, as well as political administrative aspects and role of environmental education.

Contact: R.M. Societa di Congressi S.r.l., Via Circo Menotti 11, 20120, Milano, Italy

International Symposium on Snow and Glacier Hydrology

16-21 November 1992

Contact: Snow and Glacier Hydrology Project, Department of Hydrology and Meteorology, Ministry of Water Resources, Singha Durbar, Kathmandu.

The First Asia-Pacific Region Conference on Tourism and Sustainable Development in Developing Countries

26-29 April 1992

Contact: Conference Secretariat, Continuing Professional Education, The University of Queensland, Queensland 4072, Australia.

Congress on High Altitude Medicine and Physiology

8 April 1992

The aim is to bring together scientists and medical practitioners interested in this field in order to promote high altitude medicine and physiological research in Nepal. Three "special lecturers" have been invited speak at the Congress.

Contact: Rie Ogiwara, JICA Nepal Office, PO Box 150, Kathmandu.

Conference on Environmental Regeneration in Headwaters and Highlands

6-12 September 1992, Prague

Contact: Martin Haigh, Geography Unit, Oxford Polytechnic, Oxford OX3 0BP, England.

The Anthropology of Nepal:

Peoples, Problems and Processes

7-14 September 1992, Hotel Vajra, Kathmandu

The conference will focus on "contemporary problems of social living" in Nepal. Sessions will devoted to the following topics: *The Anthropology of Resource Management; Women and Development; Medical Anthropology; and Urban Anthropology.*

Contact: Prof. Michael Allen, Dept. of Anthropology, University of Sydney, NSW 2006, Australia.

Mountain Protection Commission (Union of Alpinist Association)

8-10 May 1992, Kathmandu

Authors and publishers are invited to send copies of new publications on any aspect of Himalayan society for listing in the Abstracts section or for full-length review.

Organisers of forthcoming events are welcome to make use of the *Upcoming* section for announcements. No charge. All inclusions at the editors' discretion.

PO Box 42, Lalitpur, Nepal
Fax: 977-1-521013

Parallax is the apparent change in position of an object resulting from a change in position of the observer. In every-day life this is so common, it hardly impresses us; we consider it "obvious". For example, two houses seem to change position *vis-a-vis* each other as we walk around them. However, with mountains, parallax is worth examining; living in one place, most of us come to identify a mountain only by the shape of the side that is facing us and its position only in relation to other landmarks, other mountains that we see. When we look at a mountain from a different place, a different angle, parallax has two effects: firstly, the mountain's position relative to other mountains changes, making it appear to have moved; and secondly, the mountain's own shape changes.

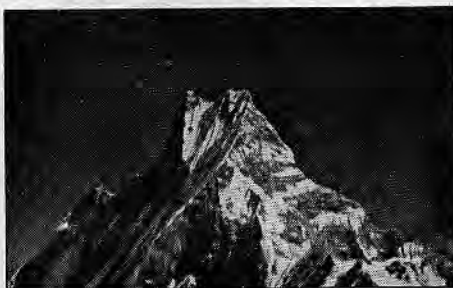
Let's first examine the effect of parallax that makes a mountain seem to physically move. Take the example of the adjacent peaks of Annapurna II and Annapurna IV. From places towards their south, such as Pokhara, peak II appears on the right side of peak IV. From the north, the Manang Valley, they appear in inverted positions. Such a long journey is usually not necessary to observe the effect of parallax. An easier example, again in the Pokhara/Annapurna region, is Annapurna III (7555m), located north of prominent Machhapuchhare.

From Pokhara Valley and areas to the east, Annapurna III is seen on the right side of Machhapuchhare; it lies east of the latter. As we travel just one day westwards, to Chandrakot (or beyond), Annapurna III hides behind Machhapuchhare and reappears on the latter's other west side.

From Kathmandu, good parallax can be observed in the position of Lonpo Gang ("Big White Peak," 7083m) in relation to its southern neighbour Dorje Lakpa, as well as the position of Shishapangma/Gosainthan, (8013m), which stands in Tibet north of the main chain of the Himalaya. From the eastern end of Kathmandu Valley, Shishapangma appears just to the right (east) of the prominent triangular Jugal Himal peak of Gangchenpo. From the centre of the Valley, Shishapangma appears just to the left of Gangchenpo. When flying westwards towards Pokhara at low altitudes, the mountain can be

Parallax

by Arnico K. Panday



Machhapuchhare in parallax: top to bottom, south-west, south and south-east views.

seen travelling "along" in the same direction as the plane and passing "behind" peaks that stand further south, until it appears right up adjacent to Langtang Lirung.

The reason that parallax is more effective in making it appear that two mountains "really moved" than, say, when one walks around two houses is, firstly, that there are no bigger objects further away that we can compare them to; and secondly, that from the ground it is often difficult to judge how far away the mountains actually

are. From most areas in the plains or mid-hills, the peaks of Himalaya can only be seen rising behind lower hills; their bases are not visible. The viewer cannot, from one place see whether two mountains are really side-by-side and of equal height, as they appear, or whether one is a lot taller and a lot further away.

The concept of parallax is also responsible for causing the apparent relative changes in position of points on one mountain due to a shift in the viewer's position. To understand this better, let's imagine marking two points on an asymmetrical rock and setting the rock on a table. When taking a step in either direction, these points appear to move together or apart, and the shape of the entire rock appears different. The same happens with mountains on a larger scale. When one moves, and changes one's angle of view of the mountain, ridges and spurs seem to move together or apart, or block each other. Thus the shape of the entire mountain changes.

However, because of their sheer size, more than one footstep is needed for the naked eye to see effect of parallax on the individual massifs of the Himalaya. Travelling east-west or west-east on the southern side of Machhapuchhare, its shape is seen to be changing quickly as the northern summit becomes obscured by the southern summit, and then appears on the other side. Ama Dablam is another peak that changes shape at quite a pace as one treks up from Namche towards Everest Base Camp.

Gauri Shanker's two summits too, as one passes by the mountain, invert their apparent horizontal position. The most impressive example of small-angle parallax on one mountain take place on twin-peaked mountains, where comparison can quickly be made between the relative positions of the two summits.

Mountains such as Annapurna II, Dhaulagiri, or Everest are among a small minority of peaks that do not change much even over a big change in viewing angle. However, if one were to look close enough, even on these, small changes in positions of ridges or cliffs do take place. Even over the smallest change in angle, parallax does take place.

A.K. Panday, a student, is *Himal's* Himal columnist.

STEVE POWERS



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On The Way Up



by Kanak Mani Dixit

It is not long ago that a Finance Minister of Nepal had to remind the representative of an international development bank: "I am on the driver's seat now. You just fill up the tank when it is necessary."

In this issue of *Himal*, rather than try to address the existential question, whether foreign assistance is bad or good, we look at the mechanisms of aid giving and receiving. How can more of the money be redirected from expatriate pockets and Kathmandu mansions to the "target beneficiaries"?

The uniqueness of Nepal is that its entire "modern" post-Rana era has been in the company of the aid agencies. Our rulers, planners and much of our public cannot remember a world without assistance. When aid has become so much a part of our being, therefore, to criticise it is to criticise ourselves.

Since the catalytic function of aid projects is almost never realised, perhaps we should just lower our sights. So, forget it if the Nepali on a study tour of the Arkansas learns little about the application of computers in mechanised dairy farming. Is it not enough that during his first trip overseas he learns to differentiate between time zones? Only minimum expectations, it seems, will save us from fatal cynicism.

Himal, too, has been a beneficiary of aid. When personal savings ran out, we turned to the "donors". NORAD (Norway), the World Wildlife Fund (USA),

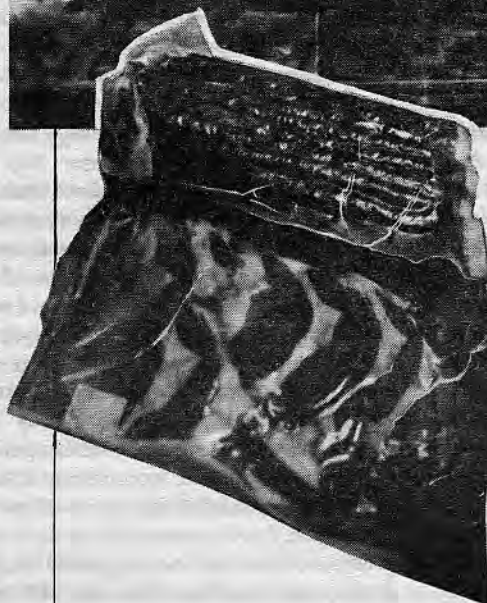


the Ford Foundation, and the Swiss Development Cooperation, among others, provided crucial support during our second and

third years, while Unicef has steadfastly backed our annual *Nepali Himal*.

Himal's Vol 1 No 1 (July 1988), carried our first report on foreign assistance: "The Good, the Bad, and the Development Consultants" by Anil Chitrakar.

The cartoon above, by our long-time contributor Sharad Ranjit, illustrated that piece.



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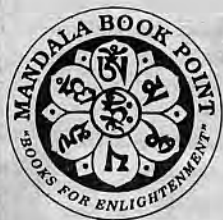
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Abominably Yours,

The Society for Assisting in Himalayan Image-Building recently invited me in my capacity as representative of the most indigenous tribe of the region to deliver the keynote address at its forthcoming world convention in Kathmandu. The suggested topic was "The Importance of Washing Hands."

Having served these past few years as a high-flying international consultant on matters Himalayan, I was not one to be co-opted so easily. If SAHIB wanted a token abominable snowperson to lend ceremonial weight to its convention, let it get cousin Bigfoot, who will come if a hardship posting carrot is dangled before his eyes.

Since when did I become a development professional who gets invited to give keynote speeches, you ask? Since I became an expert. A few years ago, a friend in an aid agency confided that all that was required for anyone to incarnate as a consultant was to have a friend in an aid agency. So, I said, sure I'd consult. A form arrived by courier, and under "area(s) of specialisation" I filled in "wilderness survival, hide-and-seek specialist, high-altitude physiology, zen, and privatisation." This last, because I am a quiet and private individual who believes it is important to similarly privatise others. Today, I am resource person for several chambers of commerce, and my privatisation workshops are on attaining sustainable individualised livelihood maintenance in lateral montane apertures (that is consultant-talk for "how to live alone in a cave").

My first consultancy was with the UN Technical Cooperation among Developing Countries (TCDC). The assignment was to

rehabilitate mountain gorillas in Rwanda. I swung that one because I had fur, the gorillas had fur, and the other experts who applied did not. I am uncertain about my role in the renewal of Rwandese ecology, but the gorillas technically cooperated by advising me on how to raid banana plantations and introducing me to the search-and-destroy methodology for control of bodily fauna.

A more recent assignment I had was with NASA, tutoring trainee astronauts on mind-concentration exercises perfected during long winter months in my Upper Barun lateral aperture. I taught two courses in Houston, one for beginners known as Whiling Away Time (WAT-1), and an advanced course, WAT-2.

With so much international exposure under my wings, you can understand my exasperation with SAHIB. I was, by then, a consultant of repute, well-known in development circles, and looked only for opportunities to wow my audience.

I asked SAHIB to forget about washing hands, and proposed instead to speak at length and with considerable gravity on the theme, "The Importance of Not Being Suckered." They would have liked to show me the door, I am sure, but it was too late to get a new keynoter. The Prime Minister was in Beijing, other supreme leaders were busy with film *muhurtas*, and the Minister of Tourism was already booked to inaugurate a pilots' workshop on how to fly straight and level, sponsored by ICAO.

Knowing that SAHIB now could not do without me, I put in requests for an air-conditioned jeep and five-star packed lunches, access to the American commissary, and t.a.d.a.

according to international scales. All were reluctantly granted, but sensing that the straw was about to break the yak's back, I stopped making more demands and began my research.

The first thing to do when one wants to instruct people on how not to get suckered is to find out who's been suckered and under what circumstances. Therefore, over the next month I traveled the length of Nepal, partook of *mauwa* with the Tarain, and of *tomba* with the Sherpa. I wined with the Kathmandu glitterati and was invited *twice* by the Ambassador of Bosnia to picnics along the serene banks of the Bagmati.

What I discovered at the end of this intense and arduous field work was that Nepal was no longer a Kingdom, Hindu or otherwise. It was a secular Suckerdom, where gullible rulers ruled over an equally-gullible people.

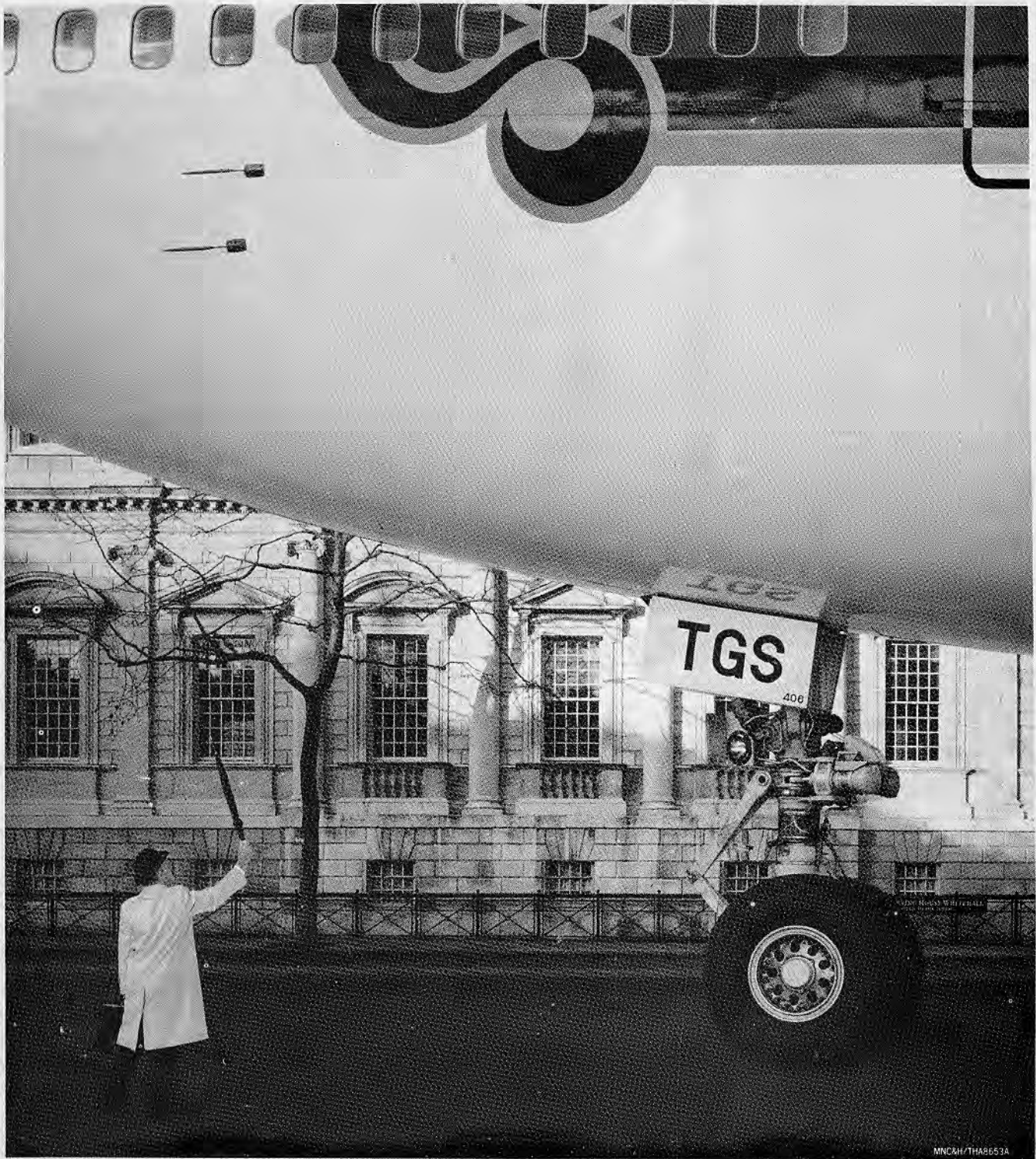
In the village of Kuh, a team from the Upper Moldavia Institute of Technology was training villagers to build paddy terraces using steel trusses imported from Ifuldyu, Upper Moldavia's steel city. The first consignment had been provided free.

In Khuh village, a Labradorian advisor was instructing Helambu porters to trade in their wicker-work *doko* baskets for huge helium-filled balloons. The load was to be air-lifted to shoulder-level, and all the porter had to do was to lead it with a cord, just like he would a docile donkey. When I left Khuh, the village had already lost three of its ablest. They had been blown trans-Himalaya, loads and all, by over-filled balloons.

In the town of Guh, a monsoon-making machine was on display, while development unit Nngguh was being donated a monastery to replace an earlier one reported destroyed by earthquake. It did not help for the village folk to interject timidly that there had never been a monastery in the first place, and the last quake was the one of 1934. But the international fund-raising campaign was over and the dollars raised, said the organisers, exasperated. "So shut up, take the money, close your eyes, and try to meditate!"

I traveled all over this land beautiful, but did not find one anthropoid who was not a sucker. There were four beasts, though, who understood the county for what it was. When a development tourist spotted these beautiful animals lounging on some temple's steps, she came over and asked them if they, too, were authentic Nepali gullibles, and might she take their picture. Shocked and embarrassed that the state secret was out, the four covered their faces in shame. In fact, such was the depth of their humiliation that they were turned into stone, the only non-suckers south of the Himalayan Divide. It was enough to petrify me and keep me from attending to SAHIB.





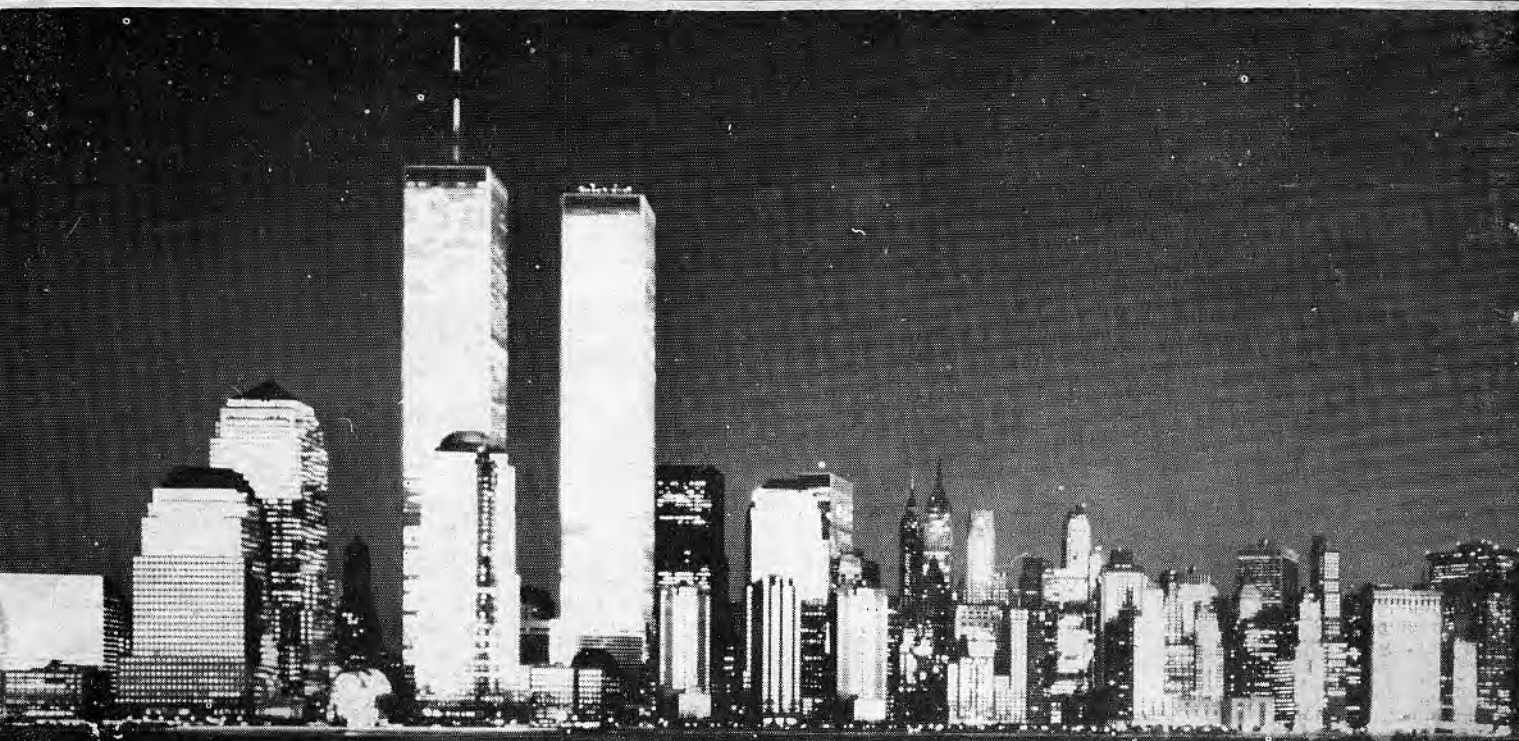
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