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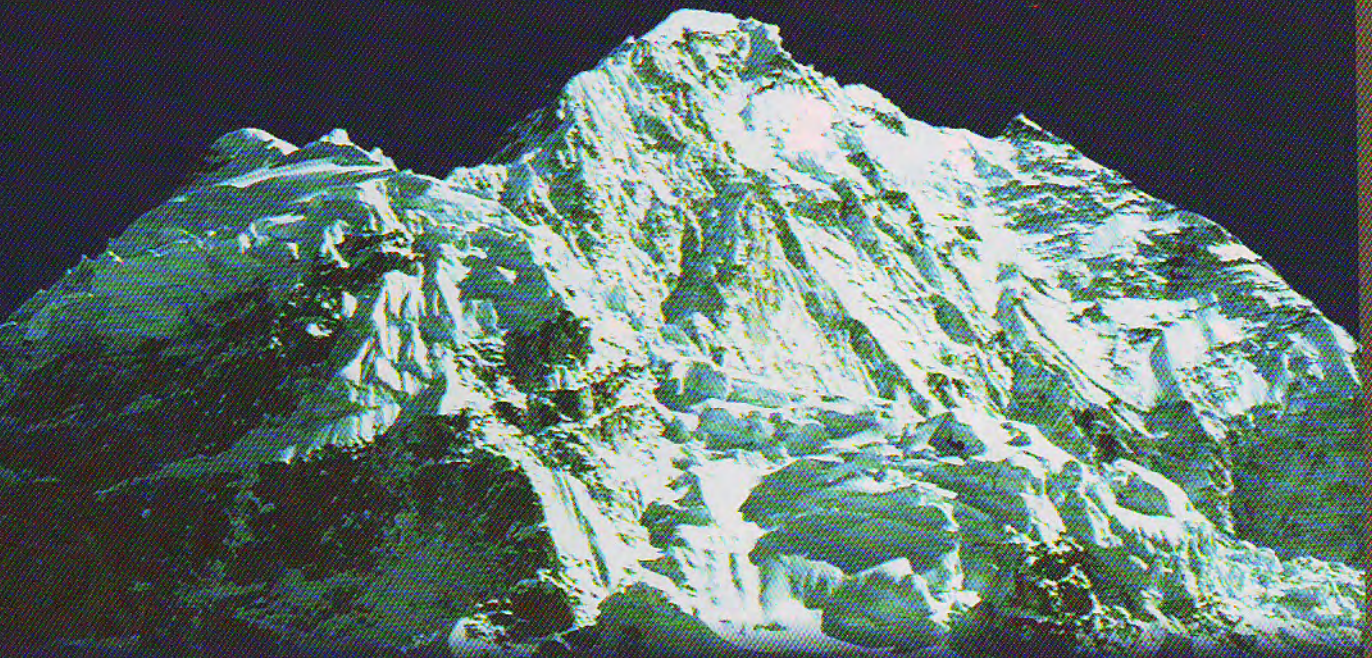
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March 2000

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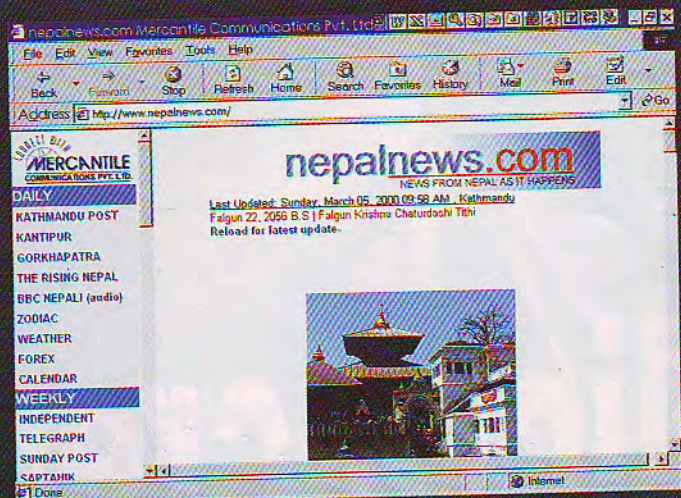
Mohammed Yunus
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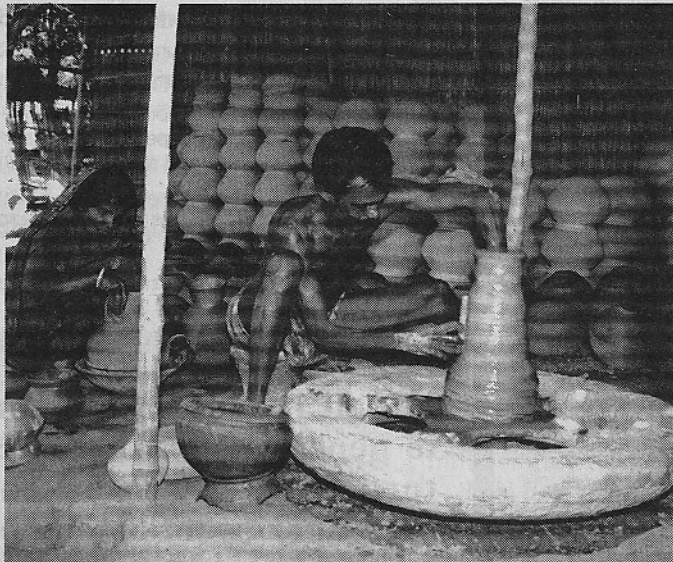
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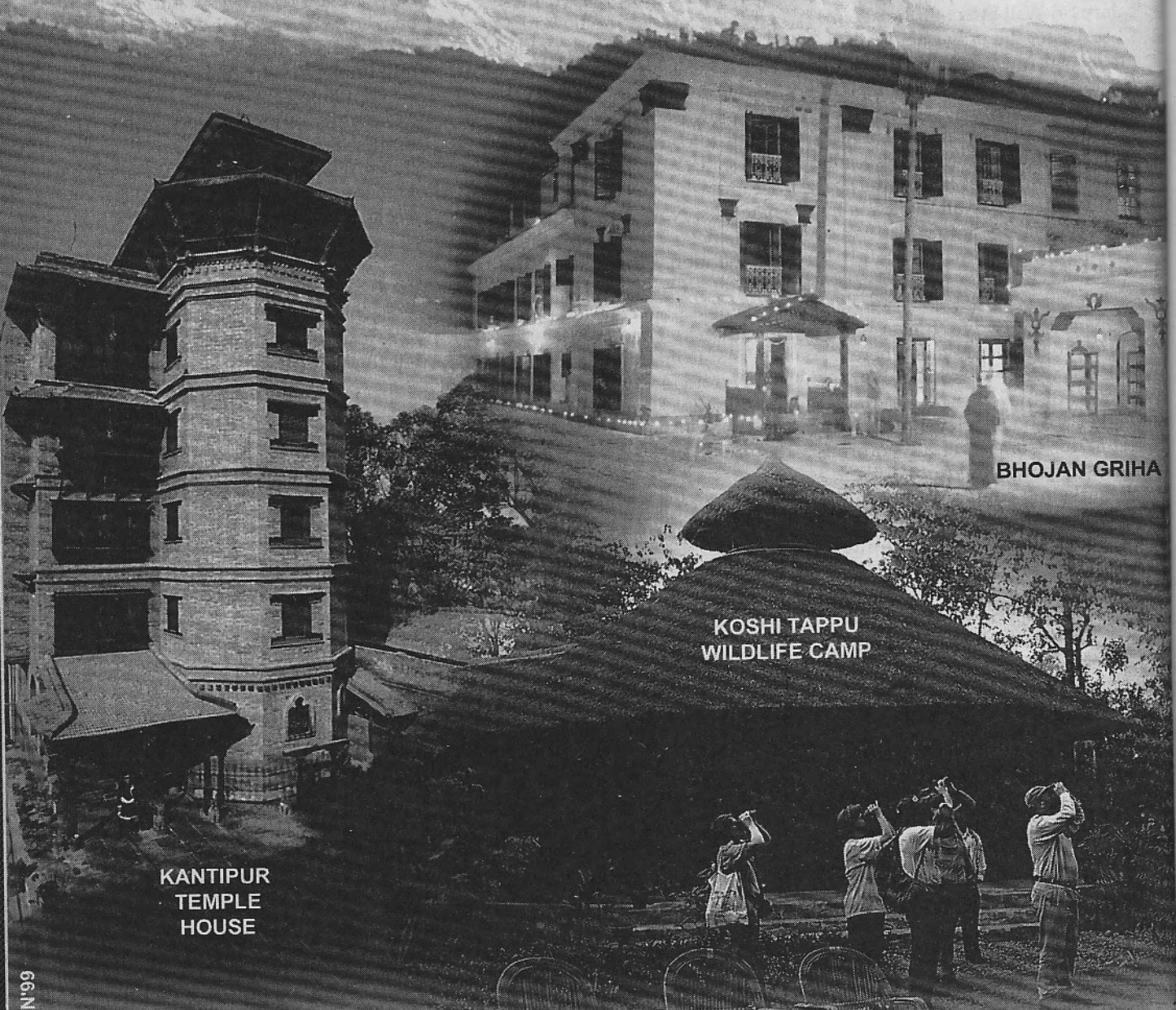
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PAKISTAN INDIA

PEACE AND WAR

ONE YEAR ago, the progress of a bus entering Pakistan from India was keenly followed by over a billion people across South Asia and closely monitored the world over. The bus carried Indian Prime Minister Atal Behari Vajpayee to Lahore, where he was warmly received by the most powerful prime minister in Pakistan's history. Vajpayee remained in the country's cultural capital for a couple of days and, together with Nawaz Sharif, expressed the desire to end the 50-year animosity between the two countries. The poet in Vajpayee couldn't resist from reciting *Hum jang na honay dengay* (We won't allow a war anymore) at the Lahore Fort, built at a time when India and Pakistan were one.

The neighbours had never been closer as potential friends. Now, a year on from those fateful few days in February 1999, the two have never been closer to their fourth all-out war—and this time it could be a nuclear one. Within a single year, India and Pakistan played out their entire chequered history of half a century, giving the world both a glimpse of a promising future for a fifth of humankind as well as the threat of a horrendous mass-end.

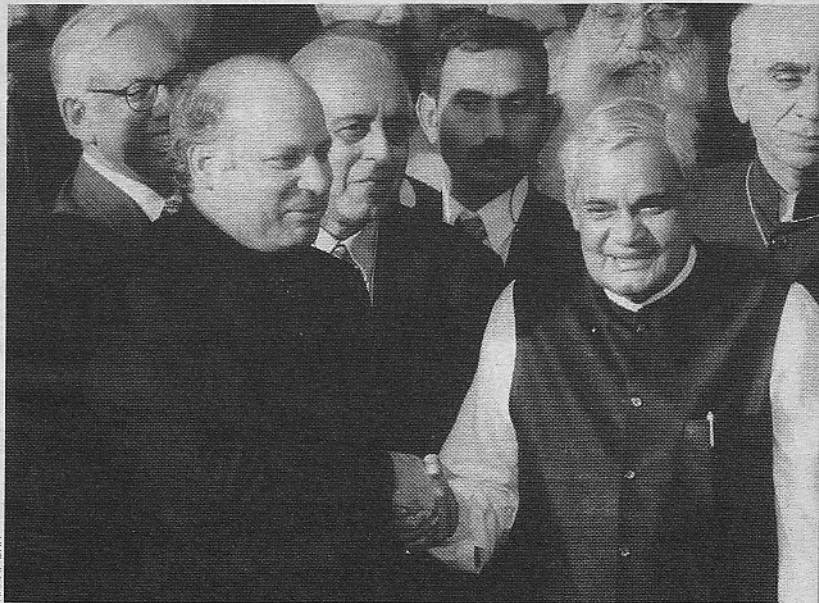
What did not happen in the course of one year? From signing a peace treaty to domestic political upheavals that saw both Vajpayee and Sharif being unseated; from fighting a near-war in the icy mountains of Kashmir to tit-for-tat expulsions of diplomats; and from familiar border clashes to missile testing and the hurling of threats of a nuclear exchange with gay abandon.

Even though Sharif and Vajpayee did not publicly renounce their countries' conventional stands on Kashmir at the unprecedented summit, they seemed ready to move towards a give-and-take settlement. (Sharif even dared to try and replace Army Chief General Pervez Musharraf with a crony, not only to strengthen his hold on power, but basically to have a commander who would not object to a deal with India on Kashmir. As events played out, this was not to be.)

The Lahore Declaration which sought resolution of all mutual problems bilaterally and peacefully and committed both countries to confidence-building measures, was soon in the dustbin, with the Kargil conflict nearly

engulfing the two in full-scale war. Fortunately, the threat was defused with Sharif's visit to Washington and the withdrawal of the militants.

Kargil left a legacy of harm. It destroyed not only whatever hope of peaceful bilateral ties the two sides had evoked after the Lahore summit, but also any trust in Pakistan as far as India was concerned. Feeling let down and betrayed, India made use of Kargil to malign Pakistan in the world stage, while Vajpayee's Bharatiya Janata Party and allies took advantage of it to fashion a return to power in the general elections of September 1999. In Pakistan, on the other hand, Kargil



FAHAT DAF

blew into the open the simmering conflict between the Sharif government and the country's powerful military—culminating in the stunning coup of 12 October.

The transition of power in the two countries only highlighted the stark contrasts that are India and Pakistan. Vajpayee was thrown out of power by just a single vote; he went out democratically, and came back through elections. Sharif, meanwhile, went out in true Pakistani fashion, following the military's knock on the door. And, of course, he cannot climb back to power, at least not in the foreseeable future.

The coup against Sharif and the swearing-in of Vajpayee took place barely within 24 hours of each other. And with the near-simultaneous advent of a new democratic government in India and a military regime in Pakistan, the two states were doing what they do best: exchange barbs and spar over Kashmir.

One year ago: Sharif and Vajpayee at the Wagah-Attari border.

India and Pakistan played out their entire chequered history of half a century in one year.

The threats of war and possible nuclear exchange have escalated since the new governments assumed power. Both have tested new versions of nuclear-capable missiles, expelled diplomats over charges of spying, exchanged blame for sabotage activities in each other's countries, continued with the regular border skirmishes, and hurled diplomatic abuse at each other. With bilateral ties at their lowest ebb, the Indian Airlines hijack in late December was a diplomatic disaster. Two months after the hijack, India-Pakistan ties still haven't reverted to even the poor state before the episode.

And if all this wasn't enough for the roller-coaster 12 months since the peace bus, to round off the eventful year, there is now the bizarre spectacle of both haggling over US President Bill Clinton's trip to South Asia. The journey will surely serve to sour the India-Pakistan relationship further, and indicate what havoc a year can wreak in bilateral relations. The only sign of hope is that the Delhi-Lahore bus service, which kicked off the turbulent year in the first place, is still running packed. ▲

—Adnan Rehmat

SRI LANKA

WAY OUT WITH NORWAY?

WHAT HAD only been conceded informally earlier, finally became official on 16 February when visiting Norwegian Foreign Minister Knut Vollebaek announced in Colombo that his country had accepted the task of acting as third-party intermediary to help resolve one of South Asia's longest civil wars. Norway will work towards bringing Sri Lanka's predominantly Sinhala People's Alliance (PA) government and the Liberation Tigers of Tamil Elam (LTTE) together for a dialogue aimed at bringing in a negotiated settlement to the island's ethnic crisis.

An official communiqué quotes Vollebaek as saying: "The conflict in Sri Lanka can only be solved by political means. A basis for a dialogue must be established between the parties. Upon a request from the president and following a wish from the LTTE, I have today informed the president that Norway is willing to accept the challenging task of trying to bring the parties together in such a dialogue. We have also discussed modalities for commencing

direct talks. This places a heavy responsibility on the parties themselves. I am encouraged by the expressed willingness to seek a political solution. However this will take time. It will be difficult. It will require courage and sacrifices and it will require the necessary political will from the parties."

It is quite apparent from the Norwegian minister's comments that he has no illusions about the task he has been entrusted with. The Scandinavian country has a tremendous reputation for having helped resolve some of the world's most intractable conflicts, ranging from Palestine to Guatemala, and Vollebaek himself is well versed in the art of peacemaking. But this is the first time that the Norsemen have sailed into the turbulent seas of a South Asian conflict, and the nuances and parameters of the Sri Lankan situation comprise an imbroglio that may prove tough to untangle for even those most experienced at brokering peace. But that is yet to be seen.

Prior to visiting Colombo, Vollebaek met with LTTE political adviser and theoretician Anton Balasingham in London for a 115-minute one-on-one meeting, and they are expected to interact once again to finalise the modalities concerning the government-LTTE dialogue. Tentative procedures envisage the preliminary round to take place within three months, either in London or in Oslo, and if the LTTE wants to fly out delegates from Sri Lanka for the talks, Colombo is obliged to provide all assistance and security for it. Neither side is to impose any pre-conditions and a ceasefire will be announced only after the initial discussions. Both sides, however, are expected to undertake mutual confidence-building measures, create a conducive climate on the ground and gradually de-escalate the conflict as a prelude to direct negotiations. The talks are expected to conclude within 14 months.

A significant bone of contention between the two sides right now is in the definition of the third-party role itself. In deference to Indian reservations as well as Sinhala sentiment, the government does not want a "mediator" but only a "facilitator". The LTTE, on the other hand, is quite insistent that third-party mediation is absolutely essential because of what it says is the untrustworthy track record of the government in this respect. For the moment, given Colombo's sensitivity over the question of the intermediary assuming a facilitatory and not a mediatory role, Norway has confined its role strictly to that of providing its good offices only. A puerile debate over semantics it may appear to the outsider, but it is one that could

easily result in preventing the talks from proceeding beyond a certain level if both parties persist in their inflexibility.

In Sri Lanka itself, the Norwegian involvement has raised hopes among peace activists. There is realisation that Norway is not acting unilaterally but has the tacit support of most Western nations connected with Sri Lanka as aid-giving and/or refugee-accepting nations. Indeed the locus standi for Norwegian intervention is the increasing flow of Lankan Tamil refugees to that country. The role of Norway, therefore, is perceived not only as a well-meaning singular effort but as the cutting edge of a much larger Western consensus.

Another positive factor is the visibly personal initiative of the high-profile Vollebaek himself, who, instead of delegating functions to lesser officials, is actively participating from the preliminary phase onwards. Also noteworthy is the fact that Norway has provided maximum publicity to its role and has been very open about its efforts instead of wrapping it in secrecy as is customary in such instances.

For its part, Colombo is acting with extra-sensitivity with regard to possible Indian reaction to the exercise. Having been rapped in the past for inviting into the region forces seen as inimical to India (such as the attempt to let the US use Trincomallee port's oil storage facility back in the early 1980s), Colombo is certainly taking no chances. In fact, the choice of Norway as intermediary was greatly influenced by the pronounced distaste South Block has towards 'big alien powers' getting involved in South Asia.

The Lankan government is also concerned about how New Delhi would react to direct talks with the LTTE given that India has proscribed the LTTE and has also charged the LTTE chief Velupillai Prabhakaran as the primary conspirator behind Rajiv Gandhi's killing. Foreign Minister Lakshman Kadirgamar, who was in New Delhi during the 26 January Republic Day celebrations as a guest, used the opportunity to sound out India. And during President Chandrika Kumaratunga's conclusive discussion with Vollebaek, the Lankan envoy to India too was present, which points to Colombo's intention of keeping India informed of all developments in this sphere.

There have been other peace efforts in the past, two of them internal and two with external dimensions. India played an important and useful third-party role as a benign intermediary from 1983 to 1990. But despite the Indo-Lanka Accord and the deployment of the Indian Army,



SENA VIDANAGAMA

those efforts proved fruitless. Britain tried a limited function in 1996-97, when it succeeded in getting the government and chief opposition United National Party (UNP) to agree on a bipartisan consensus in talking to the Tigers. That never got off the ground. Then there were the UNP-LTTE talks under President Ranasinghe Premadasa in 1989-90 and the PA-LTTE talks under Chandrika Kumaratunga in 1994-95. Neither succeeded.

It is now the turn of Norway, and the outcome can hardly be predicted. But recent history has demonstrated clearly that external intervention can succeed only if there are overwhelming internal compulsions among the protagonists for a peaceful settlement. Is there a way out through Norway, or is it again going to be 'No Way'?

—D.B.S. Jeyaraj

Conferring in Colombo: the two foreign ministers, Knut Vollebaek and Lakshman Kadirgamar.

SOUTH ASIA

NUCLEAR TAILSPIN

When it comes to matters of mass life and mass death, it is best to think in simple, even simplistic, terms. And so it is when flagging the urgency for a nuclear arms freeze in South Asia. The fact that newspapers and columnists rarely refer to it hardly means that the Sub-continent

is not engaged in a nuclear arms race, which it is. India has come out with its Draft Nuclear Doctrine and Pakistan has announced the command-and-control structure of its nuclear programme. There has been a hardening of nuclear postures on both sides and, like little boys messing for a fight, there is too easy a recourse to the use of threat of nuclear annihilation. This is dangerous to the extreme, but the level of concern (and outright fear) which ought to be there, is simply missing.

By testing its nuclear weaponry in May 1998 at Pokhran, New Delhi's politicians, bureaucrats and scientists set off a lethal trigger, not limited to Pakistan's entirely unnecessary response with its own nuclear blasts at Chaghai. What we saw subsequently was an adventurism by the Pakistani military in Kargil, which was obviously linked to the supposed umbrella

In South Asia, with two governments actually planning for the eventuality of a nuclear war, we are probably the closest to Armageddon than any other sets of adversaries have ever been.

provided by its nuclear capability.

The threat by religio-political fanatics on both sides of the Attari-Wagah divide to use nuclear weapons to blast the enemy off the map may be dismissed by some as just so much bombast. But when the danger is of unprecedented mayhem the kind that the world has never, never seen, should we not be speaking of pulling back from the nuclear precipice? Should we not be reminding ourselves that here, in South Asia, with two governments actually planning for the eventuality of a nuclear war, we are probably the closest to Armageddon than any other sets of adversaries have ever been? To be sure, the loose talk concerning use of nuclear weaponry that we have heard in India and Pakistan, did not occur in the US-Soviet nuclear arms race (in retrospect, so much more civilised).

There was a conference of South Asian anti-nuclear scholars and activists called in Dhaka in the middle of February, which sought to try and arrest the nuclear tailspin that all us South Asians are willy-nilly part of at this stage. Unfortunately, because 'peacenik' is a dirty word among the analysts who pander so successfully to the politico-military complexes of South Asia, the very sanity of the conclusions of this conference seems to have been reason

enough for the nationalist media in India and Pakistan to ignore its recommendations.

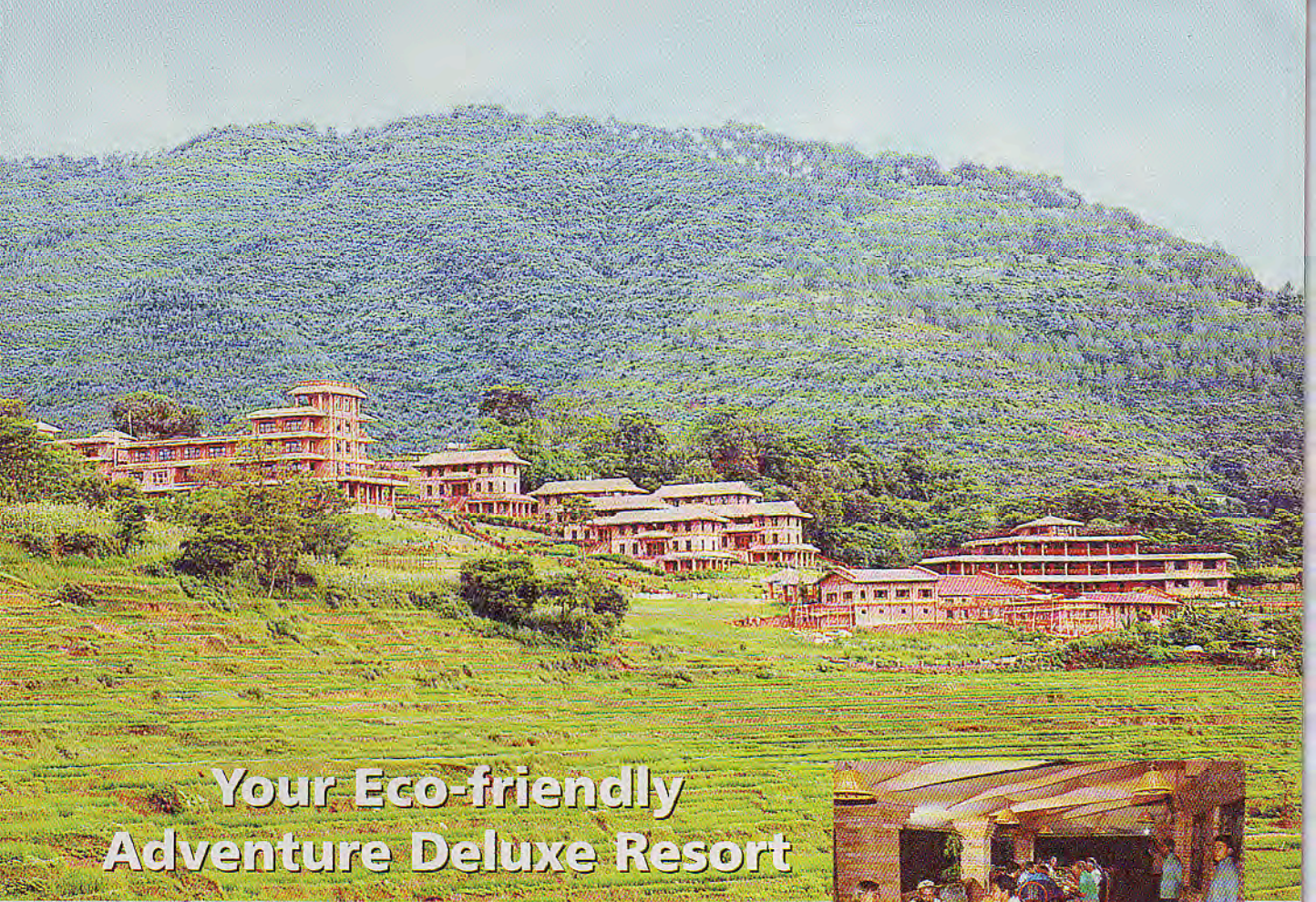
As for the members of the intelligentsia of the smaller neighbours of Bangladesh, Nepal and Sri Lanka, they seem to have put their intellectualism in cold-storage when it comes to analysing the distressing nuclear scenario we are all faced with. When will the entire region wake up to the realisation that the nuclear arms race in South Asia is very much everyone's concern and not something to be left only to the professor sahibs and sahibas of the Jawaharlal Nehru University? When will the reality strike that work is actually progressing to develop not just nuclear devices but nuclear *bombs*, and equally to have delivery systems in place so that missiles can quickly fly the few minutes required to cross each other's frontiers to finish the other side off? When will we come to the tragi-comic realisation that missiles were actually invented as the delivery weapons of choice for atom and hydrogen bombs because the United States and the Soviet Union are widely separated by ocean, and that in South Asia it is the simplest thing for a nuclear device to be put in a largish trunk and placed in downtown Lahore or Amritsar? (There is nothing to it.)

The Dhaka conference made some sane suggestions—it demanded that India and Pakistan (when it comes to de-escalation, both have to act at once, and not one before the other) immediately freeze and dismantle their nuclear armament and missile programmes. To be more specific, the delegates called on New Delhi and Islamabad to confirm the following:

- a) *No assembly of weapons*
- b) *No 'mating' of weapons with delivery systems*
- c) *No deployment, no induction of nuclear weapons*
- d) *No further testing of nuclear weapons*
- e) *No further missile tests or acquisition of delivery aircraft*
- f) *Freeze on further production (military or civilian) of weapons useable fissile materials*
- g) *Public accountability regarding veracity and efficacy of the freeze.*

If we have any imagination and any honesty, then the above list should be like a mantra that we must see through to implementation on behalf of the more than one billion people of South Asia, who constitute one-fifth of all humanity.

And as far as India and Pakistan are concerned, please let us not look to Bill Clinton as Uncle Sam to help out on this one. Let us do this one ourselves. It is our mass life. ▲



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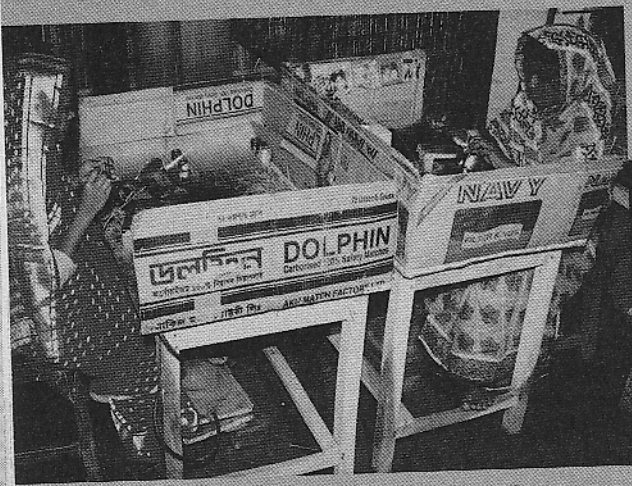
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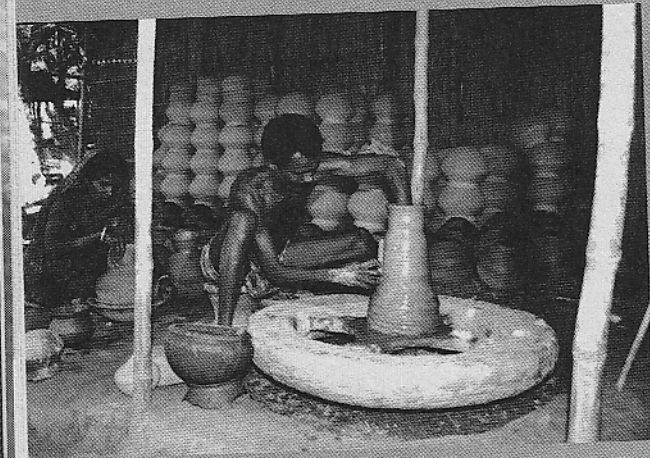
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MACROSTO



If Bangladesh is known for anything other than the natural calamities that regularly strike this impoverished deltaic country, it is for its micro-credit programmes. Initiated some 25 years ago, micro-credit has often been described as a panacea for poverty and its profile has risen in recent years with the interest shown in it by the likes of Bill Clinton and many other national and state leaders.

International development agencies such as the UN affiliates as well as the World Bank are now pushing this as a strategy to reduce poverty. At a time when the Bangladeshi experience is being increasingly sought to be replicated in other destitute areas of the world, **Afsan Chowdhury** studies the situation of micro-credit in his country and comes up with a number of conclusions, some noted before, some previously unknown and a few altogether unexpected.

RY OF MICRO-CREDIT

We are travelling by car towards Tangail, a district little over two hours from Dhaka. It's an ancient habitat and to get there one passes through some of the sparse forest cover still left in Bangladesh. It is also a place which has the long fingers of international development dug deep inside its belly, evident from the signs bearing names of various organisations suggesting 'development' and 'empowerment' and so on. The signboards stand on both sides of the road, advertising myriad missions of faith, hope and charity. Tangail's a place where NGOs come to breathe.

I am going there to research a radio series on working children for the BBC. The network of child rights NGOs has told us that Tangail has a number of groups with whose help working children have been able to escape child labour and make it to school. I am looking for happy children.

Tangail is not too far from Dhaka, is rural enough and, of course, poor. One can visit a development centre, relish local food and be back in the capital before bedtime. Good for development visits if you hate spending nights in non air-conditioned bedrooms.

Our transport rushes through Bangladesh's schizophrenic countryside where the modern and the eternal get together in a strange dance. Unfed peasants stand listlessly on the road watching the huge modern buses—imported from countries with better road systems—lumber across a highway that is annually washed away by angry rains and inundated by floods. People are at work, and small fires belch dirty thick smoke as pitch is melted and bricks are chipped to repair the roads in one of the perennial rituals of poverty and development which haunts this land.

It's on these roads that one sees the proverbial hyper-poor of Bangladesh, naked and unhidden. Those who provide good copy for the Western media and whose

bodies and faces win photo competitions. But then as you delve deeper, you find out that there is no such thing as simply The Poor. There are hierarchies, the rich poor and the poor poor. We have much to learn.

The people by the roadside are the poorest of the poor, so poor that they do not even qualify for micro-credit loans. They are a world unto themselves, a world kept alive by custom-designed charity programmes which keep the roads going, canals dug, and rice and wheat bags doled out. The programmes are meant for Vulnerable Groups, for Vulnerable Group sounds better than Extreme Poor.

Wholesale and retail

In Dhaka, while following up on the micro-credit story, we visited Hussain Zillur Rahman of the Bangladesh Institute of Development Studies (BIDS), who has been tracking poverty in Bangladesh for the last decade or so. The regular political ritual of hartal has kept him home and he has time to explain a number of issues. "Let's say that micro-credit has met a very important need. There is no question that it is a necessary and reliable instrument for poverty alleviation. But the point is how much can it do and how. And what should be done next."

According to his research, the poor can be split into Extreme Poor, Middle Poor and Tomorrow's Poor. Micro-credit is primarily for the Middle Poor. But access to it doesn't automatically ensure graduation from poverty. Many lapse back into poverty over a period of time and that is why Tomorrow's Poor has become a depressing reminder of the enormous task of eradicating poverty in a devastatingly impoverished land like Bangladesh.

So, is micro-credit doing enough to ease poverty in Bangladesh? Zillur Rahman answers: "Micro-credit is a very significant weapon in the fight to become less poor. Poverty has declined for the last few years

CREDIT FOR THE POOR



A Kendro meeting.

MICRO-CREDIT, defined as credit for the poor without collateral, started in 1976, when Mohammed Yunus, the founder of Grameen Bank, began an experimental project in rural Chittagong, which later in 1983 was established as a specialised bank, providing an organised credit access system to the poor. Before Grameen Bank, Akhter Hamid Khan, the pioneer of the Comilla Model, had initiated a rural credit programme but it did not work well for various reasons. The Dheke Loan Scheme (Paddy Husking Programme), was also launched by the Bangladesh Bank in 1978. Meanwhile, NGOs also moved into this sector. However, it was with the advent of the Grameen model of micro-credit, with its focus on group responsibility for loans, and strict supervision, that it became a model to follow. Today, there are around a thousand international, national and local MFIs that run micro-credit programmes in Bangladesh.

How micro-credit works

To launch a micro-credit programme in any area, an MFI first conducts a survey to assess the need (and demand) for micro-credit and explores probable obstacles. Where conditions are favourable, the MFI organises people (mostly women) in groups of 30-40 which are called Samity (Bangla for "committee"). The Samity itself is split into six to eight smaller groups, which on average have five members. (Eligibility is strictly limited to people who don't own more than half an acre of land, are not members of the same household, enjoy similar social status and economic resources and therefore equal bargaining strength, enjoy mutual trust and confidence, and belong to the same locality.) This is followed almost universally both by the NGOs and the GB.

Every group elects a secretary and a chairperson who is responsible for the discipline of group members. Each member of the group has to get a chance to be elected. Groups can continue as long as they wish to be active or can remain so. At the end of one loan period, mostly one year, a new person is elected chief.

Group members make a small savings deposit and are trained for two to three weeks after group formation. If members conform to the discipline of the MFI, credit is issued to individual members. Initially, two members of the group are given credit, to be repaid within a year in equal weekly installments, and observed for one or two months. (Loan amounts start from BDT 3000-4000 and go up to BDT 20,000. In the case of what are called micro-enterprises, the loans are bigger in size. BRAC's MELA programme provides loans up to BDT 100,000.)

If they can pay their weekly instalments and maintain

group discipline, new loans are given to the next two members. The group leader is customarily the last one to receive credit. If any member defaults, the whole group is ineligible for additional loans. This rule forces group members to pressurise one another to keep up with regular payments. In this way, although credit is given to an individual member, the group is ultimately responsible for loan repayment and maintaining financial and social discipline. Group members can also take multiple loans which actually show up as new loans.

The place where the Samity meets is called a *Kendro* (centre), which is the core of all activities. All transactions are openly conducted at the centre meetings. Each centre has an elected chief and a secretary, and is assisted by an MFI worker, who visits the centre several times a week. Members are required to attend all meetings. The agenda and monitoring of transactions is done by consensus. The centre chief conducts the meeting and enforces member attendance, weekly payments and discipline. Each centre chief holds office for one year and a new chief is elected each year. The centre chief and group chairpersons jointly monitor loan utilisation on a daily basis. The elected office bearers don't receive any remuneration for this extra work. The MFI staff also monitor loan use. Such close monitoring is believed to improve the performance of the borrowers.

MFIs also mobilise savings and consider it an integral part of lending. Each member has to save BDT 5-15 per week and deposit it at the weekly group meeting. Members are also required to contribute 1-2 percent of his or her borrowed amount to an emergency fund. This fund is used as insurance against potential defaults due to death, disability or any other misfortune.

Urban MFI

"Grameen" means "rural" and the name reflects the concentration of the poor as it stood in the mid-70s when Grameen Bank started operations. But the cities have since swelled with the poor migrating there in a desperate survival bid. Many programmes have an urban component now and micro-credit has spawned its urban clones. Given the social structure in an urban setting, the tested concept of group responsibility for loans is undergoing a change. An example of this is Safe-save, a cooperative run in a Dhaka slum which has successfully demonstrated that with proper safeguards it is possible to run a small, largely self-capitalised, non-group based micro-credit initiative. In fact, individual relationship, as opposed to the almost hallowed group concept, is emerging strongly as an alternative in both urban and rural areas, particularly in the case of savings.

by 1 percent annually. That is a decline but not enough of a decline. And while playing a major role, micro-credit is not solely responsible for it. And not all who experience a decline in poverty can sustain it." Again, a reference to Tomorrow's Poor.

Salehuddin Ahmed sounds no different. "Micro-credit isn't an Aladdin's lamp. It's not the only strategy or even the principal strategy. It's one of the strategies because poverty alleviation is a multiple approach to a complex problem. Micro-credit is reaching a large number of people and under proper supervision can alleviate poverty to a considerable extent. But it's a tool, not a miracle." Ahmed is CEO of the government-supported Polli Karmo Shahyak Foundation (PKSF—Rural Employment Assistance Foundation), which is set to become the largest wholesale supplier of credit to NGOs (which retail out the money as loans to the poor).

We also learn that the micro-credit sector is not a monolithic one. There are variations and clusters within the broad frame. We know that there are: a) NGOs that get grants from donors, often directly, to work as micro-finance institutions (MFIs); b) wholesalers like PKSF that conduit loans to borrowers through NGOs; large organisations like BRAC, ASA, PROSHIKA, etc, which have in the meantime moved from credit retailing to wholesaling as well; c) Grameen Trust, a subsidiary of Grameen Bank (GB) that has lent money to NGOs in 20 countries of the world to initiate the GB model; d) the government which loans through its channels, especially the Bangladesh Rural Development Board; and e) nationalised commercial banks. Thus, for the large players, roles change and re-change as they flow with the market and there are differences regarding interest rates and conditionalities as well.

As we talk to more people, we hear that the world of development in Bangladesh is divided into pro-micro-credit and anti-micro-credit partisans. Yet, interestingly, not all seem to know enough to like or hate it.

Hard-sell backlash

For long, micro-credit has more or less been presented as the universal cure for economic ills. If it wasn't, nobody among the micro-credit pioneers protested either. But in a land or a region where poverty is con-

sidered as inevitable as floods and death, it can suddenly start sounding like peddling a 'miracle medicine' sold by roadside charlatans to gullible people suffering from incurable ailments.

But as poverty didn't visibly decline over the years even as micro-credit went to work and Bangladesh continued to gain a reputation as the land that mothered the most poor people on earth, negative reactions began to be heard. The local press reacted too. If micro-credit was so good, how come it had not eradicated poverty? Why didn't the cricket team win the World Cup either? It was backlash time.

Was this backlash for all the good press micro-credit got when it began its rise in the mid-70s? The hard over-sell. In fact, one of the best PR jobs ever. One feeling is that the underlying reason for the Western press's love towards Grameen Bank and micro-credit in general is that they link rural Bangladesh to international markets. Bill Gates' parents, Bill Clinton's wife and many others have come and gone. Last February was the turn of Queen Sophia of Belgium. Enough interest to arouse suspicion as to intent, perhaps?

The questions keep coming up. Why should micro-credit be considered any different from any other kind of money lending? Why (and, true, unbeknownst to most of the world) are the interest rates so high? Are we less poor after the introduction of micro-credit? Can you change the life of the poor with donor money? Do you really know how they make people repay loans? Is it not true that women take loans and men use them?

The level of scepticism about what micro-credit can or cannot do is as high as the confidence about the power of development initiatives to change lives is low. It has much to do with the fact that micro-credit, positioned as a development activity, began its advocacy amongst other things, not just with performance reports, but also with ambitiously titled books such as the one called *Chasing the Miracle*. Obviously, Bangladesh needed a miracle and that probably caused so many to see one in micro-credit as well.

The fact is that the miracle never appeared. It turned out to be a chimera. That is why the resentment level appears so high. Having sold the idea of a 'miracle chase', many can't climb down from the horse of promise they ride.



Salehuddin Ahmed

A WORLD BANK TOADY?



SHAHIDUL ALAM/DRIK

AFTER A decade of praise for Mohammed Yunus's efforts with Grameen Bank, critics began doubting its sincerity and saw a hidden agenda. Among those who attack Grameen are Marxists who consider Mohammed Yunus to be a World Bank toady, who has promoted a Western model of development by establishing the micro-system which ensures market linkages deep within the belly of Bangladesh. They cite the positive press he gets in the West as proof of their accusation. These left-leaning economists have long argued that micro-credit doesn't touch the extreme poor and, in bypassing them, addresses only a particular rural class.

Farida Akhter, a leading feminist, anti-WTO crusader and promoter of women's empowerment through work, says that wherever there is micro-credit, there is Coke and other "Western junk". She cites anecdotal evidence to back her claim that Grameen Bank and the rest of the micro-credit agencies are basically serving the interests of Western market economy.

There are mainstream economists, too, who have found fault with the system. They are the ones who brought the miracle down to earth, their critique led to position shifts of the Grameen Bank but within the system. For most of them, micro-credit is an effective poverty eradication tool, but only one of many. Qazi Khaliquzzaman of Bangladesh Unnayan Parishad has stressed that credit is only one of the tools to reduce poverty, and asks for the demystification of the micro-credit process. Others have said that it can't bring about economic change and have long called for larger, growth-driven, loan-based models.

Although the criticism levelled is well-founded, the sector has displayed its resilience by adjusting to each crisis that has hit it. This was particularly true during the 1998 floods when sceptics believed that Grameen Bank and BRAC in particular, and micro-credit in general, would not survive. But they did, and the micro-credit system has since

gained credibility and strength. Less than claimed by the sector leaders and more than what critics state.

Farhad Mazhar of UBINIG runs the outfit with Farida Akhter. A pedigreed radical, he has a long history of activities, ranging from development activism and revival of traditional cultural practices to protecting the rights of minorities and tribals. Mazhar is also a renowned litterateur and musician. He had once asked Mohammed Yunus a number of questions through a newspaper to which the Grameen Bank CEO responded through the same. We excerpt a couple:

Mazhar: Grameen Bank is providing credit to the poor for poverty alleviation but when the total economic frame is making the poor more poor, how can GB change the situation by working within that frame?

Yunus: We are certainly working for poverty alleviation. Maybe the success rate is not high but it would be higher if the economic system was in our favour. But some boats sail against the tide and we are doing that. I agree with you on one point. That the poor did not create poverty, it is the institutions which create poverty. Without repairing those institutions, we can't end poverty...I am for changing the policies and principles. Just see the difference between GB and others. And because we could change the policies, we could implement micro-credit.

Mazhar: You talk about the rights of the poor but in the same breath you talk about loans to the poor which put them in debt. Through this way you are destroying even the basic rights guaranteed in a capitalist society?

Yunus: I will not stand in your way if you can establish the rights of the poor over resources and property without the assistance of credit.

ensuring repayment. It means doing what any other normal fiscal outfit like a bank would do. It means being a bank in the conventional sense of the term with only slightly modified objectives. Writes Cracknell: "Although the dominant methodology is that popularised by Grameen Bank, there is increasing evidence of a maturing market with liberalisation and product development within the industry."

Cracknell cites nine major examples to support his argument, such as the establishment of BRAC Bank under a commercial credit licence; the offer by BURO, Tangail and ASA to open access savings to members and non-members as well as a range of fixed-term deposits; the meteoric expansion of private sector insurance products targeted at the poor like Delta Life's "Gono Bima" and rival product "Jon Bima"; and BRAC and PROSIHKA reviewing their savings products while considering the introduction of fixed-term savings deposits.

CDF has done a study on the foreign grant situation and alternatives, and the trend is clear (see table). In fact, capital gathering or fund sourcing, whether from donors or the people in the form of savings, is beginning to depend on how well an MFI runs. They now stand exposed to market rules. People will seek loans or save money if you manage the money well. But for that you need management skills. CDF Executive Director Khandeker Zakir Hussain lays it clearly: "The first phase is over and performance will determine the future path of micro-credit."

Many believe that ensuring performance is the CDF's job. However, if the need for increasing management skills is obvious, the failure to pool resources and empower the network to do the job is equally obvious. In fact, most NGOs admit they hadn't networked because they had been busy looking after their own outfits. The result has been a lack of capacity to manage funds and less-than-optimal accountability. The donors who have till date kept the sector going by pumping in grants are more blunt. "Shape up or ship out," as one influential member of the donor community put it. Obviously, far too many had chased the miracle. And we are not talking about borrowers, but of agencies that found access to easy money but lacked the skills to operate a credit retail agency efficiently.

Source of funds	351 MFIs as on 31.12.96*		495 MFIs as on 31.12.98**	
	Amount (in million taka)	Percent	Amount (in million taka)	Percent
Member's savings	1656	20.41	3636	20.02
Loan from PKSF, banks & other lending agencies	961	11.83	5979	32.92
Foreign donations	3888	47.90	4645	25.57
Sponsors equity & ploughed back income	1612	19.86	3903	21.49
Total	8117	100	18163	100

* *Microfinance News*, January 1998 (A CDF Publication)

** CDF Statistics: *Microfinance Statistics of NGOs and Other MFIs*, Vol. 7, December 1998

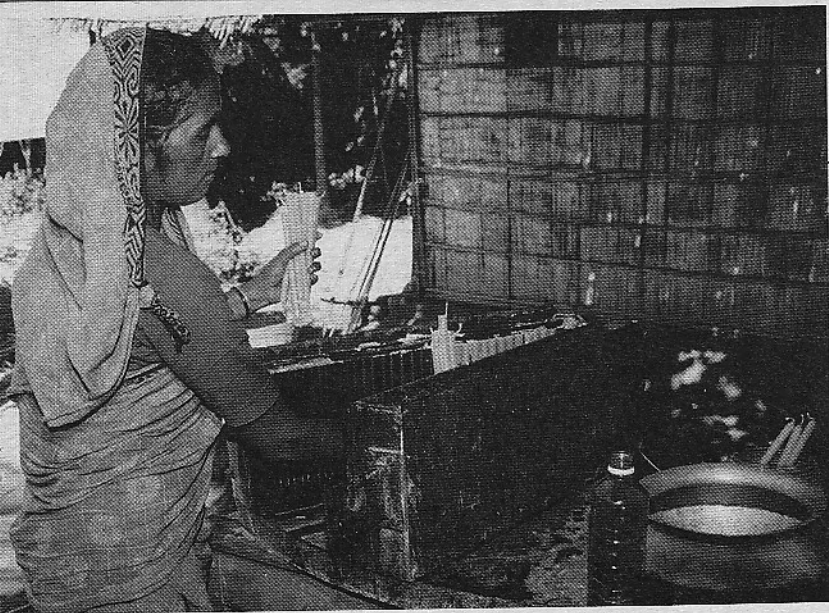
Life after grants

The pressure to raise performance levels is on. Big NGOs that have an active management system, proper training and monitoring, have emerged winners in this process. Less than 20 NGOs now handle more than 90 percent of the micro-credit and this concentration may increase. As a donor official said, "If a few NGOs fall in the process, so be it. Transparency and accountability are critical." They are concerned about performance in managing loans, and the emphasis is on efficiency, not numbers, but this is affecting the industry.

The times, it appears, are changing. From a welfare outlook, it's now a more professional approach where the bottomline of showing profit, or at least not loss, is increasingly important. The philosophy is efficiency, not charity. And grants are being phased out and big lending agencies like the World Bank and the Asian Development Bank are getting into the act. This transition in the micro-credit world is rather rapid

The PKSF Board meeting with Wahiduddin Mahmud at the chair.





and some NGOs appear a little shell-shocked at the prospect of managing their credit life in the post-grant-driven world.

The common refrain of donors and users is the difficulty in proving that grants had been spent wisely and that they had made a difference. The shift to loans from grants will also determine the loan culture. Savings will probably be another factor. The need to look for alternative sources of funding has now become an urgent issue. The total savings in the sector made by borrowers, including Grameen Bank, would be around USD 250 million, which itself has the potential of being a major source of capital for micro-credit.

Many sector leaders feel that savings should supplement capital formation. The increased number of savings options for people has been generally welcomed and the response has been unexpected. Sukhen Sarker, a board member of CDF and senior BRAC official, said that NGOs can offer investment products better than others because they are close to the community they serve. "They can tap into a potential never reached before for capital formation and also provide a boost to the local economy."

In fact, the response to savings schemes has been exceptionally encouraging wherever they have been tried. But the savings aspect needs to be well regulated if it is to play any major role in capitalisation. As is known, maintenance of savings records at the MFI level is weak. There is also the question of security of the micro-savings arising out of the ambiguity in the legal and ownership structure of the MFIs. Since MFIs are not registered under the Banking Companies Act or any other financial act, their performance is not subject to supervision by the central bank of the country. On the other hand, the government's registration docu-

ment is mostly silent on the issue of savings and credit dealings of the MFIs. The micro-savers and their small savings are therefore at risk in case of defalcation or mismanagement by MFIs. At yet another level, some agencies have backed down because savings involve paying a market rate interest.

We were also told that NGOs could actually tap into banks and insurance companies looking for places to invest. Since NGOs are investing in productive enterprises of the borrowers and have a better record of loan recovery than commercial banks themselves, they are a much better bet for major and minor investors. Sukhen Sarker even suggests that a credit rating agency should be set up for NGOs, so that people know where to invest. This, he believes, will put pressure on the retailers to perform.

There are those who also feel that the authorities pay much less attention to the opportunities of capital accessing. There is also strong resentment about the pressure on micro-credit retailers for realising small loans, compared to the lack of initiative from the government to realise bad loans which are humongous in size. The commercial banks have bad debts amounting at least to BDT 200 billion and more, lent out to the top 20 loan defaulters in the country, which is an amount higher than the total disbursement of the entire micro-credit sector (BDT 180 billion – BDT 110 billion by GB and BDT 70 billion by NGOs).

MFI leaders also recognise that governance and developing management standards are critical for survival. Many NGOs will not pass the governance test. And unless there is greater appreciation of financial, legal and audit management, the market will be pushed to close them down. There is donor pressure on that issue. A wholesale credit supplier like PKSF (which has by now disbursed over USD 100 million) has gained an excellent reputation, what with top-notch academic, regulatory and administrative representation in its board. (The board has the much-respected Wahiduddin Mahmud of Dhaka University as its chief, and the governor of the Bangladesh Bank and Grameen's Yunus are among its members, while CEO Salehuddin Ahmed is perceived as the modern face of development ideas, mixing administration with technical skills.) Its professional level is good. The board operates independently, which helps PKSF as a whole to retain a professional flair. However, this respect has

been won through performance as a wholesaler while others will have to win it as retailers, which doesn't always happen. NGOs like BRAC, PROSHIKA and Grameen Bank, too, have a well-regarded management staff, which is why they have been able to act both as retailers and wholesalers of credit.

Auditing a concept?

"Micro-credit provides the first step towards freedom from poverty. It has not been dramatic, but has gradually been able to bring about some changes in the life of the poor." Salehuddin Ahmed is not exuberant but cautiously optimistic. Khandekar Zakir Hussain of CDF is equally realistic. "The rules of market will dominate the sector. The recovery rate will have to be 95 percent for survival alone of retailers. Many NGOs will not survive because there will be increased demand for better and more professional services. It will require higher investment in training and management. The small ones will begin to drop out. I think we shall see an entirely new situation within the next three or four years."

This information itself is a myth crusher. An extremely high recovery rate—90 percent and above—is actually a necessity, not a matter of choice or an indication of good performance. It is either that or perish. Unlike banks, they still are not selling anything except loans. Yunus has said that they charge 20 percent interest because that is the service charge for the loan and, like Cracknell earlier, insists that instead of subsidising the credit, MFIs should be run on cost-benefit lines like any commercial outfit. In the case of MFIs, the profits are ploughed back and don't become profit.

Salehuddin Ahmed, on the other hand, sees the interest rate as a still-unresolved issue. This high rate of interest and tough repayment regimen is dependent upon an extraordinary level of diligence. Is this a practical arrangement, or is it possible only with a high rate of supervision? Or even coercion, the critics question. Says Ahmed, "Given the environment and the market in the areas this is possible. That's why it has been happening. It's true that a high level of supervision is needed but that is to prevent leakage. The poor will often consume a portion of the loan before putting it into a venture. That becomes unreturnable. And that can build into a crisis. But had there been systemic and systematic coercion, it couldn't have survived for so long."

Salehuddin is more focussed on the qualitative and not just on the quantitative. He says that a certain level of poverty has been abolished but the change is found much more in the mindset of the loanees. The fact that they can change their lives to some degree is a profound discovery. He says that for the first time in a very long time, poverty is declining. Almost reiterating what Zillur Rahman earlier noted, he says: "Instead of just talking about empowering the poor, we are trying to do something about it. We know that the change is at the social and household level. We know that despite the fact that the men in the family use the loan listed against a woman's name, the status of the women borrower has improved. The number of women who are borrowers and users is increasing every day."

There are also research figures showing that out of those who have taken micro-credit loans for 10 years, about 50 percent have graduated above the poverty line. When Yunus was asked if that meant micro-credit was 50 percent successful, he cited World Bank data showing that where Grameen Bank is operating, there has been a 30 percent poverty decline. There is no decline across the board but decline there is. Micro-credit alone is not responsible, but it can be credited with a pretty good share. And that is as close to reality that we can get to using quantitative figures.

The macro picture

Micro-credit is a process and not just an independent poverty alleviation delivery package. By calling it an industry, one may try to shape it more professionally and make it more market sensitive, but that would be a matter of strategy rather than vision. It is probably not only about retailing credit or



Khandekar Zakir Hussain



even removing poverty, but of improving the quality of life. Maybe there is a difference, maybe not. But it is not about a simple banking operation.

That is why it is necessary to look at a feature that is not always discussed but has a great impact on the sector – the quality of manpower in the field. The salary level is low and even if it sounds odd, the pressure is mounting on organisations to make it professionally consonant with other salary scales operating in the country. Many, including Grameen Bank, are facing problems in retaining staff and maintaining staff morale, which has a direct bearing on selecting loanees and ensuring recovery. This is reflected in the top tier of the micro-credit business as well. As Cracknell puts it: “[L]eading Bangladeshi micro-finance practitioners, who have limited time to perform consultations, are able to command greater consulting rates overseas than in Bangladesh.”

But MFIs have a small amount of surplus to play with. Many are stretched beyond capacity. This is part of the sectoral reality and affects performance in many cases. Whether these organisations can afford to pay well and survive is another matter. But there can be no doubt that the best way to remain in business is that they operate like proper banking services.

That would, however, mean again treading into the debate about whether micro-credit is purely welfare or a financial service sector. Zillur Rahman says, “We have to move from a safety net approach to a growth approach.” Which basically means generation of wealth, creation of jobs. If the present incarnation is about self-employment, the next one will be about borrowers in activities that create jobs.

“About 30 to 40 percent of the poor are still outside the credit net even though they qualify, so growth in the present form of micro-credit is possible and will happen. The other growth is horizontal, increasing the size of loans. You may call it micro-enterprise or deepening of existing loans but it’s basically about analysing capacity and increasing the size of the loan of the individual borrower,” says Salehuddin of PKSF.

Monique Angers of the Canadian International Development Agency (CIDA), who heads the donors’ group on micro-credit operating in Bangladesh, is keen about what she calls micro-enterprise. “That’s why we are interested in BRAC’s ‘MELA’

project. It will lead to increased growth.” The message is clear. If there have been arguments about the past, the present is about consensus.

The truth, however, remains: micro-credit can go only so far if the overall or macro economy doesn’t grow at a healthier pace. Unless the economy starts getting bigger, credit retailing will reach its limits because the national consumption capacity will remain the same. This means formulating a national credit policy with recovery as a key factor. Present growth rates are unsatisfactory and the banking system is all but washed out with the defaulting on loans by the high and mighty. It means micro-credit will not end national poverty, or even the bulk of local or rural poverty. That can only happen when the country adopts macro-credit policies for national poverty alleviation and economic growth.

Bidis and books

We reach Tangail and the office of an NGO called Social Services Society (SSS). There is not enough data available about the impact of micro-credit on the life of children. We talk to Abdul Hamid Bhuiyan, the chief of the group, about female borrowers and male users. He says the presence of users and not just borrowers should be made compulsory. The myth women in micro-credit has lost the power even to shock.

We visit a *bidi* factory on the outskirts of the Tangail town. These factories need children to roll the tobacco with their small, deft fingers. All over Bangladesh, children are employed in thousands in this work. SSS has been working with the mothers who also are labourers in these factories. The credit given to these workers is conditional. A portion of whatever is earned will have to be spent on the children’s education. One of the loanees tells us that her husband and son have set up a meat shop with the money she borrowed. A young boy approaches us with books under his arm. His mother pushes him forward. The boy used to be a full-time worker in the *bidi* factory but the SSS scheme has allowed him to attend school. He still works part time, but school allows him to dream of being something more than a rural industrial worker. We ask him to recite a poem. He stands up and delivers. Then he leans forward and eagerly asks, “Shall I recite another?” It is the best advertisement of micro-credit that I have seen in Bangladesh. ▲



Vajra (literally-flash of lightning), is an artists' condominium, a transit home for many, providing a base during months of hibernation and creative inspiration. Its isolation, graphic splendour and peaceful ambience, make an ideal retreat from the clock of pressure.

Ketaki Sheth
Inside Outside.

I stayed a week at the **Vajra**, by which time I had become so fond of it that I stayed another.

John Collee
The London Observer.

Vajra, a serene assembly of brick buildings, grassy courtyards, ivycovered walls and Hindu statuary is a calm oasis overlooking, chaotic Kathmandu.

Time.



in Kathmandu, the Vajra

Swayambhu, Dally Bijyaswori, PO Box 1084, Kathmandu
Phone: 977 1 271545, 272719 Fax: 977 1 271695 E-mail: vajra@mos.com.np

FATHER TOLD me that stealing is wrong. But what the hell, let's hear it for Roopa of Hanumanthanagar, who *Deccan Herald* reports has been "resorting to vehicle-lifting as a means to earn fast and easy bucks". Ms. Roopa, 22, took to stealing cars, but unfortunately was nabbed at Russel Market in Shivajinagar while trying to drive off with a Maruti 800 of someone other than herself. I am sorry that she was nabbed, only **sociologically speaking**, for women turning car-thieves is in this sense a positive phenomenon. Let's debate if you so like.

GO TO the other extreme of the sociological scale, in Pakistan's Punjab where 266 women (some barely in their teens) were victims of **honour killings** during the past year. In all of Pakistan, about 600 women were burnt to death or otherwise murdered by own family members viciously angered by true or untrue allegations of impropriety. The Human Rights Commission of Pakistan, which published these statistics, also noted "a significant increase in the death of married women because of stove bursts", reports the United News of India. We all know what that means.

BACK TO some levity. It seems to me, reading this Associated Press of Pakistan piece carried by *The News* that someone in that land of the pure is trying to turn back the clock on **women's emancipation**. Housework, it seems, "can benefit your body in addition to putting a sparkling shine in your home". So what's the breakdown? An average (lady) of 130 pounds will expend 1.0 calorie per minute while sleeping and 1.2 while surfing the Net, but watch the walloping exercise potential of household chores: making the bed 2.1, carrying out the trash 2.6, carrying an infant 3.6, sweeping floors 4.1, washing windows or walls 4.6, carrying 1-15 pound loads upstairs 5.2 and carrying groceries 8.3. Ah so, house-cleaning 15 minutes in the morning is equal to three hours of slogging at the gym a week, so what purpose the latter?!

RANGOON'S MILITARY authorities have allowed the first privately-owned newspaper in Burma, and I welcome it so far as it goes. *The Myanmar Times* will be an all-colour weekly printed in "high quality imported paper" and priced at a steep USD 2 a copy. The editor-in-chief is a *firangi*, a Mr (no first name given) Dunkley who was previously involved with Vietnam's government-owned *Vietnam Investment Review*. This gentleman, presumably Australian, who has teamed up with a local investor, U Than Naing, to publish the paper, writes in a front-page announcement that the "joint venture is the first major step in aiming to broaden the world's perspective on Myanmar". Now that as far as I can see is code-speak, for the world *does* understand Burma and its fine and upright military rulers. Editor Dunkley says that his paper is aimed at a white collar audience and 60-70 percent of its readership will comprise of

'Myanmar people'. He adds that the *The Myanmar Times* represents "the first truly free press in the nation for more than three decades". One certainly hopes, and one shall see, for all indications thus far point to someone trying to make a fast buck on a depressed country.

A THREE-DAY Millennium Cytopathology Conference was opened in Islamabad by the Federal Health Minister Abdul Malik Kansi, "who lauded the efforts of the organisers for holding the first conference of the world in new millennium on cytopathology in Pakistan". Other than the question of Pakistani Pride, which I would not grudge the good minister for a moment, I wonder if he went away from the ribbon-cutting any wiser than he was when he came to it, on the meaning of cytopathology, which neither you nor I know.

IN HIS *Deccan Herald* media column Blue Pencil, G.S. Bhargava decides to turn his attention to an all-too-neglected institution in these days of television and informatics: radio, and Akashvani in particular. Bhargava rues the fact that in media-related debates in India, All India Radio hardly ever figures. After all, **80-year-old Akashvani** has a reach of 97.3 percent of India's population covering 90 percent of the country's area. It has all of 300 transmitters, and reaches 100 million radio sets in the country. It broadcasts in 18 languages. Talking of programme content, Bhargava praises AIR for presenting a "fairly comprehensive fare", including classical music, talk shows that focus on public health, education and science, and programmes targetted to women, children and the elderly, as well as linguistic minorities. Here, at last, is an analyst who knows to look through the maze of print and video to realise that indeed the most democratic of media is radio, never mind that it is the most neglected by the economic elite and policy-makers of all our countries.

IF MY Indian geography serves me right, the Lalbagh botanical gardens of Bangalore is a fair distance from the Indian Northeast. And so I felt good upon see-



ing who are obviously three members from the Northeast enjoying the annual **Republic Day**

Flower Show (accompanying picture). Of course they might well be Nepalis or Bhutanese.

THANKFULLY, THE furore over children trying to copy Shaktiman and jump off high rooftops has died down, as I never really did believe that the show should have been penalised. But for something not entirely different, here's news from Rawalpindi from the agency PPI that parents are demanding the recall of "lizard shaped candies" from the market. Why? "Children mistake the original lizards for toffees. They catch the rough-skinned reptile and try to swallow it without knowing that they are tasting death," a mother said.



JAVED JABBAR, long known to journalists all over South Asia for his promotion of regional cooperation in media affairs, is now nicely ensconced once again as Pakistan's information minister (the actual title in these semi-martial laws is "Adviser" to Chief Executive Gen. Pervez Musharraf

on Information and Media Development). Jabbar was minister long before this, for a while, under Benazir Bhutto. And the adviser has apparently used his knowledge of media issues to push through the cabinet a decision to allow private cable television channels to operate in Pakistan. The government is accordingly inviting applications. Clarifying that allowing cable television channels was not the same as allowing private television channels ("which is content origination"), Jabbar said that the cable would in time allow even the poor and the middle class to access the Internet, for which presently you need to own a computer. The adviser-saheb seems to be on the right track.

IN A self-congratulatory note upon achieving its 10th anniversary, the editor of a Kathmandu English weekly in mid-February fell for the **misplaced journalistic heroes** that seems to afflict so many of his Nepali media colleagues. He bemoans "the erosion of political values" as the reason why his own paper and the Nepali media scenario as a whole has not done well, which is a case of being quite clueless. Who is kidding whom? Does the editor not realise that the fault lies in the lack of caring and daring journalists rather than in the constitution, the laws, the bureaucracy or the political situation and politicians?

THE ONLY real hurdle to economic advance in Bangladesh at this stage seems to be the enmity between the Bangladesh Nationalist Party and the Awami League, and their leaders Begum Khaleda Zia and Prime Minister Sheikh Hasina Wajed. It was therefore appropriate that the Federation of Bangladesh Chambers of Commerce and Industry decided to open their annual meet in Dhaka by giving the two ladies a unique gift—two identical saree pieces, "to symbolise the **thirst and urge for national unity** for boosting the economy". The

colour, print and stripe of the two pieces are the same. Now the question remains: will Madam Zia and Sheikh Hasina be caught wearing the same saree to the same function?

AN OBIT in *The Bangladesh Observer* says that "Shahajadi Bibi, a linguist of Mirpur, died on Tuesday night due to **old age complications**." She was 101. Oh, well.

SRI LANKA is small enough and its bureaucracy diligent enough for it to have a **Presidential Task Force on Prevention of Suicide** and to put this announcement in the press: "Facilities for counselling and guidance of young people are being established via Youth Empowerment Programmes at divisional level. Measures have been taken to reduce the accessibility and availability of pesticides, which is the most popular method used for attempting suicide."

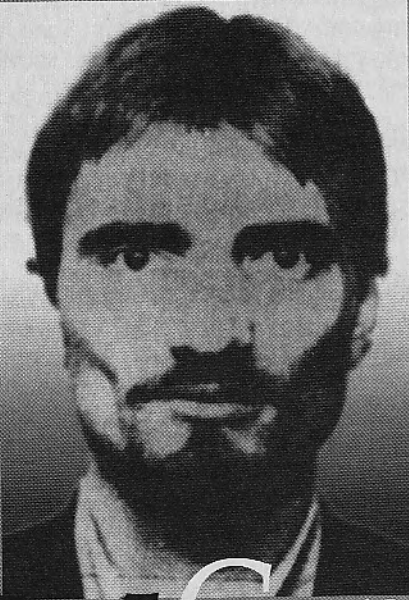
IF PRIME Minister Atal Behari Vajpayee of India insists on completing the fencing project on the Indo-Bangladesh border at a cost of INR 1335 crore, then that should be the concern of the Indian taxpayer. But perhaps a thought should be given to the practicalities and whether this may be nothing more than an incredible bonanza for **steel shaft and barbed-wire manufacturers**. Indeed, has a genuine and thorough study of cross-border migration been done, and do some planners in India at least see a scenario whence an economically advanced Bangladesh not many years hence, may actually be attracting rather than exporting migrants? Think, oh ye foolhardy policymakers!

TWO CHEERS for Raju Lama, who protests in a letter to *Kuensel* the rule set by the Bhutanese Road Safety and Transport Authority that all taxi drivers should wear the **national dress**, gho. No, Mr Lama seems not to be a *ngolop*, or anti-national, and his ire is more due to the inequity that this rule reflects. He writes, "I say this because (the regulation) is applicable only to taxi drivers and not to those who drive private or government vehicles. What is so special about the others or so wrong with taxi drivers?" The ball is in the court of the Road Safety and Transport Authority, and I await their response.

**NDA secures
JMM support,
RJD nets BSP**

UFFF! IS a very South Asian **onomatopoeic exclamation**, and gives the flavour of someone being landed a hefty punch in the belly. That is my exclamation of choice when it comes to this *The Times of India* headline of 2 March. The NDA refers to the National Democratic Alliance, JMM is Jharkhand Mukti Morcha, RJD is the Rastriya Janata Dal and BSP is Bahujan Samaj Party. The state is B, for Bihar.

—**Chhetria Patrakar**



Jan
Christien
Neilson.

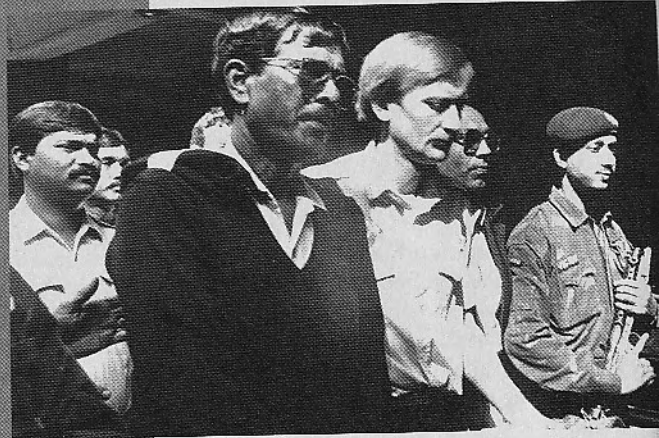
Corporate Mercenary

Back in December 1995, when a huge load of arms was air-dropped over Purulia district of West Bengal, it created a sensation that reverberated in the Indian media for months. Speculation was rife about who the weapons were meant for and theories floated about who could be seeking to “destabilise” India with the arms. Nothing as dramatic as that, says **Subir Bhaumik**, whose research into the antecedents of the prime accused in the affair, Jan Christien Neilson alias Kim Davy, has led to a story that seems straight out of Frederick Forsyth’s *Dogs of War*.

Weapons, insurgents, minerals—Jan Christien Neilson loves dealing in them, or with them. Neilson hails from Denmark, has more than 40 passports and as many aliases, and is believed to be the mastermind behind the armsdrop at Purulia. He speaks more than a dozen languages, including a smattering of Hindustani, and, according to his former accomplice Peter Bleach, “can manage to secure upto half a million dollars within a few hours over couple of telephone calls”.

Even as Bleach, a former British army officer-turned-arms dealer, and the five members of the Latvian aircrew who manned the plane that made the drop were awarded life sentences in the Purulia case by the Calcutta city civil court in early February, Neilson, also known as Kim Davy (in Asia) and Peter Johnson (in Africa) remained elusive—at least for the Indian government. Some newspaper reports suggested he might surrender to a court in Denmark, but Bleach dismissed the idea contemptuously. “He is big-time and there’s no way he will give up so easily,” said he, soon after his sentencing.

Bleach is right. According to his (Bleach’s) friend and one-time British MP Sir Teddy Taylor, Neilson is often seen in the company of British and American intelligence officers and diplomats in Nairobi, from where they monitor and support the covert war against Khartoum. Taylor hints that the two



Western powers "may indeed be protecting Neilson".

Indeed, Neilson has been seen several times in Hotel Sarina and Hotel Safari Club in Nairobi, since he mysteriously escaped from Bombay airport on the night of 21 December 1995, four days after the drop, leaving behind Bleach and the five Latvian crewmen to be nabbed by the Indian police. In fact, the Ananda Marg sect, which was initially blamed for being the possible end-user of the weapons dropped at Purulia but which was given a clean chit by the civil court, has demanded a full-fledged judicial enquiry into how Davy managed to slip away from the Bombay airport that night. Ananda Marg spokesman Bhaveshananda Avadhuta said: "We have good reasons to believe Davy was escorted away by an Indian intelligence official called Dasan." This is difficult to establish, but it is something that cannot be ruled out.

(The AN-26 had begun its flight from Borgas in Bulgaria where the arms were loaded, and stopped over at Ispahan in Iran before proceeding to Karachi, Varanasi and Calcutta. After the drop was made, it went to Phuket in Thailand. The return journey was scheduled by way of Calcutta, but according to Bleach, powerful tailwinds forced it on to Madras. Between Madras and Bombay, an air traffic controller detected that Neilson's plane was flying without route clearance and asked it to land.)

Kapoeta gold

This correspondent has been checking up on Neilson's East African connections for the last several years. What has been found is revealing. The company that the slightly-built Dane with fiery eyes keeps in Nairobi could be from British or American intelligence. But another man who has been seen with him has now been identified—John Garang, the commander-in-chief of the Sudanese Peoples Liberation Army (SPLA), a group of Christian rebels in south Sudan who have fought the successive Marxist and Islamic regimes in Khartoum with some success over the years.

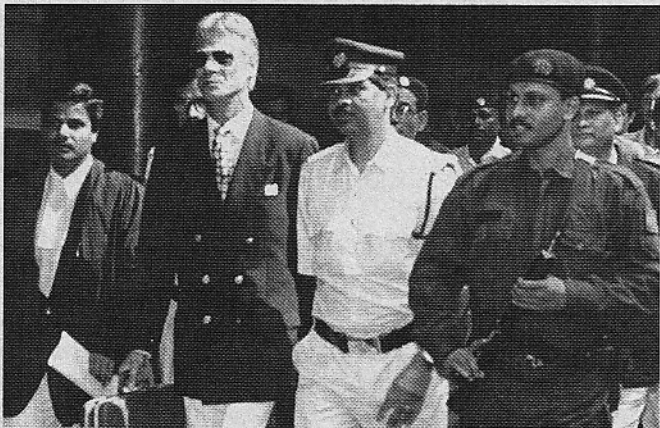
The US has not made it a secret that it supplies weapons to the SPLA. It considered the previous Sudanese government led by Jaffar Nimieri as too pro-Soviet, and the present regime too Islamicist (and lately, a bit too pally with its *bete noire*, Osama Bin Laden). That the CIA had used Neilson to courier weapons to Garang's rebel army for years is now becoming known. Neilson used Soviet-made transport aircraft to carry huge consignments of weapons to the SPLA, but without need for airdrops *a la* Purulia since the SPLA controls large chunks of territory in southern Sudan and the weapon-carrying planes can easily land there.

But Neilson is not only an arms dealer. He also deals in minerals—gold and precious stones. This correspondent now has substantial in-

formation about how Neilson's, or rather, since this is Africa, Johnson's Howerstock International Trading Ltd, commissioned, in early 1995, a Filipino geological consultant, Declaro Zafra and Associates, to survey the rich gold deposits in the Kapoeta county of southern Sudan controlled by the SPLA. Declaro Zafra's final report, submitted to Howerstock in October 1995, indicates that southern Sudan is sitting on a huge deposit of alluvial/lode gold, which, if mined, "will have a definite impact on the global bullion market".

With the end of the Cold War, the US made it clear to many of its former allies—rebel forces, unpopular dictators, military regimes and dissident groups—that they would have to fend for themselves. Some groups like the SPLA continued to receive some arms supplies, but Garang realised he would soon be on his own. One way to finance the SPLA's operations was to begin mining the gold. But neither the US nor any other country with the right technology, not even mining conglomerates like Lorwho or De Beers, could be seen to be dealing with an insurgent group like the SPLA as that would only provide the Sudanese government, with the help of other Islamic countries, an excuse to go on a diplomatic offensive. It was here that Howerstock served as a useful front in dealing with the SPLA and securing the gold deposit.

Sources in the global mining world say Howerstock or any of the other companies owned by Peter Johnson or any of the other aliases used by Neilson, had no presence in the mining world before they entered Sudan. Their financial standing was also believed to be insignificant—and certainly not good enough to justify involvement in the gold recovery operations in southern Sudan. The sources believe that Howerstock is being funded by "one of three global giants dealing in gold, diamond and precious stones"—although they would not specify which one. Howerstock, as a front, operates the mines, recovers



Igor Moskvityn, one of the Latvians (far left), and Peter Bleach being escorted out of the Calcutta court after receiving life sentences.

SUBHRA KANTI GUPTA

the gold and brings it out of south Sudan through Kenya. The Kenyan government has even provided an assay certificate (one that vouches for the quality of an ore or metal) to legitimise these shipments. The initial flux of Sudanese gold towards the end of 1999 even brought down prices in the international market, but prices stabilised once it became known that it would still take a few years to set up the mining infrastructure in south Sudan, in view of the risks involved.

Which brings us to the key question, whether a mineral-weapons-insurgency triangle exists in South Asia for Neilson to get involved in. Purulia, where the weapons were dropped, does sit on a coal belt, and iron ore and other heavy mineral deposits are not far away in Bihar. But no gold or precious stones. Nor is there an armed insurgency active.

Kachin gold

The only region that would fit the southern Sudanese scenario in this part of the world is the Kachin region in north Burma. The Kachin state, bordering China's Yunnan province and India's Arunachal Pradesh state, has a powerful rebel army — four brigades, or 8000 men in all. The Kachin Independence Army (KIA), formed in 1961, has fought Burmese troops fiercely for decades and maintains control over much of the Kachin region, particularly the northern Kachin part bordering India and China.

The rich jade mines of Hpakam and Long-kin are located in that area, and the Kachins do make some money from jade. The area also has ruby and sapphires. But what is less known is that the Kachin area reportedly has huge gold deposits. These deposits have never been tapped

due to the ongoing insurgency, and neither do the Kachin rebels have the wherewithal to handle mining operations in a big way on their own.

In the early 1990s, boosted by receipt of substantial military hardware from China, the Burmese army launched a fierce offensive against the rebels. Pressed hard and without a steady supply of arms and ammunition, the Kachins entered into a cease-fire agreement with Rangoon, hoping it would herald negotiations on a possible future autonomy package. By end-1995, however, it became clear that the Burmese military junta was in no mood for compromise. The Kachins were upset, and the new KIA chief Malizup Zau Mai went looking for allies and weapons.

It so happened that there was a convergence of both India's and the West's interests in helping the KIA at that time. For the West, particularly the US, the Kachins were devout Christians and confirmed anti-communists, and right there in the soft underbelly of China below its south-western Yunnan province. From New Delhi's point of view,

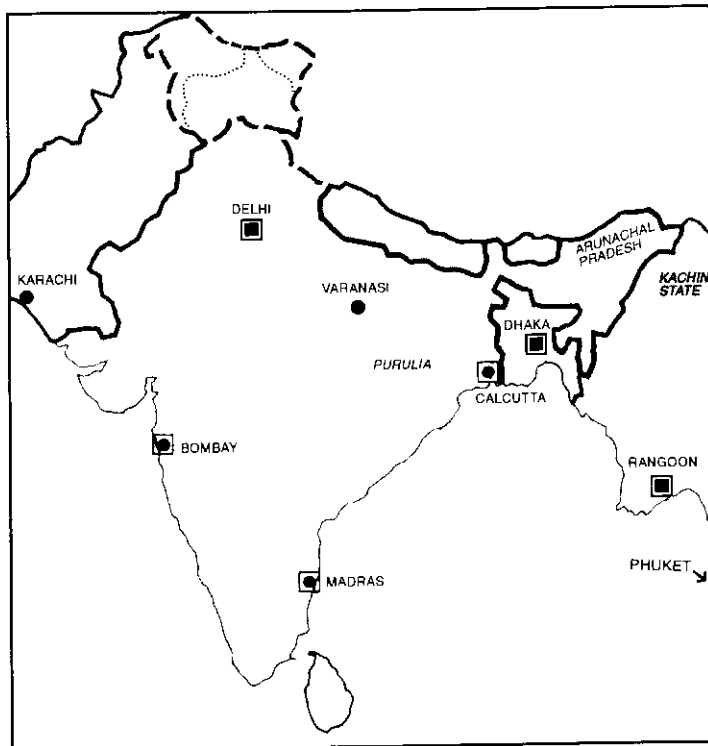
bringing the KIA into its fold was a key strategic objective since the militant outfit had been supplying weapons and provided training to all Northeast Indian rebels since the Chinese officially stopped doing so in 1978. This correspondent has learnt that the Indian intelligence agency, RAW, established close relations with the KIA and even allowed them sanctuary facilities in the eastern part of Arunachal Pradesh. The quid pro quo was that the KIA would never again arm or train rebels from the Northeast or allow these groups access through their territory to China. But India stopped short of direct support to the KIA since it was also trying to cultivate the Burmese junta.

Thus it could well be that a mining giant, perhaps the same one involved in south Sudan, got interested in the gold and precious stones of Kachin. But again, winning over the KIA to secure mining rights or exploratory surveys, would mean supplying them with weapons. Landlocked and with a large rebel army to supply, the Kachins were the ideal candidate to take an airdrop of the kind of weapons

that came down at Purulia. The Ananda Marg may be in the business of securing a few revolvers, even rifles, but only an outfit like the KIA, which takes on the Burmese army in set-piece battles, would need anti-tank weapons.

Completing the jigsaw

Peter Bleach now admits that the weapons were to be dropped "much further east". But he would not reveal more, except that Neilson tried desperately to secure landing permission at Dhaka, because he was "trying to set up a regular air freight company oper-



ating out of there". Bleach told this correspondent that Neilson had sent his side-kick Peter Haestrup to "buy off the guys at Dhaka" with USD 50,000 but that did not work, unlike in Varanasi "where the guys had been managed". That explains why a cargo plane loaded with weapons would not be checked at Varanasi or even asked to produce the mandatory cargo manifest. And why would one need landing permission so desperately at Dhaka un-

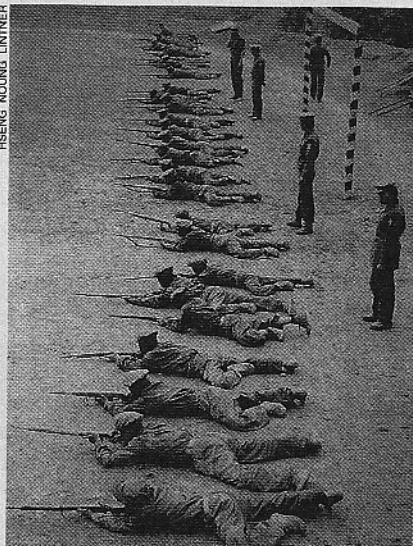
That they did, said Bleach, by confusing Neilson on the "drop zone parameters". After taking off from Varanasi at 8 in the evening, the plane flew east and as it came into Calcutta airspace, the crew told the air traffic control that they would not land, but would continue to Rangoon. But since Rangoon refused landing permission, the plane had to return to Calcutta. Through all this Neilson did not know what was happening, but as they were in the air for such a long time, when they were over Purulia, Neilson thought they were right above the drop zone. The Latvians knew they were not, but nevertheless they told Neilson to go ahead with the drop. Later, when they reached Phuket in Thailand, and Neilson discovered they had got it wrong, he was furious, and did not allow the pilots and Bleach to leave, and decided to go back to Bulgaria to procure a fresh consignment. We know what happened next.

Only the involvement of a major Western power—or a mining giant backed by it—could ensure that the AN-26 got away easily at both Pakistani and Indian airports. That would explain a lot of the rest in the mystery as to how a plane loaded with weapons could get away at Varanasi without submitting the cargo manifests; why Davy and Bleach came back a second time into Indian airspace merely four days after the bungled Purulia armsdrop; how the plane could stray off the approved flight path without being detected by any one of the four military radars in West Bengal; and, finally, how Davy got away so easily in Bombay.

Bleach has admitted that the drop was not meant for the Ananda Marg. Neilson, like many Westerners in their teens flirting with esoteric Oriental sects, had taken to the Ananda Marg in the 1970s, but that was long over. The operator that he was, however, he had retained some links with the *avadhuts*. So when the air traffic controllers asked the AN-26 to land at Bombay, Neilson burnt all his papers, much to the conster-

Latvian nightmare

It is now clear that the Indians knew all along what was going on, and the sentencing of Bleach and the Latvians may only be a case of running for cover. In all this, it is the Latvian crew who have suffered the worst. Seemingly through no deliberate fault of theirs, they are now undergoing life sentences. But it is doubtful if they will serve out their terms. Since four of the Latvians are Russian citizens and the fifth's citizenship is under consideration, the Russian press has begun pleading for a softening of their sentence, if not release itself. Officially, too, Russia has indicated that it will raise the matter with India when the speaker of the Russian parliament leads a delegation to India. Given the 'special relationship' that exists between the two countries, there is a distinct possibility that the Latvians will be granted a presidential pardon in the not-too-distant future.



KIA training near Longkin in northern Burma.

less the aircraft was planning to make a drop further east? Flying out of Dhaka would make it much easier to reach the Kachin hills.

But if the target of the drop was in Kachin, or a safe zone in Arunachal Pradesh temporarily made available to the KIA by the Indians, why would the weapons land in Purulia in far off West Bengal? Bleach seems to have the answer. He said that when parachutes came on board at Karachi, the Latvians picked up a fight with Neilson because they had all along been told that the plane was carrying "technical equipment" to Bangladesh. During the rest of the flight, Neilson had to brandish a loaded AK-56 rifle to keep the Latvians under control, but Bleach said "they were really angry and did everything to mess up the drop".

nation of the Latvian crew. But carefully left behind in the cockpit was one of his old photographs with some Ananda Marg *avadhuts*, perhaps to confuse investigators.

The Indians might have merely looked the other way as the AN-26 proceeded towards its target drop zone, but the angry Latvians, slighted and threatened by Neilson, messed up his grand design of starting a new freight service (a euphemism for a new supply route of weapons for the Kachin which could then have gone anywhere, even to dissidents inside China). The CIA had set up similar 'freight' companies in Indo-China to supply Meo and other ethnic guerrillas in the past. It is therefore that only if the drop zone was Kachin, will all the elements of the Purulia jigsaw fall into place. ▲



The Sardar of British Columbia

With a Sikh premier in charge, a new day dawns on a Canadian province.

by **Tarik Ali Khan**

On 24 February, Canada's far-western province of British Columbia swore in its new premier. The reception was complete with samosas and a sitar and tabla performance, for the new provincial leader was a Sikh—Ujjal Dosanjh. This milestone for Canada's Indo-Canadian community did not go unnoticed by the media, and for many Canadians, it was proof that the country's multiculturalism policy is working.

The face of Canadian politics is indeed changing. Last year, Adrienne Clarkson, a Chinese-Canadian woman was appointed the country's governor general, a sym-

bolic yet high-profile position. A handful of Canadians of South Asian origin have been elected to the federal parliament and provincial legislatures. But no one has come even remotely close to leading a political party, let alone governing a province.

If America is based on the idea of a 'melting pot', where immigrants are required to leave their baggage at home and assimilate into American culture, Canada defines itself as a cultural 'mosaic'. Since the 1970s, this multiculturalism policy has encouraged immigrant communities to retain their cultures within the framework of official bilingualism (English and French). Critics argue that Canada's multiculturalism has

not been much more than a series of token nods to ethno-cultural communities, while the English and the French have continued to hold real power.

Ujjal Dosanjh is no token, however. In a province known historically for its racist policies (see "Canada Sikhs", *Himal*, December 1999), his ascendance makes it clear that eventually the quality of immigrant politicians, combined with the rising immigrant population, will increase the opportunities for non-white Canadians to have political clout beyond that of their traditional lobby groups.

At the same time, it is also important to remember that Dosanjh was *not* elected premier by the people of British Columbia (BC), but by his own New Democrat Party (NDP). His predecessor, former premier Glen Clark, resigned from office in autumn of 1999 in the midst of a corruption scandal. This forced the NDP to vote for a new leader who could complete the electoral mandate granted to the party. Dosanjh, the province's attorney general, was the favourite, and he won on the first ballot itself with a comfortable majority over his runner-up.



The new premier has a daunting task ahead of him. Backed by labour unions, the NDP is Canada's only real left-of-centre party. Although it has never been elected to power at the federal level, a number of provinces have been governed by the NDP. But it is in trouble in British Columbia. In the past decade, while other provincial governments raised taxes and cut social spending in order to reduce soaring deficits, the NDP in BC has become notorious for its lack of fiscal restraint.

With its abundant natural resources (forests and fisheries), BC has always been regarded as an economic powerhouse among the

10 provinces of Canada. A wave of Asian immigration (including wealthy Hong Kong entrepreneurs) to BC's lower mainland ushered in a boom in the late 1980s. Yet today, Dosanjh finds himself leader of one of the most unpopular governments in the province's history with a deficit standing at USD 1 billion.

Most British Columbians don't think Dosanjh can hope to rescue the NDP before the provincial election in 2001. On top of other problems, the NDP leadership race was tainted with scandal and nasty factionalism between Sikh members. One of Dosanjh's most fervent opponents was a twice-deposed cabinet minister named Munmohan (Moe) Sihota, also a Sikh.

When the leadership race was in full swing, the party witnessed an unprecedented surge in its membership ranks. Money was pumped into the Dosanjh campaign by Sikhs from BC and Ontario. Under suspicion that some delegates (including Dosanjh) had been signing up new party members to increase their chances of winning, the NDP did a membership audit by telephone. One Canadian newspaper claims the audit found 1300 people who did not know they were members and that 14 of the new members signed up were dead. (Most new members were Indo-Canadian.) Dosanjh claims this was the mischief of his campaign workers, and has tried to distance himself from this latest embarrassment to the NDP.

For all that, there are others who believe that if anyone can save the party, it is Dosanjh. A human rights lawyer by profession, he is known for his integrity and courage. In 1985, he was severely beaten with an iron bar by fellow Sikhs for daring to speak out against the Khalistan movement.

Politics runs in Ujjal Dosanjh's

blood. His father was an active Congress Party member in the Punjabi village of Dosanjh Kallan and his maternal grandfather hanged by the British for anti-government activities. The young Dosanjh left India in 1964 at the age of 17, barely able to speak English. He lived first in England, where he was assistant editor of a Punjabi newspaper, before arriving in Canada in 1968. He worked as a janitor, night watchman, and joined the ranks of Sikhs working in BC's lumber mills where he nearly broke his back.

The injury prompted him to pursue a university BA. He then taught English as a second language to new immigrants and finished a law degree. Both he and his wife, Raminder, are known for their human rights activism. After law school, he disguised himself as a berry picker to uncover exploitation of farm workers, and later formed a legal service to help them.

In 1991, Dosanjh was elected to the BC provincial legislature and held portfolios such as Minister of Government Services and Minister Responsible for Multiculturalism, Human Rights, Sports and Immigration. More recently, as attorney general he championed the rights of minorities, women, gays and lesbians, and took a tough stance on crime. In 1996, his refusal to negotiate in a standoff with an armed aboriginal group won him the respect of the general public.

In an attempt to move away from his predecessor's autocratic leadership, Dosanjh has promised to unite the NDP under a more consensual style of governing. He also promises to return the party to its grassroots—labour, the women's movement and the environmental movement—rather than catering to big business. But the ultimate test will be for him to rein in the fiscal deficit before the 2001 election, and restore credibility to the NDP. Only then will samosas and sitars arrive once again at the next premier's inaugural reception. ▲



Rawalpindi rally against Nawaz Sharif's intimidation of the Jang group, 1999.

high court judges to swear an oath never to challenge decisions made by his administration. Many journalists feared that the general's next demand might be the unquestioning loyalty of the press... While there have been no serious attacks thus far, journalists know that if they had few protections under Sharif, they have none under Musharraf... At year's end, most journalists, like most citizens, were going along with Musharraf, and the balance of media coverage was overwhelmingly supportive of the army takeover.

The report adds, "But some journalists challenged the legitimacy of the coup and questioned the administration's policies, without apparent repercussions." That is not strictly true. There have been

cases where a few journalists writing independently on 'sensitive' issues, have felt the pressure from agents of various intelligence agencies in the form of phones being tapped, being fol-

lowed around, and so on. But since complaints to the military establishment have so far resulted in the pressure being immediately lifted, those affected have chosen not to go public on the matter.

There is more interesting read in the report: "The struggle of the press in Pakistan is a parable of the dangers that journalists face when the press is strong while other democratic institutions are weak... In a more fully developed democracy, journalists who expose government corruption can count on other institutions to step in and take up the cause. An independent attorney general could open an investigation; a congressional committee

The lone watchdog

Ever since coming to power, Pakistan's Chief Executive General Pervez Musharraf has gone out of his way to constantly reassure Pakistanis and the world that civil liberties will be respected under his rule. Most would agree that, albeit a few lapses, such as the detention without charge of various government functionaries loyal to ousted prime minister Nawaz Sharif, Musharraf has on the whole honoured his word.

Journalists, however, remain cautious, having been avuncularly warned by the CE that the press should "play a positive and constructive role". A week after the 12 October 1999 coup, local newspa-

pers reported that 20 journalists had been added to a list of citizens prohibited from travelling outside Pakistan. And on 21 October, a truckload of soldiers visited the Lahore offices of a leftist political weekly, questioned them about their reasons for publishing an issue headlined "No to Martial Law", and asked for information about the weekly's publisher and printer.

These relatively minor incidents have been noted in a special report called "Pakistan - The Press for Change", released on 14 February by the New York-based media watchdog Committee to Protect Journalists (CPJ). Notes the report: "On 26 January, Musharraf ordered all

could hold hearings; political parties could use the allegations to force a leader from power." The implication is that in Pakistan such support is just not available.

The report, which deals mostly with the situation before Musharraf came to power, finds the strength of the Pakistani press "particularly remarkable in a country that has spent more than half its life under military dictatorships", including General Zia-ul Haq's (1977-1988), which "brutally" suppressed media, imposing strict censorship controls and jailing journalists who tried to assert their independence.

The report seeks to explain why there is a strong bent towards freedom in the Pakistani press: "Many of the country's senior journalists made great professional sacrifices during the Zia years, and guard their freedom all the more fiercely because of this history."

Citing specific examples of suppression of the press, the report illustrates how Sharif, like his predecessors, used state machinery for this purpose, except that he did it "with particular zeal and efficiency". After Sharif systematically cast aside virtually every democratic check on his power, the press became one of the few remaining bugbears.

Besides cases that caused an international uproar, like the crack-down on the country's largest publishing house, the Jang Group of Newspapers, and the arrest of Najam Sethi, editor of the considerably smaller *The Friday Times* weekly, the CPJ report documents tactics like the infiltration of newsrooms and press unions by agents from various intelligence agencies. "With so many spies doubling as reporters, and journalists moonlighting as government agents, now the biggest problem is lack of trust in each other," one journalist told the CPJ. Other tactics included phone tapping and arrests, threats, harassment and interrogation by intelligence agents.

The report also notes the different state reactions while dealing

with the English language and Urdu language publications—the latter with its broader reach being subjected to greater pressures. "Not surprisingly, Sharif initially focused his energies on controlling the Urdu-language press, while pointing to the relatively unfettered English language press as evidence that the Pakistani media was operating freely."

A reporter whose stories appeared in both the English-language *The Frontier Post* and its sister paper, the Urdu-language *Maidan*, both published from Peshawar, told the CPJ how his stories were ignored by government agencies when they ran in *The Frontier Post*, but led to death threats "by certain agencies" against the chief editor of *Maidan* when it started publishing such stories.

The report covers the other main institutional forms of control, including the "press advice system", refined in the late 1970s under General Zia, in which government officials tell newspaper publishers and editors what to publish. The system continued after Pakistan's return to democracy in 1988. "[I]ts basic mechanisms seem to have been preserved and were perpetuated by federal and provincial information ministries a decade later. The Sharif government used the press advice system extensively."

Despite all the pressures, the press in Pakistan on the whole continues to take seriously its role as a watchdog and monitor, given the absence of any other such institutions. In the process, every move, action and statement emanating from the military government is written about, commented and discussed threadbare, often very critically indeed. The bottom line, however, is, as the CPJ report notes, that journalists who work in such an environment are vulnerable to state repression, and will continue to remain vulnerable as long as other democratic institutions remain weak. ▲

—Beena Sarwar

Meanwhile, Afghanistan

The CPJ report makes special mention of Afghan journalists in Pakistan in a piece titled, "No Man's Land: Afghan Journalists in Pakistan Battle Alone". It documents the attacks on several journalists critical of the Taliban, highlighting the dangers they face from both the Pakistani and Taliban sides. "Reporters living in towns along Pakistan's northwestern border with Afghanistan have been threatened by Pakistani police and intelligence agents, as well as local agents of the Taliban. Pakistan's Inter-Services Intelligence agency works closely with the Taliban, and because the intelligence agency enjoys broad powers under the military government of General Pervez Musharraf, Afghan journalists, as well as Pakistani journalists reporting critically on Afghanistan, are liable to come under even greater scrutiny." An Afghan reporter told the CPJ that "working with newspapers, working with human rights organisations is playing with your life. The toleration for other opinions is not here."

The report cites an article in the March 1999 edition of the English-language monthly *Herald*, which reported that at least seven prominent Afghan politicians and intellectuals were killed in Peshawar between October 1998 and March 1999. "While Afghan journalists were not among those killed, reporters are lying low, fearing that it may only be a matter of time before they have to bury one of their own," said the article.

While violent attacks are not common, death threats are taken seriously. As a result, several journalists go into hiding temporarily, returning once the immediate danger has subsided. "[J]ournalists who have been threatened say they think about it every time they sit down to write something, which often leads to self-censorship," says the report.

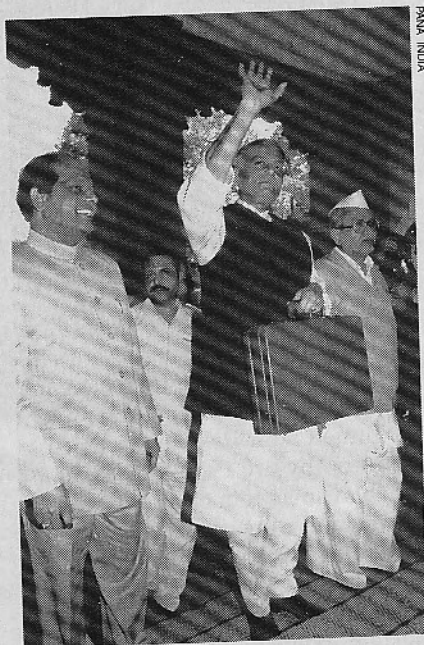
A tax budget, not a tough one

by Bibek Debroy

The Indian finance minister presented the Union Budget for 2000-2001 on 29 February. Under the Indian Constitution, the finance minister has to present an annual financial statement of the central government's revenue and expenditure before Parliament. The Indian Constitution provides for a Consolidated Fund. All money must go into this Fund and all money must be spent from it. However, this cannot be done without Parliament's approval. Hence the need for the budget. (There are small sums of money that can be spent from a Contingency Fund and there is a Public Account where deposits like small savings are kept. But these are not very important.)

Traditionally, the budget has been important because it varied excise, import duties and direct tax rates on a year-to-year basis. And if reforms had really taken hold, this would not have been the case any longer, and people would have lost interest in the budget. But since that has not yet happened and we are still in the transient phase, the budget is still important. Not because of the numbers, but because of what it does to the reform process, and the growth stimulus it imparts.

Since the first attempt at reform in 1991, the popular perspective of the budget has thus changed. But, except for some tinkering in the financial sector, there have been no substantial reforms since 1993-94. On fiscal deficit, the bulk of expenditure is non-plan expenditure (meaning expenditure that is not for projects, but is current expenditure). Today, if one adds up revenue expenditure on four heads—interest payments, defence, subsidies and salaries and wages of government employees—and compares this with



Yashwant Sinha arrives in Parliament to present the budget.

revenue income, there is already a deficit. That is how serious the deficit problem is. There is no surplus on the revenue account to finance an expected deficit on the capital account.

The expectation from Finance Minister Yashwant Sinha was that he would introduce reforms in the budget and address problems of subsidies, wages and salaries of government employees, and interest payments. And the finance minister was remarkably well placed to present a truly "Millennium Budget", so called by the minister over and over in his speech, as the government is under no immediate threat, and the economy is recovering.

Even if one accepts the point that the only solution to interest payments is to divest equity in public sector undertakings (PSUs),

which will be done outside the budget, Sinha could have done several things on subsidies and government expenditure. Even if some government jobs are lost in the process of switching resources to more productive avenues, many more jobs will be created elsewhere in the economy. Returns on government expenditure is inefficient at present, so resources have to be redirected towards the private sector where returns are higher. That, or the system of allocation, must be reformed.

On allocation itself, consider the system India inherited from the British and went on to perfect. No ministry or department asks for what it needs. It inflates demand, because it anticipates a cut. The Finance Ministry and the Planning Commission approve expenditure for a ministry or department, but without the technical expertise for such a task. So they simply take the previous year's figure and adjust

it upwards for inflation. Once approved, a ministry or department's funds are not necessarily spent on what they were meant for. There is no monitoring.

Ostensibly, there has been a Performance Budget since the 1970s, but this is nothing other than make-believe since release of subsequent funds is not linked to performance.

Damp squib

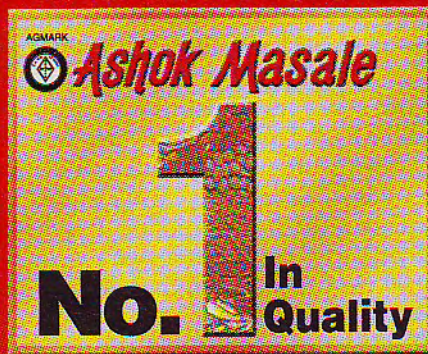
Before the new budget was out of his bag, the finance minister kept hinting at a tough line. It was never clear whether this meant a tough one for him (because of political compulsions like having to accommodate Railways Minister Mamta Banerjee) or for the country. However, as a result of all this talk, the country was prepared for a tough budget. It was up to Sinha to walk the talk. He has not. This is a tax budget, with some positive signals on subsidies.

In several other areas, Yashwant Sinha has adopted the Humphrey Appleby approach of setting up committees, task forces and expert groups. As a Millennium Budget, this is extremely unsatisfactory. The budget estimate for the fiscal/deficit GDP ratio in 2000-2001 is 5.1 percent. The minister's record of sticking to budget estimates wasn't so great in 1999-2000. Compared to the budgeted 4.1 percent ratio, the revised fiscal deficit ratio for 1999-2000 was 5.6 percent.

The budget assumes a nominal GDP growth rate of 12.2 percent. Inflation is quite low at present and will probably not climb higher than 4 percent in 2000-2001. So one requires a 8.2 percent real GDP growth, but the budget does nothing to stimulate this. Fiscal deficit figures will again go haywire and this either means an inflation or an upward pressure on interest rates and the crowding out of private investments because of government borrowing.

No service tax has been imposed now, and there has been no significant movement towards VAT (value added tax), but the peak basic customs duty has come down from 40 percent to 35 percent (with higher reductions for IT, films and diamonds). There are more liberal provisions on venture capital funds, and foreign participation in individual companies can now be up to 40 percent and the limit for investing in joint ventures (or acquisitions) abroad has gone up from USD 15 million to 50 million. Defence expenditure has gone up to 3 percent of GDP (the bulk of this is for wages, salaries and pensions, although it also includes enhanced provisions for stores, equipment and aircraft). There is also an unsatisfactory attempt to target food and fertiliser subsidies, and a five-year time frame for phasing out the income tax exemption on export profits has been announced.

All in all, not the stuff of a Millennium Budget, nor even of a budget to remember. If you are looking for reforms, better look for them outside the budget. ▲



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Indian prez: a weak brand

Recent studies based on official data suggest that 70 million people have been added to those below the poverty line since the so-called "reforms" began. Even the World Bank concedes a disturbing rise in poverty in India (see the Bank Update on Poverty, July 1999). Hundreds of farmers committed suicide in India of the 1990s. And the number of job-seekers registered at employment exchanges reached 40 million. Put that in a single queue crowding two people to a metre — you would have a line 20,000 km long. More than thrice the length of India's 6083-km coastline.

The President's Republic Day address was...the first speech from official quarters approximating the realities of the 1990s. A far cry from the gung-ho pro-liberalisation platitudes stuffed down Indian ears since 1991.

How did the media respond? The country's most powerful English daily, *The Times of India* (Mumbai edition), gave all of six inches to the President. Less than half the space it gave the privatisation of Indian Airlines alongside (the Indian Airlines story was the first lead). *The Times of India* headline managed to miss entirely the thrust of the address. Its headline was "President for peace, advises Pakistan to shun terrorism."

On comparison, I found that the paper had given much more space on the front page of *The Bombay Times* to fashion model Madhu Sapre and assorted film stars to lecture us on patriotism during the Kargil conflict. Apparently the President of India is a weak-selling brand. And an unpatriotic one.

The Indian Express (Mumbai) did far better, though the Indian Airlines story was the first lead story there too. It noted that the President had expressed serious concern over regional and social inequalities. It caught his distress over growing disparity in society. And it gave his comments more space than *The Times of India* did.

It then destroyed with its editorial the good sense shown in its news report. The President's speech had "all the usual lamentations..." And it challenged Narayanan on quotas by completely misstating his position. "No Sir! Permanent reservation is not salvation, it only enhances the social divide." Nowhere did

Narayanan call in his speech for "permanent" reservations. Nowhere did he espouse them as "salvation".

And, of course, the editorial lectures the President on where *The Indian Express* thinks salvation lies. "There is an Indian market, a market not yet fully free in a democracy. But the state has not fully come to terms with the bazaar. For that we need a statesman with iron in the soul."

The editorial is a perfect reflection of the vulgarity, self-righteousness and self-indulgence that the presidential address so movingly describes. What Narayanan calls a "stony-hearted society" is what *The Indian Express* endorses. In response to the misery of hundreds of millions, it wants a leader with iron in the soul. The editorial made very well the President's point: "There are signs that our privileged classes are getting tired of (the) affirmative action..." *The Indian Express* seems positively exhausted.

In all the TV channels I flipped through in the period soon after Narayanan made his speech, the first lead was the privatisation of Indian Airlines. Zee at least noted that there were critical references in the President's address. Some of the others wasted not a word on it.

Never mind it was the first honest appraisal of the state of the nation in the post-1991 era of liberalisation and globalisation coming from a person holding high office.

The effect of the President's speech (and later his comments on the legal system) on the ruling Bharatiya Janata Party was entertaining. The same people clamouring for "a strong chief executive" were in panic at the first sign of a President giving the nation both guidance and a piece of his mind. Remember, these are the very politicians who want a switchover to a presidential system where the chief executive is unshackled from accountability!

What if K.R. Narayanan had continued in his initial profession of journalist? And if he had submitted this striking analysis to a newspaper in Delhi or Mumbai? It is likely to have been rejected by the editor of the editorial page. The writer would have been told it was too ideological, lacking in objectivity and in balance.

It is not ideological, however, to dance like scantily clad cheerleaders for each act of privatisation that takes place. A semi-literate glorification of Market Fundamentalism and its Gospel of Growth would also not be ideological. That is normal behaviour. The President's comments on the performance of the judiciary would be seen as inviting trouble and lacking in respect.

In short, he would not have been published. Come to think of it, even submitting the speech as President of India has not helped him get it published properly. Maybe we need a few editors with less iron in the brain and more grey matter.

P. SAINATH IN "IRON IN THE SOUL, DECAY IN THE BRAIN"
FROM FRONTLINE.

Ward Chief arrested on charge of rape

BY OUR CORRESPONDENT

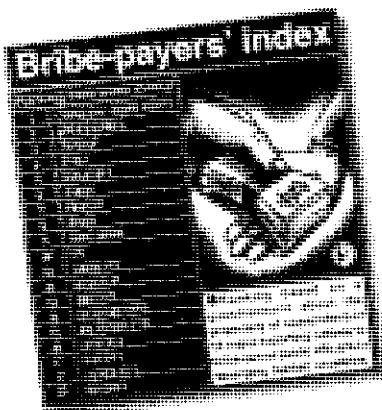
Rajbiraj Mar. 3:

Nandi Yadav, Chairman of Ward No. 9 of Nahara Rigaula VDC in Siraha district was arrested on charge of rape and attempted murder.

Yadav who was elected to the post in the last local election raped a twenty-year-old woman and tried to strangle her following the rape. However, the victim's husband Ramchandra Shah reached the scene after some local children informed him. Shah said that he found his wife in an unconscious state and immediately took her to hospital. She is currently undergoing treatment at Sagarmatha Zonal hospital in Rajbiraj.

The alleged Yadav is under police custody for further investigation. Yadav is reported to have committed two rapes earlier and was released by the VDC officials after he vowed not to repeat such crimes.

THE RISING NEMAL, KATHMANDU



GEMINI NEWS SERVICE, LONDON

For cell ecstasy

A modern herbal medicine for the treatment of sexual and nervous debility and weakness of the genital organs, available in Bangladesh for quite some time, is going to be exported soon, sources said.

Developed by the Hamdard Laboratories Bangladesh, the drug is known among its retailers as "Bangla-Viagra". It is expected to receive good response in some Middle Eastern countries, the sources added.

The medicine, marketed in tablet form in strips, has been named 'Frodex'. Hamdard Bangladesh officials said unlike the much talked about 'viagra' that acts on a single organ, this medicine acts on all important organs.

The herbal medicine has proved successful in the treatment of erection dysfunction (impotence), they said. Frodex helps restore sex hormones and is useful also for the treatment of cardiac, cerebral and nervous malfunctions. It restores depleted sexual power, said Hakim Kazi Mansur-ul-Huq.

The medicine is being prescribed by many noted physicians of the country, he said. Arrangements are being made to export the herbal medicine to countries including the USA, Japan, United Arab Emirates and Italy, he added.

Recently two seminars on the medicine were held in the USA and Japan. Attended by physicians and chemists, the seminars were very successful as they elicited enormous response from the participants, said Rafiqul Islam, the Marketing Manager.

The medicine is effective for both men and women as it equally stimulates male and female sex hormones creating feeling of natural ecstasy in all cells. No major side effect has so far been observed, Hamdard sources said, adding that the drug is prohibited for children.

A combination of natural ingredients, each Frodex tablet contains ambra grasea (4.39 milligram), asphalt (10.97 mg), pistacia lentiscus (10.97 mg), bezoar stone (10.97 mg), mytilus margariferus (10.97 mg), mambusa bambos (10.97), castorium (08.77 mg) and other ingredients, Hakim Mansur said.

GHULAM AHAD, IN "'BANGLA-VIAGRA' TO BE EXPORTED SOON" FROM *THE INDEPENDENT*, DHAKA.

Internet commandments

Last month, military junta in Burma issued regulations for Internet users in the country. Burmese state-controlled television on 20 January made an announcement on these regulations, which was edited and distributed by The Human Rights Information Network.

The regulations are:

- * Any writings detrimental to the interests of the Union of Myanmar [Burma] are not to be posted;
- * Any writings directly or indirectly detrimental to the current policies and secret security affairs of the government of the Union of Burma are not to be posted;
- * Writings related to politics are not to be posted;

- * Only the person who is given Internet account is to use the Internet; no other persons is allowed to use the Internet;
- * The person who is granted an Internet account is held responsible for all Internet use on that account;
- * A person with an Internet account is prohibited from hacking the web and entering and destroying the security system of Myanmar Post and Telecommunication (MPT);
- * Hacking the web and entering and destroying the security system of other Internet users is prohibited;
- * Persons who hold an Internet account are forbidden to misuse the account of other Internet users;
- * Internet users are to inform MPT of any threat on the Internet;
- * Internet users are to obtain prior permission from the organisation designated by the state to create web pages;
- * Applicants for an internet account are held accountable for the veracity of facts contained in the application form;
- * MPT has the right to amend and change regulations on the use of the Internet without prior notice;
- * Application can be filed for compensation for any damage or loss;
- * Internet use will be terminated and legal action will be taken for violation of any of these regulations.

FROM "BURMA JUNTA ISSUES REGULATIONS FOR INTERNET USERS" POSTED BY THE MIZZIMA NEWS GROUP.

I will not backsidebite

Other day Bashir Bhai and his goodwife Baby Bhabi are holding party. I am attending together with myself and friends Ustad, Roy and Moody:

we are Gang of Four, I am thinking.
Our own goodwives are with respective families, therefore we are temporary bachelor.
The guests are coming little by little, everybody respectable and highly occupied: Government service, NGO, business, industry. Some are notorious also but I will not backsidebite.

A few foreigners and non-resident locals make evening most cosmopolitan.
At first we are friendly but stiff, then host is pouring drinks.
We get tight,
loosen up,
let it all hang out,
everybody talking together
about everything under sun (and moon also):
'Greenhouse effect is coming.'
'Economy is deteriorating.'
'But Government is taking steps.'

'Yes in the wrong direction.'
 'Housing problem, servant problem, marriage problem.'
 'Palestine, Somalia, Bosnia.'
 'Poor Mr Boutros-Ghali, always looking like he is shitting bricks.'
 'Problem problem everywhere so let's have another drop to drink.'
 All the time the four of us buddies are using both eyes to steal glances — some slim, some not so slim, but very nice on the whole.
 Then suddenly everyone's eyes are filling up with newcomer: she is just like Mae West in sari. In my mind I am calling her Mae East. She is too good. But her husband is looking daggers right and left. This is not liberal attitude. After all, what is life?
 Bag of air with holes in it. In short, nothing without mercy pity piss-up and lust. With this final message I am ready to depart

together with myself and buddies. Then suddenly somebody is entering magnetic field of Mae West and losing control of his fingers. Mr Mae West shouts, 'Piss off!' Then bottles and glasses are running through air and quickly our gang is down on all fours galloping to exit.

KAISER HAQ IN "PARTY GAMES" FROM THE ANTHOLOGY *A HAPPY FAREWELL* (UNIVERSITY PRESS LIMITED, DHAKA).

Don't let the goons get away

Is there any lesson for us from Pinochet's present predicament?

Let me now turn to another sad chapter of human follies and misadventure. That misadventure took place just two years before the socialist president Allende was killed by the violent coup of General Pinochet. The year was 1971 and place was Bangladesh.

Pakistani army sought the help of some rogue army generals of West Pakistan to carry out a systematic genocide in Bangladesh. Among the rogue generals, the notables were Tikka Khan, Rao Farman Ali Khan, Niazi, etc. There were other military men in Islamabad who also participated in Bangladesh holocaust. Although they never stepped on Bangladesh during the period, nevertheless, they masterminded the whole operation sitting in the comfort of their barracks. General Hameed Gul was one such conspirator.

These retired army generals are still alive in Pakistan and are respected citizens of the land. Indeed crime pays in Pakistan because some of these murderers occupied some important positions under various regimes. Tikka Khan became president of Pakistan

People's Party and later became the governor of Punjab. General Hameed Gul became the chief spy of Pakistan and became adviser to many prime ministers and presidents. I'm sure Rao Farman Ali also had risen through the ranks and files. All in all, these perpetrators of Bengali genocide were rewarded for their "services" by Pakistan. The truth to the matter is that Pakistan is yet to apologise for the misdeeds of these army generals.

There was some talk about this apology issue in certain quarters of Pakistan. But the talk did not go too far. It was simply squished by army.

As a leader of Bangladesh, the Prime Minister should vociferously protest to Pakistani government to bring the goon squad of Tikka, Farman Ali, Niazi, Hameed Gul and others to justice. Their hands are stained with the blood of murdered Bengalis. A crime of this magnitude should never go unpunished.

The Bengalis should start a campaign against these retired Pakistani generals. We can most certainly write articles depicting the crime they had perpetrated against innocent civilians. These are crime against humanity. We have the international court in The Hague, The Netherlands. If Spanish government could persuade the British authorities to arrest Pinochet, why cannot we persuade the civilised nations to arrest the masterminds of Bangladesh genocide? Better yet, let us ask Pakistani government to arrest the high priests of Pakistani army responsible for Bangladesh genocide during 1971. Is it too much to ask?

I hope General Pinochet receives his deserving punishment from the Spanish court. Who says crime pays! Today it is General Pinochet who is making the headlines; tomorrow it may be Tikka Khan. I hope evil Tikka is paying attention to all of these.

A.H. JAFFOR ULLAH IN "PINOCHET AND TIKKA: BIRDS OF SAME FEATHER!" FROM *NEWS FROM BANGLADESH*, DAILY INTERNET EDITION, (WWW.BANGLADESH-WEB.COM/NEWS)



THE NEWS, ISLAMABAD

Want to join this company?

A friend, whose corporate genius has ensured a seat for decades on the summit of private sector Everests, but whose interest in public affairs is both emphatic and filled with empathy, sent me an e-mail with a headline: "Read this, it is true." I reproduce his e-mail:

Can you imagine working for the following company?

It has a little over 500 employees with the following statistics:

- 29 have been accused of spousal abuse.
- 7 have been arrested for fraud.
- 19 have been accused of passing bad checks.
- 117 have bankrupted at least two businesses.
- 3 have been attested for assault.
- 71 cannot get credit or loans due to bad credit histories.
- 14 have been arrested on drug related charges.

- 8 have been arrested for shop lifting.
 - 21 are current defendants on various lawsuits.
 - In 1998 alone, 84 were stopped for drunk driving.
- Can you guess what organisation this is?
Give up?

It is the 545 members of the Lower House of Parliament of India that work for me and you. The same group that cranks out hundreds upon hundreds of laws designed to keep the rest of us in line...

I do not know if this is true, but it is certainly convincing.

It is fashionable to laugh at politicians, but this mail was not sent in malice. It was sent in anger. My friend, like any other Indian, has a right to demand responsible government, has a right to expect an elected House that sustains the pride of democracy. India's freedom is her biggest asset, and it is an asset which is going to turn in huge returns even in economic terms in the coming decades (simply put: you cannot have an Internet economy in a closed society, as China will discover to her cost and India is finding out to its gain). He does not want this asset to be degraded by irresponsible management...

M.J. AKBAR IN "THE CONSTITUTION OF AN ALTERNATIVE IDEOLOGY" FROM *THE ASIAN AGE*.

Promiscuous kites

We see the beginnings of a new culture war in Pakistan. The first skirmish in this conflict is the demand to ban the festival of Basant, or Vasant. An old subcontinental tradition, it celebrates the onset of spring with kite-flying and other festivities. Much ingenuity goes into the design of the kite and the string, to give it strength and agility to capture other kites. The string is soaked in special compounds so that it is able to slice other strings. When a kite falls, a great cry of *Bo kataa* goes up from the rooftops.

I lived a few years of my childhood in Jammu, where Vasant was celebrated with great gusto. Some of my most magical memories of that period relate to the kite-battles of Vasant. My father grew up in Kapurthala and went to college in Lahore and he had done a lot of kite-flying in his youth, so he was keen I should get an experience of Vasant madness!

When India was partitioned, most Pakistanis abandoned the Vasant festivities as a relic of the Hindu past. But over the years the memories of the festival have returned, and in Lahore and elsewhere celebrations have resumed. But not everyone is pleased.

Writing for a ban on the festival in a Pakistani newspaper, Professor Anis Ahmad says that "it helps in creating conditions where men and women can intermingle indiscriminately while flying kites, by shouting *Bo Kataa* and by singing suggestive songs, provoking sexual emotions among youth, and ultimately promoting a promiscuous society." He reminds us that Pakistan must be different from India in culture, values, vision of life, concept of space and time,

art and literature.

This carping about Vasant is a small element of a much larger turning away from things which are Indian or Persian in language or culture. For example, *Khuda*, God, is a Persian word of pagan conception, so some Pakistanis want it replaced in the popular greeting of *Khuda-Hafiz* by *Allah-Hafiz*. Etymologically, *Khuda* or Avestan *Kshvataa* is related to the Sanskrit root *kshi-*, which means "to rule", from which is derived *kshatriya*.

Thankfully, this struggle over language or kite-flying excites only sections of the public. Some disapprove of kite-flying because it leads to accidents. And not all Pakistanis are aware that *Khuda* is a pagan word, just as they are not aware that *wah-wah* of the *mehfils* is a remembrance of the *svaha-svaha* of the Vedic ritual.

But mehndi, or henna, is something else. It is used as an integral part of the marriage celebration. On *mehndiraat* [mehndi night], women sketch intricate designs on the hands and feet of the bride and the groom for good luck and then dance around them. This ceremony is performed the same way by most groups in the Indian Subcontinent.

Although it has been long known that the use of mehndi is Hindu in origin, it is only recently that Pakistanis have realised its deep religious connections. The word mehndi is from the Sanskrit *mehaghni*, which is also a synonym for turmeric (more commonly *haridra* in Sanskrit). The use of mehndi—and turmeric—is described in the Vedic books for a painting on hands and feet of the outer and the inner suns. Vedic customs are meant to awaken the spirit and so the gold of mehndi is the medium to tell a deeper story, symbolically. A traditional mehndi design shows the sun on the palm, which in this context represents the mind. Other designs are more abstract, like yogic yantras. The mehndiraat songs speak of the mystical power of mehndi.

In many ways, mehndiraat is the quintessential marriage ceremony for women because, traditionally, they didn't accompany the *baraat* to the bride's house. When the marriage took place the following day, not all the women relatives were expected to be present. But this didn't matter as they had had their celebration with dancing and singing. The ceremonial use of mehndi—its pageantry and religious connection to the Vedas—is redolent of Hinduism's hoary past and one of the symbols of Indian cultural unity.

The use of mehndi has recently become popular in the West. As an icon of the world-triumphing American pop-culture, its use for personal decoration is spreading everywhere. Pakistanis are prepared to play the firangi game of cricket because it is an activity without any esoteric meaning. Also, it is not considered connected to Christianity in the same manner that kite-flying at Vasant is seen a part of a "Hindu activity". Some Pakistanis may even fly kites, but there is general agreement that a line should be drawn at things that smack of another religion.

SUBHASH KAK IN "THE COMING MEHNDI WAR" FROM SULEKHA (WWW.SULEKHA.COM)

Caution: Development Ahead

Three books on behalf of those waylaid by certain notions of progress, which see it as the monopoly sector of the state and the playground of the market.

reviewed by Ajaya Dixit

THE BOOKS under review have been written variously by a group of activists, an internationally acclaimed novelist and an energy analyst. *The Dispossessed* takes the perspective of those affected by the social and environmental ills wrought by mismanaged development; *The Greater Common Good* is a protest essay on involuntary displacement by a specific water development project; and *Power Play* is about energy planning in India, and bases its analysis on the Dhabol Power Plant in Maharashtra. There is, however, a common thread binding these works, and that is the question of how the growing needs of changing societies can be met without the attendant social, environmental, political and economic marginalisation.

The Dispossessed brings together case studies documenting the process of victimisation in 10 post-colonial states of Asia as they continue their development race to catch up with the industrialised West. The essays cover wide-ranging issues: industrial disaster, pollution, deforestation; displacement of women, tribals and the vulnerable; structural adjustment programme; and the role of the Bretton Woods institutions. Though widely acknowledged and universally abhorred, the manner in which victimisation takes place during development is still little understood, say the editors in the preface. The book aims to provide some explanation.

Globalisation and its salient features, unrestrained trade and the laissez-faire of investment libera-

tion, are the overwhelming signposts of post-industrial society. The market is the dominant entity, which, by character, seeks freedom to profit, and networks are built across nation-states in an attempt to meet the bottomline of profit. In the case of developed countries, social controls are in place and the governments do provide some countervailing contestation to ensure that unjustified profits are not made and human vulnerability not exacerbated. The problem with countries such as those in South



The Dispossessed: Victims of Development in Asia

edited by Vinod Raina, Aditi Chowdhury and Sumit Chowdhury
ARENA Press, Hong Kong, 1997
ISBN 962 7156 12 1
pp 468

Asia is that the framework of safeguards as well as social structure is highly fragmented, while exclusion, insensitivity and rent-seeking tendencies characterise the state.

Take the example of India. Technological innovation and diversification of economy saw industrial growth rate veering around 2.8-3.5 percent till the 1970s (p 72). But the growth was skewed; it neither trickled vertically nor horizontally across the country. Raina *et al* argue that India of the 1970s was simmering with disenchantment, which led to the emergence of several social

and environmental movements espousing the cause of the dispossessed (and the imposition of the Emergency in 1975 was a logical reaction from the immensely powerful state) (p 72). Yet today, despite two decades of vigorous campaigning, the reliance is ever more on a market-driven solution to development than going up on the social learning curve.

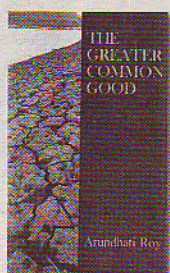
The compendium provides a critique of globalisation, portraying it as a fragmenting force in the region rather than as a unifying one. In South Asia, because both capital and knowledge are monopolised by a few, the liberalisation process may not be even minimally distributive, as it may be elsewhere. The book reinforces arguments that globalisation drives a wedge between the haves and the have-nots with the state courting the market as the only way of gaining on the West. The editors state that, given the existing contradictions, a unitary approach would lead to alienation, resulting in often-violent communal, casteist or ethnic assertions (p 73).

Devastating picture

The bitter reality of marginalisation is more evident in the lack of availability of basic services like water and energy—the general themes tackled by Roy (*The Greater Common Good*) and Mehta (*Power Play*). The two authors question the entrenched propensity of the State, its minions and the elite to regard development and social justice as a necessary dichotomy. As Abhay Mehta puts it, “In this country the

idea of development is largely specific to a class of population and it is operationally defined and used for the specific class" (p 179). The other sets of people are deliberately excluded, even considered irrelevant, but are made to bear all the externalised cost.

Arundhati Roy comes across as the angry egalitarian who tears apart this notion of exclusion. Her argument is neither a review of the writings on involuntary displacement nor a treatise on water management options, but a literature of protest. Roy is aghast that 30 to 50 million fellow citizens have been involuntarily displaced and the ma-



The Greater Common Good

by Arundhati Roy
IndiaBook Distributors,
Bombay, 1999
ISBN 81 7310 121 3
pp 76
INR 65

majority of them condemned to the ghetto of impoverishment in the 50 years of independent nationhood—even as the 'democratic' state marched towards ostensible prosperity. The conviction and compassion with which the Booker Prize-winning novelist has crafted her essay brings home the plight of those involuntarily displaced by the Sardar Sarovar Project in central India.

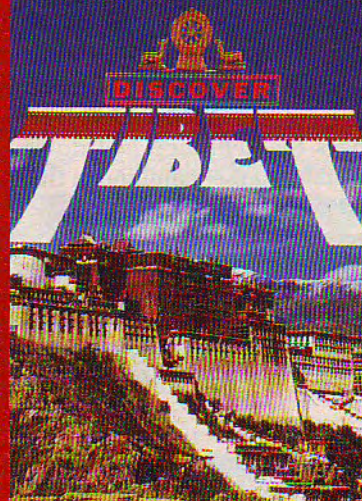
Governments justify involuntary displacement by citing 'the greater common good', especially in the case of water and energy security. But what can never be forgotten is that, for the displaced, it is a lose-lose situation. They often get nothing in return—neither land, shelter, drinking water, nor education or health services. What they get, is a feel of the bureaucracy. Roy gives the example of what the involuntary are called in development parlance—"PAP" (Project Affected Person), an acronym that serves to reduce victims into mere numbers.

In South Asia's inherently asym-

metric and fragmented social structures, those at the social and physical margins are deprived of everything, including their values, while the road to development is taken under the auspices of selectively defined prosperity. To Roy, this social asymmetry helps the state become both "judge and jury", reducing the people to chronic fatalists. Can a fellow human be asked, against will, to leave his/her place of living because of particular notions of development and change? "Would you like to trade your beach house in Goa for a hovel in Pahargunj?" (p 39) is Roy's rhetorical poser, an ethical dilemma that should gnaw at the conscience of the privileged. She exposes the contradictions that arise when a design gets translated into a water management system; her prose cuts through assumptions with the precision of a surgeon's scalpel. When it comes to the state, the picture is devastating.

Unfortunately, in South Asian countries, the debate is not on why the situation is so, and how it could be changed, but on the size and scale of intervention. The state-led hierarchical solidarity continues to advocate the tested-and-practised-since-colonial-times "hard path" of augmenting supply as the only viable response. With globalisation, the market too has entered the fray, championing the same approach.

Not addressed is the question whether the priority should be to add more supplies by involuntarily displacing citizens from their homes, or whether it should be directed towards creating incentives by plugging the physical and institutional leaks, and generating supply at lower social and environmental cost. Creating incentives requires, among others, honouring the rule of the law within a particular societal context, and a level playing field to allow a healthy and competitive market to emerge, with the strengthening of regulatory and social auditing capacity. The last is particularly critical because responses from the state and the market need to be contested so that the former does not become authoritarian and the latter rapacious.



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Review

Admiring Enron

Mehta's *Power Play* sets out to do precisely that in the sense he challenges the definition laid down by the state-market combine in the terrain of India's energy policy. The liberalisation of the Indian economy in 1991 led to conceptualisation of fast-track power projects financed through foreign direct investments (FDIs) to meet the growing energy deficit. One such initiative was the



Power Play: A Study of the Enron Project

by Abhay Mehta
Orient Longman, New Delhi, 1999
ISBN 81 250 1745 3
xv+226
INR 195

695 MW thermal power project built in Maharashtra by the Dhabol Power Company (DPC), a local subsidiary of the Texas-based Enron Power Corporation. In August 1996, the Government of Maharashtra and the DPC signed a 'renegotiated' agreement for the supply of about 2000 MW of electricity to Maha-rashtra State Electricity Board (MSEB).

Mehta traces the conceptualisation, development and debates around the project. Ignoring suggestions from the Central Electricity Authority (CEA) that the proposed power purchase agreement (PPA) would be against the interest of the MSEB, the 13-day Vajpayee Government ratified the counter-guarantee to the project on its last day in office in May 1996 (p 159). Further, the irrefutable economic critique of the project by the World Bank, which should have sounded its death knell, went unheeded.

DPC secured a highly favourable bargain in the form of a PPA which bypasses the controls put in place by the power administration in India. The payments amounting to about USD 35 billion over the 30-year life of this contract in the form of the binding PPA, according to Mehta, will constitute one of the

largest in India's history.

In the first year of business in 1999, the MSEB bought energy from the DPC at INR 2.54 per unit. Even in the low-demand monsoon season, the MSEB could not use cheaper power from its own and other plants, directly leading to an annual loss of INR 240 million writes Mehta in the Postscript. The implication of such a financial strain is serious because it would only add to the challenges in making the region's energy supply and distribution sector more efficient. The book presents a critique of Maharashtra state and central authorities rather than an indictment of the producer for securing a most favourable deal for itself. Mehta, in fact, betrays a sneaking admiration for Enron for making off with the contract.

The central lesson that can be drawn from these books is about choice of options, and to choose the one that will meet the needs of energy and water without leading to exclusion and victimisation. The selection of options will naturally raise questions about demand and projection of electricity and water needs in future. And because projections always vary according to who makes them, and given the reality of political power represented there in, assumptions of all projections need to be continuously contested.

The South Asian elite, who inherited the right of *swaraj* from the British, have not succeeded in their collective endeavour to al-

low the less-privileged to take advantage of opportunities. Prosperity continues to be selectively provided. The three books point to the culpability of the existing political structure and its proclivity for rent-seeking. They also re-inforce the philosophy that the policy terrain needs to be continuously challenged if changes are to be meaningful and there is no sliding back. Changes mean democratising, and institutionalising social justice. The process, of course, begins with introspection, howsoever unpleasant that may be for those with entrenched notions of development. Only thus will begin the transition to a less conflict-ridden future, which is the positive goal of each of these books, which stand out as conscience-stirring documents of social auditing. ▲



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JOB OPENING

The Women's Feature Service (WFS), an international development news-features service, is seeking to recruit a Director for its operations in New Delhi. The position will be available in June 2000.

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At last, Himalayan cinema

reviewed by *Kanak Mani Dixit*

CARAVAN

A film by Eric Valli
Cinemascope, 104 min

IN THESE days of cinematic Himalayan hype it is natural to be sceptical about yet another celluloid offering on the 'exotic' Shangri La-esque communities and landscapes of the Tibetan plateau and surrounding areas. It is therefore a pleasant surprise to find in Eric Valli's *Caravan* a movie with a story, simply and powerfully told.

Eric Valli is a photographer-adventurer now turned cinematographer who before this has ventured into deep (sometimes officially forbidden) Himalayan valleys to come away with little photographic fables, such as on the "honey hunters" of the Gurung heartland of central Nepal. This time around, Valli has teamed up with Galatee Films of Paris to produce a feature film on the salt traders of the Tibetan rimland of Dolpo, in northwest Nepal.

The obvious reason for the film's success is the director's attention to the story-line, on which the locale and customs of Upper Dolpo then become natural appendages. In most of the Himalayan films made for Western audiences, such as the wide-screen Imax presentation *Everest*, or even Bernardo Bertolucci's *The Little Buddha*, it has tended to be

the other way around.

Thinley is a tradition-bound village chieftain past his prime, who has led yak caravans over the dangerous high passes that lead down to the *rongba* (lowlander) country of midhill Nepal, continuing a centuries-old tradition of exchanging salt for grain. His son, Lhakpa, who was expected to take over the reins of village leadership, dies in an accident. As far as most of the villagers are concerned, Lhakpa's friend, the proud and handsome Karma, is the natural choice to lead the next caravan to the south, although Thinley has his misgivings.

In Karma, we have the impatient modern-day non-believer. He rounds up the village youth and starts the caravan journey south before the village seer's auspicious hour. This does not go well with the equally proud Thinley, who opts out and forms his own group which

will follow the oracle, and the dictates of age-old belief, even though neither he nor his lead yak Nygimpo are any longer their youthful selves. The story of *Caravan* is founded on the tension that swirls around Thinley and Karma, as the two lead their followers and families separately on the perilous trans-Himalayan journey.

After a slightly awkward beginning, the film settles down to a comfortable pace with creditable performances by the non-professional actors assembled by Valli. All but three characters in the film are Dolpopa proper, including Thinley Lhondup who plays the old man and Karma Wangel in the role of his boy-grandson.

Caravan was filmed entirely 'on location' between September 1997 and July 1998, taking all of nine months in Dolpo's challenging terrain. The absence of elaborate stu-



Gurgon Kyap in the role of Karma.

Joining the Oscar caravan

IS IT great news for Nepali cinema or is it Nepal's tourism industry that shall gain? An Oscar nomination for best foreign-language film for *Caravan*, and maybe the award itself when it is announced on 26 March, might indeed be just reward for a challenging film, but can it truly, as the Oscar nomination does, be called "Nepal's first Academy Award nomination"?

Not really. Of course, almost all the actors in the film are Nepali, the credits call it a "co-production of National Studio, Nepal" and mentions well-known Nepali cinema man, Neer Shah, as one among the six associate producers (as well as the names of some Nepali technical hands), but still it is an out and out foreign production headed by French director, Eric Valli. For those yet wanting to prove the Nepaliness of the movie, you could say that it was the Kathmandophile Desmond Doig who gave Valli his first break.

Such nitpicking aside, the fact that *Caravan* has been running since 10 October 1999 in Kathmandu to a packed house of expats, tourists and locals, must mean that Nepali cinegoers have it in them to appreciate good cinema, however spoilt they have been by Hindi films and their poor Nepali imitations. By setting a standard for compelling cinema, Valli's film should be able to inspire Kollywood's filmmakers to get out of the rut of parodically copying Bollywood.

dio sets enhances the film's authentic feel, although the shooting of some of the scenes must have been difficult indeed.

Among the many outstanding episodes, and obviously a high point for Himalayan cinema, is where darkness slowly overtakes Thinley's caravan on a high pass in the middle of a heavy snow-blizzard. This section is followed by the morning-after brightness at the *latoh* (pyramid of stone offerings at a pass), where Thinley finally departs with his soul.

While resisting the temptation of providing an ethnographic documentary evidence, *Caravan* is nevertheless successful in presenting the natural rhythms of the Dolpopas' life-cycle through the fictional script. The various episodes are full of understatement, which requires some alertness on the part of the viewer. This is evident, for example, in the low-key acting by the 'heroine' of the film, the Dharamsala-based Lhakpa Tsamchoe. The complexity of Thinley's character, a loud-mouth egotist and yet a man with the wisdom of the old and undoubted strength of character, is captured well. Neither the few moments of humour in the film, nor

the longer episodes showing high drama or pathos, is overdone.

The authenticity of *Caravan* is enhanced by scenes such as the one where a bag of salt is lifted from the padded back of a yak in a gathering snowstorm—the brightness of the rug underneath is suddenly seen in contrast to the grey sprinkling of snow on the yak's back. The "sky-burial" of Lhakpa's mortal remains is shot tastefully, with the lammergeier and griffon vultures dipping below the frame as they set about their business. The insides of window-less Dolpo houses, nighttime within yak-hair tents, and the interiors of monasteries are effectively filmed without intrusive artificial lighting. The craggy yet desert-like vistas of upper Dolpo, high passes looking across to the Himalayan ramparts, and the dark figures of yaks against snowfields, are images that one would of course expect in a film shot on the Tibetan plateau. And yet, these shots sustain, rather than detract from the story line of *Caravan*.

The script, written with the assistance of Olivier Dazat, has been sensitively prepared ("He saw the storm in the blue sky and I saw nothing," laments a wiser Karma after

Thinley's death.). And again, the film seems to achieve a fair degree of ethnological authenticity despite the obvious compromises of fictional film production. The music, a mix of traditional Tibetan vocals with Western accompaniment (including the Bulgarian Symphony Orchestra) also fits in with the unfolding story.

Caravan is effective Himalayan cinema, and comes off better than the only other film this reviewer has seen in this genre, which is the somewhat surreal, *The Horse Thief* of 1986, based in Tibet, and directed by the Chinese Tian Zhuang-zhuang. Through its more nuanced presentation, Valli's film is bound to enchant viewers worldwide, but it will also generate better understanding of the harsh livelihoods in the hidden valleys of the Himalayan rimland.

It is ironic that the very week that *Caravan* premiered in Kathmandu, Unicef and the government began an advertising blitz in their ongoing campaign to fight goitre and cretinism with iodised salt in the kingdom. Powdered salt, imported from the coast of Gujarat rather than the salt pans of Tibet, are seen as the best medium to spread iodine throughout the population. Indeed, the subsidised spread of iodised Indian salt for the sake of Nepali public health is one of several reasons that the salt caravans of Dolpo themselves are a dying tradition. And its eventual disappearance is what seems to have impelled Eric Valli to document this unique kind of trans-Himalayan trade.

Director Valli has said that the life of the Dolpopa does not have to be romanticised, and so he does not pander to the overseas viewer by hyping the romance of high plateau. "This film is a sort of a western, a Tibetan western," says Valli. He adds, "This saga of power, pride and glory might have taken place, just as well, in the seas of Japan, in the Normandy plains, or deep in Texas." Fortunately for us of the Himalaya, it takes place in Dolpo.

(Earlier published in Nepali in Himalaya Times, Kathmandu.)

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ranjit hoskote:

two poems

jenny yamahoto's

Number 48

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I
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S



OUT OF RANGE

I.

Single cloud impaled
on a mallard's cry
I sit
out of range
across a lotus pond
centre of breath
for a tropical Monet
grown silent, eye-hand-brush watching
great cupped palms
thrusting green from the weed-clogged water
to receive
the benison of rain.

II.

Cast wide
the net of dreams.

A mountain deposited by morning
has fallen asleep in the eye.

A single egret, the one note
of dissent under a radiant cloud.

III.

The technician's only ambition:
to grow from fish to salt
in the ocean's churning.

IV.

From a single straw, the field seeds
a harvest of suns.

Suns that torpedo
my clotted veins.

V.

A hermit in autumn, reluctant to lie down
on the sharp points of grass.

To call the sun home is like trying to heal
a physician:
he knots himself in the sheets,
muttering fevered curses, fighting off
the mountains flying through his sleep.



RANJIT
HOSKOTE

CAUTIONARY TALES AFTER KABIR

I

Beware, my sons, of towns founded by gold-miners,
now abandoned in the saddle of a valley.
Before long, parting ways with your muleteers,
you'll stumble on routes
no caravan has used for decades.

Stone monkeys point north to the foothills.
Below spread pastures flecked with ash, outposts
snuffed out by crossed signals, crooked guides.
Those who reach this town have taken
the wrong direction, been taken for a ride.

And come here without risking their necks
on the slopes, without seeing that other country
of high passes which do not clear,
where the mist hovers, a wry hawk.
Who *talks* of that other country

misses the point.

II

Beware, my daughters, of men who say:
I've forgotten the name of my village,
I've forgotten the way back;
tomorrow, I'll cross the river
in an iron canoe
with rocks for ballast.

Starving pioneers, prospectors duped
by brindled stream and hacksaw ledge,
may the swooping hawk
wish them well.

III

A splinter from the fair tree of that other country
once lodged deep in my thigh. I've carried
that broken spear-point around for years.
Fetch me, from the mines of that other country,
a lodestone to pull it out.

Fronds of fire above, roots winched
in the running transparency of a brook:
homage to that phoenix,
the fair tree of that other country,
on which the image is about to flower.

IV

Broken staircase. Blue lotus afloat
on the surface of imagined water.
My words are pinpoints,
spots of light shot through the wormholes
in the pages of my grandfather's journals.
My words are foxes gone to ground
in the maze of his cellared notes.

The man who wrote those testaments
didn't notice when his pen fell back,
slow-paced turtle to the hare of his song.
His speech, like mine, was eastern
if you were quicker, you'd catch his words
before they melted on my tongue
and trapped us in writing once again.

Hunt on, coroner of rhymes, among library shelves
in the west, where no one follows us
except the anthologists of curious dialects.



Number 48

a short story by Jenny Yamamoto

Getting a seat on the bus used to be a random affair; that is, until she missed her usual bus and was forced to take the air conditioned bus Number 48. Arunee used to shuffle her way towards the back after boarding the bus, where the chances of getting a seat were higher by the sheer proportion of seats to passengers; but now she found that she preferred to sit at the front, where she could see the road.

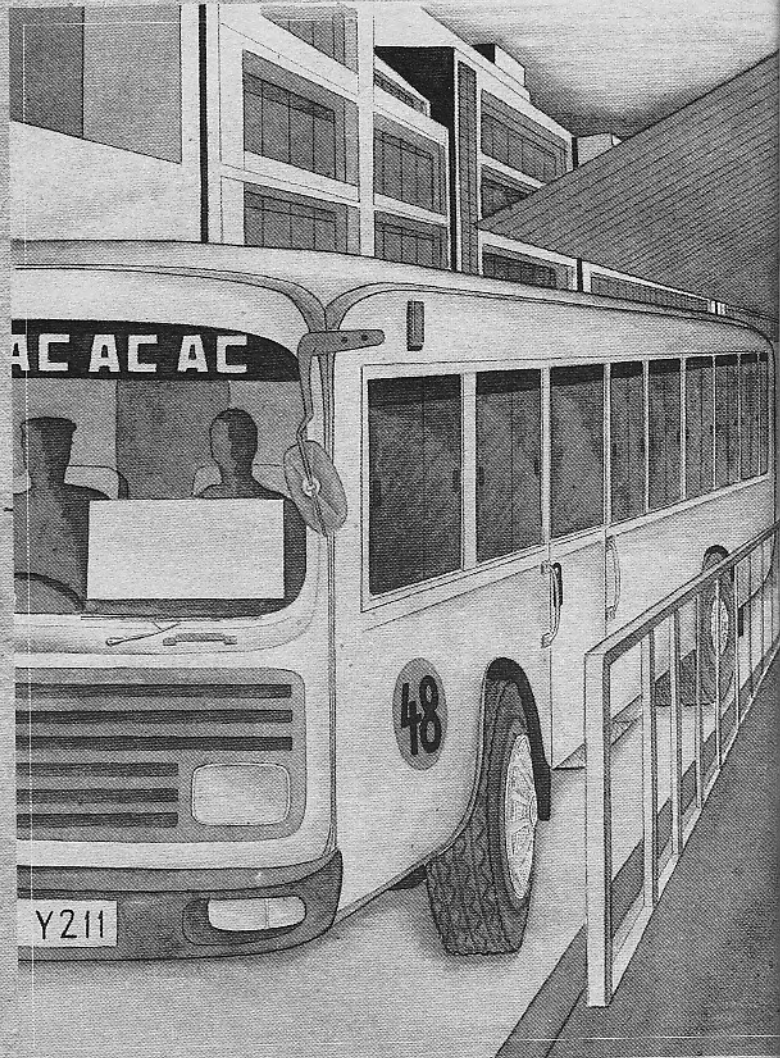
I'm sorry madam, I didn't mean to make you feel uncomfortable. It's just that after all these years, I feel that I know you already. I have told you things I haven't told anyone, not a soul.

Since changing to Number 48 several years ago, Arunee found that she was able to sit for the greater part of the journey, and as a result, was less tired. She had an almost regular seat in the front now, right next to the driver. Although the price of the air conditioned bus was almost double the red buses, she knew she was no longer a young chicken and should not exhaust herself before getting to work. She inhaled less smog as well, although the smell of garlic on some mornings made her stomach churn.

Aaa, you look surprised. I know you are thinking that we've hardly exchanged a word over the last three years, except for the odd hello or excuse me. But in my mind, between the bus stop and my office, we have conversed at length and in depth. Ho ho — you think I'm soft in the head? At one point I doubted my sanity too; so I checked with my brother who is a doctor. He reassured me that I only have to worry about my mind when I start talking to myself out loud.

She would make up for the extra cost of the bus by forfeiting her orange drink at lunchtime. Some of her friends who worked with her chided her for becoming "posh", but she knew better than them, she had her priorities right. After all, if she became ill from exhaustion like poor old Daeng, what good would come of her scrimping? No work meant no food and certainly no orange drink.

I used to get off at the stop after my real stop, I mean the stop in front of my office, and walk back about ten minutes. That way I could stay on until you got on, you see.



She thought for a moment about old Daeng, who was now being looked after by her granddaughter and her husband. She was fortunate to have such relatives. Arunee tried to stop her mind from asking but it was too late: who would look after her if she got sick?

You mustn't thank me for the seat, really. In fact, I must thank you for allowing me to be of some service. You see, my life had reached a turning point around the day we first met. I had been working very hard at that time, in fact that was why I had overslept and overshot my stop; then I was about to jump up and rush off when I looked up and saw you, standing serenely with your back straight and your eyes looking calmly ahead, like the resolute captain on a lazy sea.

She shook her head and looked around her, trying to find something else to think about. Her bus was late again this morning. She saw a stray dog sprawled out under the new plastic chairs of the bus stop and studied its body for signs of life.



And then when I stood, and you looked at me with those peaceful eyes, and I moved to the left, and you moved to your left, and when we both stepped forward at the same time, it was as if we were performing a dance. You think I exaggerate but sincerely, it was like a ritualistic dance, and as you sat down and I made my way to the exit, I felt light and peculiar, a bit like when you know you've forgotten something but you can't quite remember what.

At least as an employee of the hospital she could get some discount on medicines, should she need any. And even if she was fired, she knew she could lay her hands on the drugs at a reasonable price. Over the course of their careers in cleaning the hospital, they had all learnt about the invisible supply routes which coursed through the corridors and into the streets. Oh yes, she chuckled to herself, more relieved than amused. She had learnt a thing or two about medicine.

So ever since that day, I've tried to take the same bus and sit in the same seat. Some days I'm unlucky, but on those when I manage to give you my seat, I feel light all day long. I know my colleagues and even my wife sometimes suspect that I'm having an affair, or hiding some good news about the lottery. Even the ticket conductor, that enormous woman, gives me a look of amusement these days. But whenever I see how curiously they look at me I start to giggle and my insides erupt in a feeling of goodness: how can I explain that all it takes to be happy is to give you my seat, my secret friend whose name I don't even know? And it has helped me tremendously when I've had my ten-minute discussions with you between the stop and my

office—it helps me to clear my mind and begin the day on a positive note.

She looked up and saw Number 48 in the distance. Thank goodness, she would not be too late. She stood behind two junior high school students in their shocking pink shirts and waited for the bus to slow to a halt. The doors opened, and out flowed a stream of disembarking bodies. She was about to climb the first step when she noticed that someone was holding her arm, a man in a grey suit. She turned to face him angrily and saw he was smiling.

"What are you doing?" she cried.

"Madam, please excuse me, but do you not recognise me?"

She looked at him blankly. The bus began to pull away. "You fool, I'll miss my bus!" she rapped sharply, and raced after it. She could not afford to miss this bus. She managed to leap aboard before it gathered speed. The stranger stood agape, watching the bus as it meandered into the streaming traffic.

Madam, may I have a moment? I just wanted to tell you that I won't be able to give you my seat for much longer, for I am retiring soon...and I just wanted to tell you what a pleasure it has been to give you my seat and I thought that you would at least want to know my name. After all, I had always wanted to ask you yours...

Call for Entries

In December 2000, Kathmandu Valley will host the Kathmandu International Mountain Film Festival, screening about 30 of the best films on mountains, mountain people and mountain sports.

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Criteria

Films made after 1 January 1997 are eligible for entry. Other than this, there is no bar in terms of discipline, genre, length, and format. Therefore, entries may be documentaries, full-

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Books Received



The Marginal Nation: Transborder Migration from Bangladesh to West Bengal

by Ranabir Samaddar
Sage Publications, New Delhi, 1999
pp 227 • ISBN 81 7036 744 1 • INR 325

Dealing with transborder migrations from Bangladesh to West Bengal, the book analyses it within a perspective which accommodates the historical, cultural and geographic dimensions along with the economic and demographic. Written in an activist and interventionist mode, it challenges the

validity of the concept of the nation-state in the context of post-colonial South Asia. The author demystifies the constructs of 'borders' and 'national territory' by bringing out the viewpoints of the migrants themselves. He questions the practical value of these terms by showing how the flow of people across the Indo-Bangladesh border is prompted by historical and social affinities, geographical contiguity, and the economic imperative.



Problems of Governance in South Asia

edited by V.A. Pai Panandiker
Konark Publishers, New Delhi, 2000
pp xxii+479 • ISBN 81 220 0559 4 • INR 495

This study is a wrap-up volume of a project initiated a decade ago to study the problems of governance in Bangladesh, India, Nepal, Pakistan and Sri Lanka. It focuses on some of the common political, economic, social and institutional problems of governance

plaguishing these countries. As one contributor puts it, these countries are united by a common thread of "misgovernance". The volume also suggests agenda for remedial action by each country individually and by the region as a whole.



Himalaya: Life on the Edge of the World

by David Zurick and P.P. Karan
The Johns Hopkins University Press, Baltimore and London, 1999
pp xiv+355 • ISBN 0 8018 6168 3 • price not given

With the help of geological records, scientific reports, official documents dating back over a century, field research and travel, the authors explore the environmental and cultural changes in the Himalayan

region. The book provides: a comprehensive natural history of the region from the birth of the Himalaya to the variety of landforms, habitats, and climates seen today; a study of the mountain people, tracing human history in the Himalaya back more than a thousand years; and an in-depth analysis of the relationship between nature and society in the Himalaya and the pressing problems of environmental degradation, explosive population growth, spiralling poverty, and globalisation confronting the region and its people.



Gross National Happiness

Edited by Sonam Kinga, Karma Galay, Phuntsho Raptan and Adam Pain
The Centre for Bhutan Studies, Thimphu, 1999
pp 143 • price not given

The nine chapters in this publication all address the concept of Gross National Happiness or GNH, as laid out as a policy imperative by late Bhutanese king Jigme Dorji Wangchuk and expanded by the present ruler Jigme Singye Wangchuk. The collection

is part of a wider and ongoing discussion on GNH that has been taking place in the *Kuensel* weekly. One of the contributors sees GNH as a value embedded in Bhutanese society, but one which is under threat and may degenerate into a rhetorical concept.



Against Child Labour: Indian and International Dimensions and Strategies

Edited by Klaus Voll
Mosaic Books, New Delhi/TMT, New Delhi, 1999
pp xvi+360 • ISBN 81 85399 47 6 • INR 600

The volume, through contributions from well-known social reformers and experts, constitutes a compendium of information on child labour and analyses its multiple facets, and the practical steps involved in its abolition. The purpose of the collection is to bring transparency to the different ideological positions, underlying convictions and diverse practical approaches, in order to qualitatively accelerate discussions about concrete activities in the interest of the concerned, and affected child labourers.



A History of the Pakistan Army Wars and Insurrections

by Brian Cloughley
Oxford University Press, Karachi, 1999
pp xiii+435 • ISBN 0 19 579374 9 • PKR 500

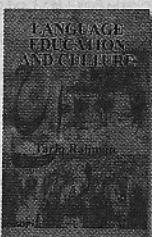
The author describes Pakistan's violent internal politics and erratic international relations in the context of military involvement. Pakistan's three wars with India are covered vividly, using unpublished sources and facts, and opinions from Indian as well as Pakistani accounts. There is also a description of the present-day structure and control of one of the world's largest armies, and also contains a chapter that describes the dramatic resignation of the army chief in 1998 (with his till-now unpublished personal reasons), and the intrusion into Indian-administered territory in Kashmir by Pakistan-backed militants in 1999, using information provided by senior foreign officials as well as highly placed Pakistani and Indian sources.



Tourism as Development Case Studies from the Himalaya

edited by Pitamber Sharma
Himal Books, Kathmandu, 2000
pp xiii+179 • ISBN 99933 13 00 9 • NPR 275

The case studies presented in this volume represent various types of tourism—trekking/mountaineering, pleasure and sightseeing, wilderness and culture, resort tourism and pilgrimage—at different ecological belts in the Himalaya. Tourism provides the context for looking at the issues of management of the environment and common property resources, of regional development in two remote regions, of urban management in two resort towns, Pokhara and Shimla, and of maintaining the sanctity of a pilgrim centre, Badrinath. Highlights the relationship of rise in tourism with various critical aspects of local development, and the need to take an integrated and inter-sectoral approach to mountain tourism.

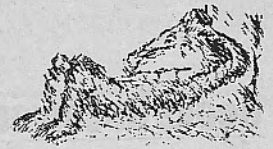


Language, Education and Culture

by Tariq Rahman
Oxford University Press, Karachi, 1999
pp xvi+318 • ISBN 0 19 579146 0 • PKR 450

The major focus of the book is the way language, education and culture relate to each other, and to the distribution of power in Pakistan. The author attempts to answer a number of questions such as: what role do language-teaching policies play in the creation of a Pakistani citizen, a *madrasa*-educated person, or children studying in elitist and non-elitist schools? Other questions relate to the way society perceives women and politeness. The book also tries to address the issue of Pakistani universities producing sub-standard research.

Abominably yours

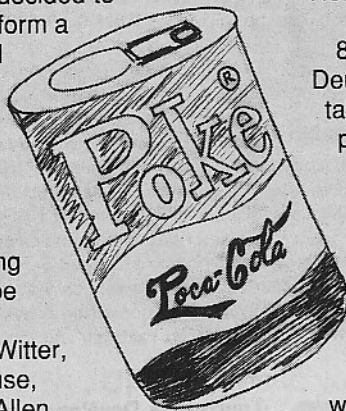


The merger mania gripping globalised companies is now fast spreading into our fair and lovely Subcontinent. The AOL/Time Warner/CNN deal made a lot of people for the first time think about going boldly where no capitalist bloodsucking multinational had gone before. We've already heard rumours on the Internet of the following mergers:

1. The world isn't big enough for two fizzy drinks, so in the interest of downsizing the workforce, Pepsi and Coke have decided to get hitched and form a new soda called (what else?) Poke. Enjoy!

2. Within a year there will only be one big global accounting firm, and it will be called: Morgan, Stanley, Dean, Witter, Price, Waterhouse, Cooper, Booz, Allen, Hamilton, K, P, M & G, PLC.

3. Federal Express and UPS will merge to become FedUp, while DHL will team up with TNT to launch a rival courier giant named Go Man Go.



4. When Citibank gobbles up Maruti Udyog, the resulting company will no doubt be called CitiZen.

5. If 3M and Goodyear decide to tie the knot, the new company will be MmmGood.

6. Freeport Mines, Alliance and Metal Mining will become Mine All Mine.

7. Fairchild and Honeywell will get together to form Fairwell Honeychild, Inc.

8. One of these days Deutsche Bank is going to take over Toshiba, and we're pretty sure they're going to call it Dosh-iba.

10. When Apple Computers and MacDonald's merge, as they no doubt one day will, a slew of new see-thru iMacs with names like Cheeseburger Turbo, Small Fry III, or new portable Nuggets To Go will go on sale. MacDonald's outlets for their part, will offer Apple Power Pie free with every purchase of a Supersaver Lunchpack above Rs 350.

Spurred by the cash of titans, our desi conglomerates have also shown they are not far behind in corporate nuptials. Tata's led the way by recently taking over Tetley, and now there is no limit to how far we can go. If Tata bought Bata next, we'd have a company called Batata. (Slogan: "On your hands and feet!")

Speaking of Batata, Banana Republic is contemplating an asset purchase of Khadi Udyog of India to manufacture a new line of

khaki dhotis called Mohandas. And this just in: Paan Parag and Wrigley's are investing heavily in research and development of a more hygienic beetle gum that you can actually chew, and when you thoo, you thoo a less-messy goeey gum rather than something that looks like the chewer is vomiting blood. The new product will be marketed under the trademark:

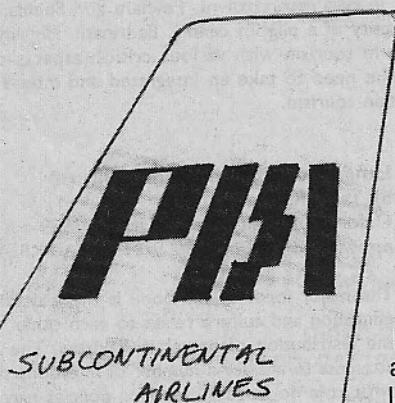
Batata

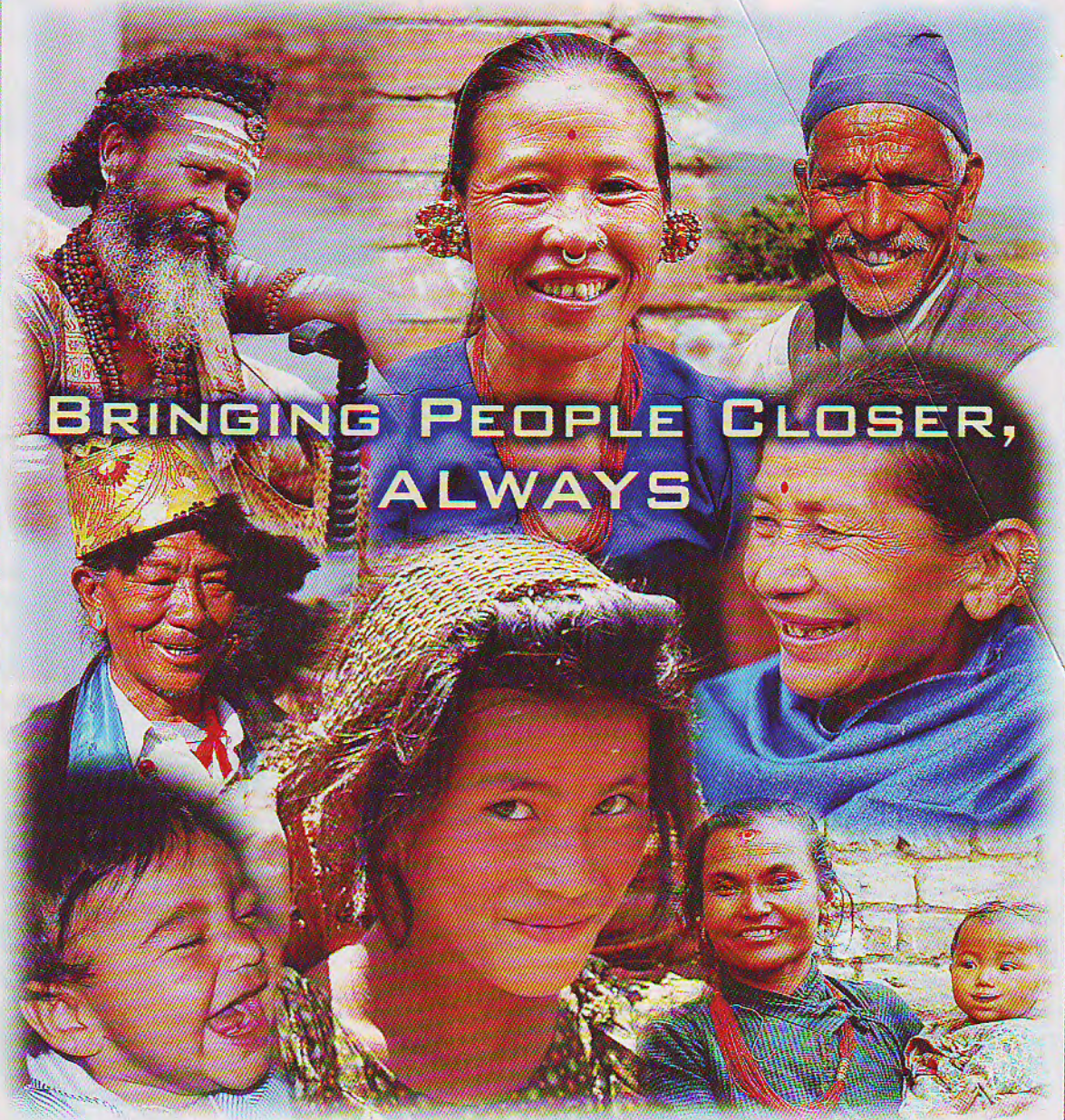
Paan American (slogan: "Now in your gum put it, and chew it.")

Future tie-ups also include the imminent merger between Pakistan International Airlines (PIA) and Indian airlines (IA), soon to be called P-IA (Pakistani-Indian Airlines) setting new standards for inflight service somewhere over the western sector.

There may come a time when South Asians don't just merge companies, political parties with similar lack of vision and direction will merge across frontiers. The Congress (I) and the Nepali Congress will get together to jointly fight elections in disputed border areas under the new name: Indo-Nepal Congress.

But things can get a bit far. If we are not careful, entire countries may start merging. To magnify their miniscule presence, for instance, Bhutan and the Maldives could decide to form a joint-venture nation-state called Bhudives with its own flag, a rotational leadership and a long-term strategy to relocate Male to the Himalaya when sea levels begin to rise.





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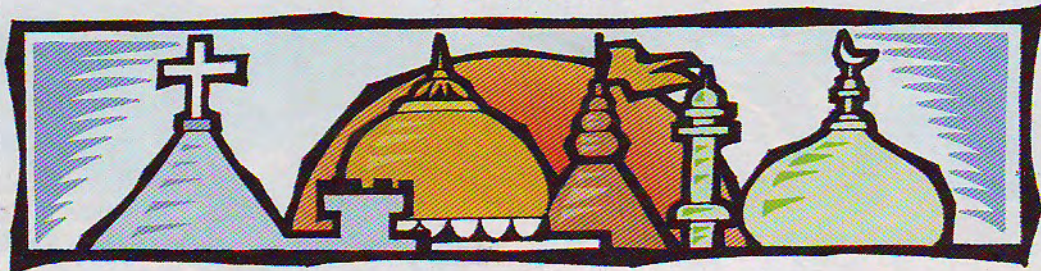
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P L A C E S



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